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**31 May - 2 June, 2018
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2018

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

Tourism in the Era of Digital Transformation



**THEMATIC
PROCEEDINGS**

II



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



The Third International Scientific Conference

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Thematic Proceedings

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Tourism in the Era of Digital Transformation

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FOREWORD

The Faculty of Hotel Management and Tourism in Vrnjačka Banja organized the third International Scientific Conference Tourism in function of the development of the Republic of Serbia, Tourism in the Era of Digital Transformation that was held in Vrnjačka Banja from May 31st to June 2nd, 2018. For the purpose of this year's Conference, 84 scientific papers were presented by 157 participants coming from USA, Finland, Italy, Romania, Republic of Macedonia, Bosnia and Herzegovina, Montenegro, Croatia and Serbia.

The Conference is organized in the function of exchanging ideas and experience of the participants coming from Serbia and abroad for the purpose of future tourism development, with the special emphasis given to the impact of modern technologies on tourism and prospects for the development of tourism in Serbia and other countries in the era of digital transformation.

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

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

Vrnjačka Banja,
June, 2018

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HERITAGE TOURISM AND SUSTAINABLE DEVELOPMENT

Phil Cameron¹

Abstract

The subject of this paper are rules governing protection of world heritage (cultural, natural, common heritage of humankind), on the one hand, and sustainable development on the other. Cultural Heritage and The Common Heritage of Humankind are novel legal tools that have been developed and play a key role in the law of tourism and sustainable development. There are many ways that one state can keep another state from benefiting from its cultural heritage, but international law is there to protect the rights of the host state so that the host can provide travel products and seek sustainable financial gains through tourism. When considering tourism and sustainable development, treaty drafters and legislatures have looked carefully at the products that are produced for touristic purposes; how they are utilized, consumed, reproduced and preserved. Both the needs of the host state and people of that state are reflected in Cultural Heritage law along with its rights, duties, and obligations. The greater needs of humanity are reflected in the Common Heritage of Humankind law with its rights, duties and obligations.

Key Words: *tourism, heritage, sustainable, development, protection, right*
JEL classification: K29, K33

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Introduction

For travel professionals working in Sustainable Tourism, it is useful to understand the legal protection of heritage in the global context as well as issues affecting the individual civil and economic rights. A large part of traveling is being able to learn about different cultures, history, and people. In heritage tourism exchanges, it is often the case that the tourist learns from the host. The host is empowered to tell their story, the history of their people and their land, as organized in a tourism product that is educational and fun for the traveler.² One of the main goals of cultural tourism is to tell the story, but also produce a product from which people can derive a living; here there are so many opportunities to share the host culture's food, artifacts, festivals, events, language, music, clothing,³ drink, hopes, dreams, fears, and a wealth of other cultural traits. Tourism³ therefore, is about travel and cultural exchanges, and but also about job creation and security for future generations.⁴ Seeing numerous

² Although in the essay the terms traveler, tourist, and consumer are used interchangeably, it should be noted that they are in fact distinct: traveler is the person taking the trip and can be for business or pleasure; tourist is a leisure traveler for recreation and whose trip is not wholly paid for by her employer for business purposes; consumer is the purchaser of travel, and may not be the person taking the trip- that is, the purchaser can be a parent or employer; however a fam trip or familiarization tour is for the business of a seller of travel to become familiar with consumer tourist products and destinations normally paid for by their employer. Another distinction can be made that travel law considers consumer issues, while tourism law is based the suppliers of travel viewpoint.

³ The following definition of tourism was officially adopted by the United Nations Statistical Commission in 1993: 'Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes'.

⁴ A positive impact of tourism on an economy is reflected in its great potential to create and indirectly support job creation in several segments of the economy: airlines; hotels; restaurants; transportation; travel agencies; and telecommunications. The greater impact of tourism to be a positive influence on an economy and society has been emphasized numerous times in recent years, following the tragic deaths, economic and touristic devastation resulting from the earthquakes in Japan, Haiti and China tsunamis of Southeast Asia, hurricane Katrina, oil spill in the Gulf of Mexico. The rich cultural heritage of the people of the Chengdu China, the Caribbean, Haiti and New Orleans has again been strongly introduced to the world. Tragically through these disasters – both the natural events and the government based management inefficiencies – the world came to know the plight of the inhabitants of these locales and the importance of tourism to their livelihood and cultural sustainability. This is because, for example, every touristic venture to New Orleans consists of experiencing the legacy of jazz, Creole cuisine and language, the local accepting attitudes, and the history of a people, many of color, whose

governments' responses to recent disasters in our world tourism destinations, makes it clear that having an appropriate administrative government with good laws in place will enable and facilitate touristic development of cultural heritage. The laws regarding Heritage Tourism and Sustainable Development are particularly important for locals as their tourism industry develops in order to protect thousands of years of heritage and make that history available to future generations.

Protection of World Heritage

Responsible tourism seeks to provide jobs and enable cultural exchanges in a way that will ensure protection of the tourist sites and products meanwhile ensuring sustainable growth for today's hosts and for future generations of both tourists and hosts. To reach these ends, heritage tourism and sustainable development encompass a number of developing trends in international law. This connection between culture, tourism, and recent trends in international law is evidenced in conventions such as *Convention on the Protection and Promotion of the Diversity of Cultural Expressions* (2005) and *The Statement on the Prevention of Organized Sex Tourism* (1995); and the development of international organizations such as: The United Nations World Tourism Organization (UNWTO), UNESCO and its Transport, Communications, Tourism and Infrastructure Development Division (TCTIDD).

One of the main objectives of UNESCO is to encourage the identification, protection and preservation of cultural⁵ and natural⁶ heritage around the

roots span all of Africa, France, Spain, as well as other parts of Europe and North America. New Orleans is a model of a society that has been greatly developed, marketed and preserved, its tourism cultural products for present and future generations.

⁵ *Cultural sites* are manmade. Historical and religious sites such as the Pyramids of Egypt and the Baroque cathedrals of Latin America are examples of this. Some World Heritage Sites are large enough to span several countries, such as *The Main Andean Road - Qhapaq Ñan* of South America which involves regional cooperation between The Republics of Argentina, Bolivia, Chile, Colombia, Ecuador and Peru to have on their territory a shared cultural heritage of a manmade site dating back long before western arrival of Francisco Pizarro in 1532.

⁶ Sites designated as World Heritage sites can be natural regions such as East Africa's Serengeti, The USA's Grand Canyon, and Australia's Great Barrier Reef. UNESCO has even designated Biosphere Reserves for Natural World Heritage Sites. These sites are under the protection of The World Heritage Centre in cooperation with World Conservation Union (IUCN), The UNESCO Division of Ecological Sciences, the

world considered to be of outstanding value to humanity (<http://whc.unesco.org/en/about/>). UNESCO's World Heritage mission is to: encourage countries to sign the World Heritage Convention⁷ and to ensure the protection of their natural and cultural heritage; encourage States Parties to the Convention to nominate sites within their national territory for inclusion on the World Heritage List; encourage States Parties to establish management plans and set up reporting systems on the state of conservation of their World Heritage sites; help States Parties safeguard World Heritage properties by providing technical assistance and professional training; provide emergency assistance for World Heritage sites in immediate danger; support States Parties' public awareness-building activities for World Heritage conservation; encourage participation of the local population in the preservation of their cultural and natural heritage; and to encourage international cooperation in the conservation of our world's cultural and natural heritage. UNESCO also conducts programs related to tourism and sustainable development through The Intergovernmental Committee for Promoting the Return of Cultural Property to its Countries of Origin or its Restitution in case of Illicit Appropriation and The Intergovernmental Committee for the Safeguarding of the Intangible Cultural Heritage.

Cultural Heritage, Property and Diversity

Culture and *Interculturality* are aspects of the education, exchange of ideas, and experiences inherent in travel and tourism. Again, one of the main purposes of travel for many people is to experience new environments, activities, and cultures, as well as to witness, and perhaps partake in, new ways of living. It is this cultural exchange that can have a lasting effect on both the host state and the tourist. Cultures exist and interact with one another and it is these realities that interculturalism seeks to define. Interculturality refers to the existence and equitable interaction of diverse cultures and the possibility of generating shared cultural expressions through dialogue and mutual respect (Art. 4. para. 1.

Division of Earth Sciences and the Bureau for Coordination of Environmental Programmes.

⁷ The Convention Concerning the Protection of the World Cultural and Natural Heritage, adopted by UNESCO in 1972, addresses the identification, designation, and protection of World Heritage Sites. Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. Our cultural and natural heritages are both irreplaceable sources of life and inspiration (<http://whc.unesco.org/en/about/>).

item 8. of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions).⁸

Interesting legal concepts of intellectual property and common heritage of humankind, are evolving as the Pyramids of Egypt, and other world renown Egyptian cultural properties. These artifacts have become the object of intellectual property protection against what has been deemed as appropriation by tremendous profit generating enterprises such as the vendors and manufacturers of tourists souvenirs, the Luxor casino of Las Vegas, and the British Museum and Museum exchanges and displays, and others in China and the USA.

Under the Egyptian proposed law, manufacturers and retailers worldwide would have to obtain a license with fees being paid to the government of Egypt, for the right to produce and sell products relating to such prized icons as the Giza Pyramids, the Sphinx, and the mask of Tutankhamen (Stanek, 2008). The Luxor hotel pyramid is a familiar landmark casino of Las Vegas within its bright spotlight illuminating the night skies and boasts 4,400 rooms and a cinema, restaurants, shopping hall and shows, and an interesting King Tut Museum. Las Vegas receives about 35 million visitors a year, many times more than the Egyptian city of Luxor, scene of some of the country's key archaeological sites (McCarthy, 2007).

Natural Heritage

Ecotourism and the environment also seek protection for the landscape and its historical and cultural property rights including: 1) the right to maintain the heritage and landscape as identified in literature, art, song, history, and other forms of cultural communication; 2) protection from dilution by untrue associations of products and services with a geographical region. This is an example of an intellectual property issue that is already protected in intellectual property law that deals with false geographic indicators, meaning that certain landscapes cannot be misappropriated by others to deceive consumers into believing that

⁸ On of the main objective of the Convention on the Protection and Promotion of the Diversity of Cultural Expressions is to: encourage dialogue among cultures with a view to ensuring wider and balanced cultural exchanges in the world in favour of intercultural respect and a culture of peace; foster interculturality in order to develop cultural interaction in the spirit of building bridges among peoples (Art. 1. para. 1. items c, d)

products originate from that particular region and communities have protective rights over their landscape views.

The Rio Earth Summit Conference of 1992 was a meeting of world leaders to discuss the environment and sustainable development. Rio addressed the needs of the world's poor and the limitations imposed by states with technology on those without technology. That is, Rio addressed the needs of the developing economies versus the needs of the developed economies (www.un.org/geninfo/bp/enviro.html).

The specifics of the tourism and sustainable development concept have been left unclear by treaty drafters. The term "sustainable development" does not address the distinctions of this dichotomy between the rich and poor, nor can it address the problems involved in providing services that support the host now and in the future. Sustainable tourism instead has been written about more like a list of goals toward which states and corporations can aspire. The Rio Conference of 1992 introduced this uncertainty into international environmental regulations. Rio adopted the term "sustainable development," but no specific definition was given and there is no agreement of what is meant by sustainable development on the international level. Rio merely stated that sustainable development "meets the needs of the present without compromising the needs of future generations to meet their own needs" (www.un.org/geninfo/bp/enviro.html).

However, Rio also added other principles that are today considered fundamental considerations for international law making, including, common but differentiated responsibilities, that is, each country is responsible according to the means at its disposal. In practice, this means that one country does not have the same responsibilities as others. This is the basis of the Kyoto Protocol in that those countries that have contributed more to the world's pollution in the past are to take the lead in future reductions.

In fact, some scholars have even wholly separated the environment from sustainable development, making the claim that if these poor developing countries do not utilize the environment today, they will not live long enough to produce future generations. That is to say, as these scholars argue, there will be no future generations if the people of today do not utilize their environment and natural habitat to feed themselves instead of conserving it for the pleasure of western tourists excursions. According to

this view, the environment must be used today, to ensure tourism and sustainable development (Downes, 2005).

As a matter of fact, when viewed from a certain historical perspective, it is the “developed cultures” that have paved their road to development by raping the environment. It is also these developed peoples that are sending their factories out of their home states and into the so called “developing” economies so that they can avoid the harsh environmental and humanitarian laws that their home states violated for decades before becoming “developed.” In the 20th century, these developed states have now implemented strict laws to protect themselves and their national environment, all the while ignoring the historical fact that their past abuses were akin to, or even more extreme than, that of modern “developing economies.”

Remember, the great state powers of the 20th and 21st centuries were developing states in the 18th and 19th centuries, and their economies were founded on child labor, disregard for intellectual property rights, exploitation of the environment, zero waste management controls, theft of cultural property and ancestral lands, and even slave labor. By the 20th century, these western developed states began to criticize the developing countries for disregarding the environment, but on the other hand, it is these same western states that set up factories abroad for the purpose of having cheap labor, all the while they are polluting and destroying the environment of the “developing world.”

Sustainable development as it relates to environmental law concerns a matter of Group Rights. And unlike many other parts of the law, some of these rights are for future generations, and will not become vested rights until the present generation that is charged with protecting the rights dies out. So while the present generation of the developed modern countries benefited from the past excesses of its predecessors, it remains to be seen what will become of the future generations that cannot benefit because there are no excesses and development of the land and resources in the present.

Finally, it can be argued that there are more reasons to protect the environment than for the mere benefit of humankind. Another view holds that the environment is more than merely a product for human consumption. Perhaps man, being at the top of the food chain, should be considered more like a caretaker of nature, than as a species that must

protect the environment merely for the benefit of other men. And finally, is it true that humans and humankind own everything we see and encounter, including what is found throughout the earth, at the microscopic level, and in outer space? Not only do other species arguably have a right to exist and enjoy their environment, but why is it that humans believe they have the right to automatically own and can control everything they encounter? Sustainable development is limited in its goal to protect the rights of the living and of future generations, but falls short of seeing the environment as an end in itself.

Common Heritage of Humankind

The Common Heritage of Humankind (a.k.a., Mankind) unites the peoples of the world. All of the common interests of humankind, as found in the international law of outer space, bioethics, and world heritage sites are the Common Heritage of humankind. This concept is linked to interdependence and solidarity and ethical values for international relations. The basis of the concept is the belief that we should leave the world to future generations in no worse condition than it was received by our present generation. These beneficiaries are not just for the living, but also the unborn. As solidarity, Common Heritage serves as a union of interests, purposes, and sympathies among all members of humanity; and within this fellowship are responsibilities, duties, and privileges shared by all of humankind. This solidarity of humankind is manifested for all people, as an ongoing species, existing throughout space and time.

The concept of Common Heritage of Humankind is inter alia, based on the following principles: 1) the non-appropriation of the heritage by any particular state and the exclusion of state sovereignty over heritage; 2) Common Heritage entails freedom of access and freedom of scientific investigation; 3) the heritage may only be used for peaceful purposes; 4) the rational legal use of the heritage and equitable sharing of the Common Heritage of Humankind.

Space is the Common Heritage of Humankind

Who owns outer space? No one, as agreed to in *The Moon Treaty, Article 2* which holds that outer space cannot be owned or under the exclusive control of any state sovereign. States cannot profess any type of **ownership**, send soldiers, or be in occupation of outer space, nor of any

celestial bodies. This concept differs from past notions used in the name of exploration, such *terra nullius* (territory that belongs to no one) used by the west to colonize the globe, and *manifest destiny* as used in the expansion of the United States of America. Both of these concepts hold the same principle that uninhabited and undeveloped areas could be occupied by the first entity to find them, however, as reflected under international law, these expansionist philosophies became obsolete as we entered the 20th century (Moon Treaty, Art. 11).

As appropriately designated world heritage sites have been set aside for all of humankind to enjoy, outer space has also been set aside. Outer space, when thought of as a tourist destination, is a part of ***humankind's common heritage***. Primarily, those involved in space endeavors are guided by the principle that all potential scientific discovery and investigation is for the betterment of all people, and as such, any action undertaken in space affects us all. What happens in space affects all of humanity, and as no one owns space, any state is permitted to use equipment or other facilities but only for the peaceful exploration and shared development of outer space. This concept is further explored in *Article 4 of the Moon Treaty*, which states that: *The exploration and use of the moon shall be the province of all mankind and shall be carried out for the benefit and in the interests of all countries, irrespective of their degree of economic or scientific development. Due regard shall be paid to the interests of present and future generations as well as to the need to promote higher standards of living and conditions of economic and social progress and development in accordance with the Charter of the United Nations.*

As with all international law, space exploration and tourism is based on the ***equality*** of states. The capacity for equality among states is at the forefront of international law, as states in their relations with one another are required to treat each other equally and fairly, and this includes equal access to space activities such as tourism. Therefore, according to the Outer Space Treaties – equality, cooperation, and accessibility must be combined as the basis of space exploration and tourism. Likewise, all travel and touristic endeavors must be in accordance with the principles of tourism and sustainable development of a site that belongs to the Common Heritage of Humankind (Moon Treaty, Art. 1).

The space related treaties facilitate and encourage international ***cooperation*** in scientific investigations of outer space, with emphasis on

the duty to ensure that exploration and use of space is beneficial to interests of all countries and peoples. All participants are encouraged to assist developing states that have little or no resources to pursue this endeavor on their own, and this includes the cooperation and opening of space tourism services to all of humanity (Outer Space Treaty, Preamble).

Space exploration follows the principles of **accessibility** and **reciprocity** for all other states. Related facilities, including space stations, must be managed as open to approved representatives of states' parties. In doing so, space exploration is truly open to all, not just elite private sectors, and not just to certain rich states. The owners of Space Station Alpha "the *International Space Station*" are fulfilling their treaty bound obligations by opening the facility to tourists, as tourists are representatives of another state party in a treaty (Outer Space Treaty, Art. 1).

When engaging in outer space activity, a state must conduct due **consultation** with other states. Consulting with one another allows states to actively pursue a form of sustainable development which is beneficial to all. Space tourist are not government trained members of the crew, and this is analogous to passengers onboard an aircraft or cruise ship. Therefore, a state wishing to send a tourist into outer space must consult with other states before doing so. Sending a person into space who is not a professional is, in itself, very risky. As this type of tourism is rare, space stations with tourists on board present uncertain variables to the crew and to other states, and so the originating state must "undertake appropriate international consultations before proceeding" (Outer Space Treaty, Art. 9).

Starlight as a Common World Heritage

First let's understand the evolution of "common heritage of mankind" from previous conventions. Although the *Outer Space Treaties* from the 1960's used the term "mankind," the more modern and gender neutral term of "humankind" has been adopted in most recent legal instruments and international treaties have also moved from "Common Heritage of Mankind" to "World Heritage."⁹ Thus, the Right to Starlight might best be framed as a "World Heritage" property right owned by all of humanity.

⁹ Examples: The United Nations Framework Convention on Climate Change 1994, and Convention on the Rights of Persons with Disabilities 2006.

The law of World Heritage Rights as presently understood, was crystallized in Article I of the *Outer Space Treaty*, signed by most countries including the Launching states of China, Russia, the USA, holding that Outer Space is “the Common Heritage of All Mankind.” So that one State – through light pollution or other means – may not interfere with another State’s right to explore space through starlight. The *Outer Space Treaty* describes how outer space, as a territory, along with the objects that derive from it, cannot be owned by individuals or States.¹⁰ Therefore, as one State cannot exclude another from space exploration, as all peoples have a right to utilize outer space as a property right for tourism, and to enjoy and access starlight for recreation, artistic and religious inspiration, scientific development, or any other pursuits.

Outer space, including the moon and other celestial bodies, shall be free for exploration and use by all States without discrimination of any kind, on a basis of equality and in accordance with international law, and there shall be free access to all areas of celestial bodies (The Outer Space Treaty, Art 1. Para. 2). This means that States cannot prevent other States from having access to any other form of space for exploration including the use of Starlight.¹¹

Although this doctrine subsequently was a basis for appropriately designated UNESCO World Heritage Sites being set aside as destinations for all of humanity to enjoy, it is of importance to the Starlight Initiative that prior to later heritage conventions, outer space had already been designated as the “common heritage of mankind.”¹² *The World Heritage Convention’s* primary mission is to define and conserve the world’s heritage, by drawing up a list of sites whose outstanding values should be preserved for all humanity and to ensure their protection through a closer

¹⁰ Outer space, including the Moon and other celestial bodies, is not subject to national appropriation by claim of sovereignty, by means of use or occupation, or by any other means (The Outer Space Treaty, Art. 2). However, there is a great movement to get around this rule from the international treaty. For example, taking the position that since no one owns space, anyone can exploit space.

¹¹ But it does not mean that the State is required to provide access to Starlight for its citizens.

¹² This concept of outer space territory differs from past notions of territory used in the name of exploration. *Terra nullius* was a principle, at least as old as ancient Roman times, holding that territory that belonging to no one, may be seized by the State or an individual. *Manifest destiny*, a more recent version of terra nullius, was the 19th century doctrine that the United States of America had the right and duty to expand its State throughout the North American continent.

cooperation among nations. The *World Heritage Convention* is easily construed to include heritage destinations such as outer space and locales that provide starlight. A natural heritage property is considered to be of outstanding universal value for the purposes of the *World Heritage Convention*. Outer space and the starlight it produces is arguably a natural heritage and the *Space Treaties* collectively treat outer space in a similar manner with outstanding universal value, to be used, enjoyed, and explored by all humanity.

The Preamble of the World Heritage Convention holds that “the deterioration or disappearance of any item of the cultural or natural heritage constitutes a harmful impoverishment of the heritage of all the nations of the world.” This protection appears again in the 1994 *Universal Declaration of Human Rights for Future Generations: Persons belonging to future generations have the right to an uncontaminated and undamaged Earth, including pure skies; they are entitled to its enjoyment as the ground of human history of culture and social bonds that make each generation and individual a member of one human family* (Art. 1 and 2).

UNESCO has undertaken activities for the safeguarding of cultural heritage related to astronomy under the “*Astronomy and World Heritage*” project launched by the World Heritage Centre in 2003. This concept was taken up again by UNESCO in 2005 as: *The sky, our common and universal heritage, is an integral part of the environment perceived by humanity. Humankind has always observed the sky either to interpret it or to understand the physical laws that govern the universe. This interest in astronomy has had profound implications for science, philosophy, religion, culture and our general conception of the universe* (Proclamation of 2009 as International Year of Astronomy, 2005, p. 1).

These protections for Starlight are necessary as the impact that Starlight has held on humanity has been expressed in works of religion, art, literature, science, philosophy, business, and travel (Cameron, 2007b, p. 239).

Heritage and the Right of the Host State to Provide Travel Services

Tourism serves many functions, but it also serves as a vehicle for the host culture to explain their history and tell their story. Cultural Heritage and The Common Heritage of Humankind are novel legal tools that have been

developed and play a key role in the law of tourism and sustainable development. The drafters of both international law and diplomacy policies must consider all of the financial and moral implications of its positions and then seek to avoid depriving a given people of their right to tell their story, share their culture, and enjoy their heritage through historical, cultural, religious, natural sites and artifacts. There are many ways that one state can keep another state from benefiting from its cultural heritage, but international law is there to protect the rights of the host state so that the host can provide travel products and seek sustainable financial gains through tourism.

When considering tourism and sustainable development, treaty drafters and legislatures have looked carefully at the products that are produced for touristic purposes; how they are utilized, consumed, reproduced and preserved. Both the needs of the host state and people of that state are reflected in Cultural Heritage law along with its rights, duties, and obligations. The greater needs of humanity are reflected in the Common Heritage of Humankind law with its rights, duties and obligations.

Registration and Ownership of UNESCO World Heritage Sites

The Convention Concerning the Protection of the World Cultural and Natural Heritage, adopted by UNESCO in 1972, addresses the identification, designation, and protection of World Heritage Sites. “Heritage is our legacy from the past, what we live with today, and what we pass on to future generations. Our cultural and natural heritages are both irreplaceable sources of life and inspiration” (<http://whc.unesco.org/en/about/>). Arguably, sites on the World Heritage List could gain further protection. The UNESCO website states that: “The site is the property of the country on whose territory it is located, but it is considered in the interest of the international community to protect the site for future generations. Its protection and preservation becomes a concern of the international World Heritage community as a whole” (<http://whc.unesco.org/en/faq/>). It seems that in the 21st century the rights of humanity, individuals, and world bodies should include the right to protect the property common to all of mankind.

Also of note is the development of potential underwater heritage sites. Here we can look to an example from the Dominican Republic as a model

for development of underwater heritage products. In 2002, three groups¹³ came together to create a perfect example of a product for tourism and sustainable development that involves recent trends in international law. An International Team of underwater Archeologists, beachfront Hotels, and the government of the Dominican Republic put together an underwater tourist site where guests can visit and explore the excavations of 16th -18th century Spanish, French and English Warships and Merchant Vessels along the North Coast of the Dominican Republic. The guests stay in a hotel and dives are arranged through North Caribbean Research, a de facto tour operator. Guests can walk out onto the beach and into the water, then scuba dive to see the underwater park of real sunken treasure ships that were carrying gold from South America back to Europe.

Such a site developed in, Mexico's Yucatan, Nigeria or off the coast of New Orleans might fall under *The Convention on the Protection of the Underwater Cultural Heritage* which holds that if the object found on the ocean floor, that is on *terra nullius* is more than 100 years old, then that treasure is The Common Heritage of Humankind, to include: *all traces of human existence having a cultural, historical or archaeological character which have been partially or totally underwater, periodically or continuously, for at least 100 years such as: sites, structures, buildings, artifacts and human remains ...; vessels, aircraft ... [and] their cargo, together with their archaeological and natural context; and objects of prehistoric character* (The Convention on the Protection of the Underwater Cultural Heritage, Art. 1).

Ancient Maya city of Calakmul, Campeche is a UNESCO site, but a candidate for is "El Caracol" of Chichen Itza an *astronomical observatory*.

The Sustainable Development of Tourism

The United Nations, along with other governments and non-governmental organizations, (NGOs) have sought ways in which regular and continuous economic development can lead to the betterment of humankind (Cameron, 2007a). Pursuant to these goals, ***sustainable development*** has

¹³ The Maritime Archaeology & Cultural Resource Management Project Monte Cristi - 2000 was sponsored by the Northern Caribbean Research S.A. in association with National Center for Shipwreck Research Ltd. (USA), Nova Southeastern University (USA), and Oxford University MARE (UK).

been advocated and is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given; and the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.” Furthermore, development involves a progressive transformation of economy and society (Bruntland, 1987, p. 41).

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability. Thus, sustainable tourism should: 1) make optimal use of environmental resources that constitute a key element in tourism development, maintaining essential ecological processes and helping to conserve natural heritage and biodiversity; 2) respect the socio-cultural authenticity of host communities, conserve their built and living cultural heritage and traditional values, and contribute to inter-cultural understanding and tolerance; 3) ensure viable, long-term economic operations, providing socio-economic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities and social services to host communities, and contributing to poverty alleviation.

Sustainable tourism development requires the informed participation of all relevant stakeholders, as well as strong political leadership to ensure wide participation and consensus building. Achieving sustainable tourism is a continuous process and it requires constant monitoring of impacts, introducing the necessary preventive and/or corrective measures whenever necessary. Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to the tourists, raising their awareness about sustainability issues and promoting sustainable tourism practices amongst them (www.world-tourism.org/sustainable/concepts.htm).

A significant part of sustainable development involves the balancing of diverse social and economic needs of the present and respecting the needs

of future generations. We quickly see that a great deal of jobs, affecting both individuals and whole economies, are tied in with the concept of tourism and sustainable development. The need to produce a product for which tourists are willing to take their time and money to visit, and to make purchases from that economy, is of the utmost concern for the financial needs of the host country and its individual citizens that will act as hosts and guides for the tourists (www.world-tourism.org/sustainable/concepts.htm). The UN World Tourism Organization emphasizes this point: *The challenge for stakeholders involved in all industries is to find a balance between sustenance, prosperity and people's desire to improve their financial/material well-being, with the underlying need for identity, community, religion, home and family. Travel and tourism can play a vital role in balancing these forces. It not only provides the livelihoods for both rural and urban communities, but has the capacity, when planned, developed and managed properly, to enhance community relations and build bridges of understanding and peace between nations* (WTCC/IFTO/IH&RA/ICCL, 2002, p. 17).

Travel and Tourism as a Force for Poverty Reduction

The UNWTO has also demonstrated the significant benefits tourism brings to host countries including: Export Earnings, Employment, Rural Opportunities, Infrastructure Investment, Tax Revenues, and Gross Domestic Product (GDP).

The tourism industry places many demands on the host country and greatly influences its society, economy, and environment. Both state policy and domestic promotion of tourism must reflect the concerns of sustainable growth and development for present and future generations, as responsible tourism is also arguably the key to economic growth in the least developed countries. Sustainable development can be achieved through tourism by increasing employment opportunities, developing infrastructure, and by creating standards for individual, corporate and social activities related to tourism.

The elimination of poverty through tourism requires the understanding and cooperation of state, corporate, and individual tourists. Tourism as the means to alleviate poverty was one of the major issues discussed at the 2003 *International Institute for Peace through Tourism (IIPT) Summit*. At the *Summit*, The Pacific Asian Travel Association's (PATA) President De Jong noted that the four aspects needed by governments for supporting

tourism are: power of tourism government, transportation, tax reduction, and health insurance (Travel and Tourism as Force for Poverty Reduction, 2002).

With every tourist(s) destination and activity, a great deal of money is invested to maintain the destination and many jobs are created to cater to the traveler. It needs to be emphasized that the significance of maintaining cultural heritage is important both for the common heritage of humanity but also for the daily lives of people that make a living from the income created by tourism.

Conclusion

The law generally reflects the society that generated it, and usually moves in response to the issues of the day, however, there is a great need today for the law to reflect the realities of our emerging global village. In our age of mass communication, transportation, travel, and immigration, our laws, both international and state-based, must adopt to enable humankind to enjoy the freedoms our technology has provided. The law should not act as a barrier to the free movement of people, products and production; it should enable all of humanity to flourish.

Even the ancient Chinese Great Wall, was built, not as a military barrier, but as a vast fire and smoke based communication network, as well as an immigration check point to halt the travel of “barbarians” from the north into the civilization of the Chinese south. But in the end, no government can stop all people from travelling across international borders, anymore than they can stop birds from flying, deer from running, or diseases from spreading. The numerous immigration, travel, and security restrictions has only resulted in creating an underground “servant class” to work and slave for the more developed countries’ legal residents and citizens. These servants are trapped and forced to cater to the desires of sex tourists, sell black market products, and slave in unsafe factories because travel and trade restrictions prevent them from producing and disturbing products for themselves legally. Their economics are stagnated and are only in the shadow of the developed countries they are forced to serve with services and labor because the laws of immigration, currency exchange, and intellectual property have put shackles on them. Tourisms and sustainable development is about jobs and future jobs based on legitimate and ethical products, and as long as the law of the western states encourages illegal

travel to support the underground immigrant economy and black market goods, true sustainable development will never occur.

Likewise, Cultural Heritage is the product and property of the cultures that produce it. To have national treasures dispersed, absorbed, and consumed by western tourists and museums, halts the future sustainable development of the same people that produced these treasures. When property becomes of such important significance as to have an impact on the lives of all of humankind, it is the common heritage of humanity – and belongs to us all – not just western museums and corporations that grew from the age of imperialism and colonialism. Natural heritage sites also belong to all of humankind, not just those that find nature's wonders within their nation states' borders.

While the economic impact that tourism plays on local, national, regional, and international economies may be apparent, it is also true that cultural heritage and property belonging to the common heritage of humankind play a very significant role in tourism and sustainable development. As sustainable development concerns group rights for the living and for future generations, the respective laws should therefore seek to balance the needs of the present to allow all economies to develop, while preserving jobs, culture, and tourism for the future of all humankind.

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DEVELOPMENTS IN ITALY CONCERNING THE REGULATION OF TOUR GUIDES: AN ENDLESS DISPUTE

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Abstract

Tourism is complex and tour guides regulation is not an exception. Italian legislation historically protected local authorized and qualified tour guides that were entitled of a territorial exclusive, while tour guides coming from other regions of Italy different from the place of their qualification or from third Member-states were prevented to provide their services. Italy always considered a tour guide as an intellectual profession rather than a mere provider of services and resisted to the liberalization process processed by the European Union. By virtue of the necessity to save the national historic and artistic heritage, Italy created the “specialized tour guide” with territorial exclusivity which was later dismissed by the internal jurisprudence as it is contrary to the freedom to provide services principle established by the European Union. Consequently, the scope of this essay is to propose a solution able to balance the aspiration of Italy in protecting the national historic and artistic heritage and working rights of this category of service's providers.

Key Words: *tour guides, freedom to provide services, cultural heritage, consumer protection, principle of proportionality*

JEL classification: K39

Introduction

This article outlines of the conflict between Italian and European Union (EU) regulation and also focuses the recent internal law and jurisprudence which apparently should have removed any conflict. On the other hand, it also notes some new problems created by the recent legal developments. In this regard, it has to be pointed out that tourism is very strategic to the

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economies of southern European countries. In fact, protecting key elements of the tourism economy is naturally seen important (Fosman, 2008). Therefore, safeguarding the profession of tour guide has historically been seen sensitive in Italy both because tour guides are familiar with local circumstances and also because it is considered that the conservation of national historic and artistic heritage requires a local intellectual profession as it is tour guide profession (Rossoni, 2008).

The consequence is that Italy - but also Spain (Pérez, 2007) and Greece - has tried to use this crucial role of tour guide to justify labour market restriction on EU freedoms by interposing a public interest justification, also based on a EU unclear jurisprudence which did not define, beyond the reasonable doubt, the limit of internal public interest that allowed to derogate the common market freedoms.

In fact, the regulation of tour guides under Italian legislation and its compatibility with freedoms under European Union (EU) *acquis* has been a long running problem for tourism sector in Italy. The problem has not been resolved yet at EU level mainly because of the opposing views on the regulation of tour guides in northern and eastern Member-states with “out-going” tourists and southern Member-states with a high level of “incoming” tourists. In fact, the incoming states have periodically sought to protect their labour markets and especially the relevance of this intellectual profession in the protection of their cultural heritage and of a consequent territorial exclusive, while the first countries stated their interest in reducing the cost of production by using a tour guide of the same nationality as the tour organiser and tour party instead of paying a local tour guide, thereby achieving a liberalization of tour guides profession.

As to the Southern countries, they aim to defend the tourist sector as one of the most important of their economy that includes the profession of tour guide which is renowned as one of the most connected with local reality. They point out that the conservation of national historic and artistic heritage requires a local tour guide. In other words, “incoming” EU member States use to justify labour market restrictions by claiming a public interest argumentation.

The public interest in question is to ensure the correct diffusion of knowledge of the historical and artistic heritage in Italy, safeguard Italian national culture by the mediation of professional personnel and protect

consumers by delivering a high standard of tourist services (Tesauro, 2010).

The Italian context

The legal position in Italy regarding tour guides has been ruled on by the decision of the European Court of Justice (ECJ) in 1991 (*Commission v Italy*, C-180/89, 26.02.1991).

In this case the Court decided that a local Italian law which prevented workers from other third Member-states from temporarily providing guide services of a general guiding nature unless they had a local qualification, disproportionately restricted their common market freedom. Therefore, while the ECJ accepted that national laws could impose labour market restrictions based on the natural and national interest of conserving and promoting cultural heritage, it held that the specific ways adopted by Italian law went further than was necessary to achieve this higher interest and that less restrictive means were available in order not to jeopardize the self-interest of the tour operator in choosing a tour guide of its own nationality because the tour guide, being of the same mother-tongue as the tour party, is *per se* more aware of the specific needs and interest of a co-patriot customer.

The ECJ also stated, and this has become especially crucial in the Italian context, that Member-states remain free to set up restrictions on tour guides of other Member-states in cases where the visit include museum and historic monuments. This was perceived in Italy to mean that laws which prohibit guiding in such places unless with a specialized, professional tour guide authorized under Italian law, were compatible with Community law.

This decision of the ECJ in *Commission v Italy* did not solve the dispute of regulating tour guides in Italy. Actually, the uncertainty of this ruling caused new ones.

Firstly, by allowing state control over tour guides in museums and historic monuments, it effectively required the establishment of a new control system over the authorization of specialized tour guides in such places, with the effect of creating a new type of tour guides instead of rolling-back the full extent of regulated professions. But there was no specific legal base in Italian law for issuing this. In Italy there was no

definition of a “specialized tour guide”, but only of a tour guide which main task is to explain to tourists the cultural and artistic sites.

Unfortunately, as above mentioned, the 1991 ECJ ruling did not distinguish clearly the difference between tour guides and specialized tour guides. Furthermore, it did not even clearly stress the definition of “museums or historic monuments” and this has had a significant impact on what has happened in Italy since. This lack of guidance meant that it was up to Italy, the “offender party”, with one of the largest and most diverse cultural and historic heritage in the world (present in almost every town and village), to define what is a “museum or historic monument”. And Italy was slow to do this commitment also because it already had various internal legal classification systems of monuments, churches, buildings, artistic units and historical city-centres. Therefore in 1995 Italy provided that Regions, in collaboration with local Monuments and Fine Arts State Departments, had the task of identifying and classifying the historic sites that have to be interpreted by specialized tour guides who possessed legal qualifications, particularly in regard to the completion of a an examination. The Presidential Decree (13.12.1995) also stated that all the sites qualified by UNESCO as mankind's world cultural heritage could only be visited by parties employing specialized tour guides. This meant 2450 cultural sites around all Italy (including historical centres of Rome, Florence, Siena, Perugia, etc.) were of exclusive competence of local authorized tour guides.

This situation increased because of constitutional changes since 2001 (Constitutional Law 3/2001) that stated the devolution of tourism subject to each Italy's Region with exclusive competence on this sector by the latter. In fact, when Italy reformed its constitutional structures at that time this also contributed to the difficulties and procrastination of creating the legal definitions of specialized tour guides and museum or historical monument. Still remained a competence within the State, being considered that the subject-matter “professions” (which includes tour guides) pertained to the central government, while the subject-matter “tourism” was definitely delivered to local governments.

The result was a large expansion of the list of places falling particularly within the definition of historic monuments, even wider than the UNESCO criteria adopted by the internal Decree of 1995, with the effect of including all city centres, the medieval or baroque part of the city or

the complete area around the main square, but without specifying particular museums, monuments or churches.

At the end, there was little doubt that behind all this preservation's attitude, there was an “economic war” in which tour guides trade bodies used political pressure to preserve their labour market monopolies in order to exclude tour guides coming from other parts of Italy or from third Member-states, even occasionally.

This led the European Commission to threaten legal proceedings against Italy which sourced out with a default letter² in which it started an infraction's procedure against Italy under Art. 226 of the European Community Treaty (ECT) for violation of Art. 49 (ECT) by having kept disproportionate restrictions against the freedom of services in labour market.

The core of the Commission's complaint was that a correct interpretation of ECJ ruling above mentioned, required the following: “museum or historic monuments” must be understood as referring to a single site and not a whole city or an extended area (as happens for instance with the cities of Verona and Venice, in Veneto region); when classifying historic sites Member-states must act according to the proportionality principle which obliged to base internal legislation only on the conservation of national historic heritage and on general interest of consumers and nothing else; finally, specialized tour guides must be limited to specific sites and with effective access control by local authorities.

Therefore, in order to avoid the possibility of a new legal proceedings in front of the ECJ, each Italian Region started to prepare a new list of specific sites to be visited only by local guides. But Italian Government at State level this time was unexpectedly radical on this issue. In fact, Italian Parliament discussed a measure which was intended to completely liberalize the activity (not defined this time in the draft law as “profession”) of the tour guide. Initially this proposal was strongly criticized by the Regions because it appeared to infringe the allocation of competence between State and Regions, but the Italian Government rushed into by enacting a Law Decree³ in 2007 which introduced the following changes: a) it abolished the State examination required to achieve the tour guide legal qualification; b) tour guides were permitted to

2 Dated 19.11.2003, SG(2003)D/233683

3 Dated 31.01.2007, n. 7

carry out their activities when they obtained a degree in Archeology and Art's history; c) tour guides could operate anywhere in Italy without any area limitations. Some amendments were issued in the subsequent Law 40/2007 which provided to adjust some measures, considered too radical by stakeholders, particularly the tour guides associations. Firstly, each Region was acknowledged as having the exclusive power to rule on the requirements of the professional qualification of tour guides, apart from compliance with the general principles of the legal system and of this last piece of legislation. Secondly, each Region was permitted to grant the qualification of tour guide by means of a specific examination or by means of the applicant's career. In both cases, the qualification was restricted to the regional (even of the single province) and was not suitable for the whole State. Thirdly, in case the Region decided to require the examination as a compulsory step for qualifying tour guides, the exam had to include the knowledge of a foreign language (one between English, French, German or Spanish) and also a deep knowledge of the culture of the territory. On the other hand, any reference in the internal legal framework related to a prior administrative authorization from the local police was cancelled.

Unfortunately, another occasion was lost in relation to define the “specialized tour guide”, being considered the latter only in relation to a faculty that each Region had to set no-binding courses in order to increase the skills of each tour guide especially in new sectors like rural or nature tourism, but without any common path among the Regions on how to achieve this upper qualification.

On the other hand, not only those rules had to be applied in regard to tour guide regulation. While tour guides became to be considered a fully-fledged economic activity, any derogatory criteria should be supported only by “imperative reasons of general interest” as set out in Art. 4.1.8 of Directive 2006/123/EC on service in the internal market⁴ as including, among other required standard, “the conservation of historic and natural national heritage”. Particularly, Recital (33) of this Directive explicitly states that “Consumer services are also covered, such as those in the field of tourism, including tour guides”. The break-in of this corner-stone piece of legislation in EU *acquis* definitively has changed the scenario. It is worth apparently nothing the Recital (31) of this Directive that does not affect Directive 2005/36/EC on the recognition of professional

4 OJ L 376/36, 27.12.2006

qualifications⁵ which established that with regard to temporary cross-border service provision, a derogation from the provision on the freedom to provide services in this Directive ensures that Title II on the free provision of services of Directive 2005/36/EC is not affected. In other words, tour guides cannot derogate to the liberalization scheme provided by Directive 2006/123/EC. This means that any territorial monopoly will not be tolerated by EU Commission being tour guides as any other service providers and consequently none of the measures applicable under this Directive in Italy, where the service is provided, is affected by the provision on the freedom to provide services. Therefore there are not public safety or general health reasons to derogate to the EU *acquis* in regulating the tour guides discipline in the internal legal framework, while still has remained a general interest to protect the national cultural and artistic heritage, but in the limits established by the ECJ ruling above mentioned. In the same way, the Expert Group Meeting named by the EU Commission stated that “it follows from Title II of the Directive on Professional Qualifications that a Member State can provide for a prior recognition of professional qualifications only for professions having public health and safety implications, tourist guides do not fall under that category”⁶.

In line with these interpretations, two Italian Constitutional Court rulings⁷ on this regard reasserted the supremacy of Art. 56 of Treaty of Functioning of European Union (TFEU) by which restrictions on freedom to provide services within the Union shall be prohibited in respect of nationals of Member States who are established in a Member State other than that of the person for whom the services are intended. While Italy had apparently and temporarily resolved its problems in complying to the EU free movement rules for workers and service providers, the particular way it has done so caused a new difficulty this time for Italian tour guides. Arguably, the new liberalization had in fact created a “reverse discrimination” (Righi, 2013) against Italian tour guides. In fact, EU tour guides were free to work without any restrictions, in consideration that the only requirement was the authorization or qualification obtained in their own State of origin, while Italian institutions still not resolved the main issue related to their tour guides.

5 OJ L 281, 23.11.1995

6 EU Commission Expert Group, State of play of the internal market in the tourism sector, 19.02.2011, 12

7 Rulings 222/2008 and 271/2009 of Italian Constitutional Court

The next step would be that territorial restrictions among Italian tour guides would not be tolerated and consequently each qualified tour guide would operate in the whole territory of Italy, regardless of the place (and the regional legal framework) where the qualification was obtained.

Those principles were finally transposed in the internal legal framework by two pieces of legislation⁸ which explicitly stated the principles of no discrimination and equal treatment between Italian tour guide and third Member-states tour guide who occasionally operates in Italy accompanying a group of tourists from the state of origin to visit Italy and for this scope intends to provide to them the required professional service.

Tour guides from third Member-states EU and from outside EU

Until the adoption of the previously mentioned laws, the paradox was that Italian tour guides were still bound by each Region's own legal provisions to work only in the Region (or even single province) where they had been granted a tour guide authorization or qualification, regardless of whether they are resident in this Region or not. Each qualification applied only to that Region and so they could not work in other Regions (or even provinces) without having obtained a tour guide authorization or qualification in each Region. In other words, the situation was that whereas an Hungarian tour guide from Budapest could describe and explain the beauties of Venice while accompanying occasionally a group of tourists departed together from Hungary, a tour guide from Milan would be prevented to doing so.

It was clear that this situation could jeopardize the Italian constitutional framework, particularly the principle of equality of treatment which is not allowing any differentiation to be made between Italian and other EU Member-states tour guides. The achieved result was that there are no longer any restrictions in Italy on tour guides working in other Regions without a qualification from that Region.

On the other side, in the case of a tour guide from outside the EU who is lawfully resident in Italy with a permit to stay and is established in Italy, each Region creates a legislation which provides a specific application form, called “SCIA” (Certified reporting of beginning of activity) which must be filled and submitted to a local municipality. In the application

8 Law 234/2012 and Legislative decree 79/2011

form the applicant must disclose personal data such as: name, place and date of birth, residence, tax code and moreover the details of high school or university certificates, as well as details regarding the working permit as non-EU citizen. The applicant must also declare that has no criminal records. The second step would be to pass an evaluation/examination according to the legal framework of the selected Region by the applicant. In case the non-EU tour guide could not pass the previous examination in Italy, this activity could not be developed in the territory, neither occasionally as occurred to third Member-states tour guide and the first could not operate in Italy accompanying a group of tourists without the presence of an Italian local guide, especially when the latter is required to explain to tourists and to interpret for them the cultural and artistic sites according to each Regional law, while the non-EU tour guides would function as the person in charge to satisfy the tourist's requirements and to solve any problems that may arise during their stay and travel in Italy.

Further developments

On the other hand, the full transposition of Art. 56 TFEU and of Directive 2006/123/EC was not concluded because of the shared competence between State and Regions. Their constitutional mechanism in enacting the related discipline delayed the functioning of freedom to provide services by the tour guides. The consequence was a new infringement proceeding activated by the EU Commission⁹ related to the failure by Italy in fully transposing that EU discipline. Consequently, it was only with a new piece of legislation¹⁰ that was granted to all EU tour guides, irrespectively the state of origin, the freedom to provide service and, for Italian qualified tour guides, the freedom to provide service in the whole Italian territory, without any local authorization.

Nevertheless the dispute was not solved, because of two administrative decrees of Italian Ministry of Tourism issued in 2015,¹¹ which established and created the “specialized tour guide” by virtue of ECJ ruling of 1991 *Commission v Italy*, as explained above, which explicitly recognized a derogation to the freedom of providing services while the protection of general interest is at stake. The core issue is the correct and qualified activity which allegedly only local tour guides could deliver in the

9 EU pilot 4277/12/MARK

10 Law 97/2013, art. 3.

11 Mibact Decrees 07.04.2015/11.12.2015

interpretation and explanation to the tourists of the national cultural and historic heritage. A misleading and poor providing of this service could affect the same Italian national heritage and consequently infringe the consumer protection. To comply with EU acquis and at the same time to protect those general interests, those administrative decrees issued a new list of 3176 Italian cultural sites which are subject to local “specialized guides”, with the exclusion of tour guides coming from different regions (or provinces). In other words, the notion of “specialized tour guides” was again utilized by Italian Government as a *passé-partout* to restrict illegally the market and to favor local providers, while apparently the freedom to provide services of third Member-states tour guides was guaranteed.

The *landfall* in front of the Council of State (the highest jurisdictional body which is competent for administrative disputes in Italy) was therefore unavoidable. The ruling¹² declared void the above mentioned Decrees of Ministry of Tourism, because they were limiting the EU freedom of services principle. Particularly, the Council of State admitted the power of Italian Ministry of Tourism to limit the freedom of providing services and to restrict a fair competition, only when this limit is related to upper reasons of national cultural heritage protection. Furthermore, this power could be utilized exclusively when the internal legal framework has no other measures more proportionate to achieve the same goal. That is, under the principle of proportionality, the content and form of internal legislation should not exceed what is necessary to achieve the objectives of the TFEU. Furthermore, this principle of proportionality should be based in an objective general interest which is not regulated by other rules yet. In other words, the Council of State stated that an exaggerated segmentation of the market could infringe the principle of proportionality. A list of more than 3000 cultural sites of exclusive competence for local tour guides seemed a measure disproportionate aimed only to protect local workers by creating a false “specialized tour guide” which services in reality would cover the whole Italian territory, relegating the other tour guides to play only a marginal role (Vipiana, 2017).

Tour Guide Profession de lege lata and de lege ferenda

It cannot be denied that EU law and its basic principles regarding the ban on nationality as well as the place of establishment discrimination, the freedom of movement for service providers and the freedom of

12 Judgement 2017/3859

establishment apply as much in the tourism sector as any other. Tourism, by definition, is a transnational and international subject-matter. It cannot be limited by national or regional boundaries. Tour guides play a key role in introducing the host state's culture to visiting tour groups and in facilitating the freedom of tourists to benefit from their experience, thereby increasing tourist satisfaction and consumer protection.

In this perspective, Italy has at last begun to put in place a draft of framework law governing tour guides which conforms with EU principles, particularly Italian Ministry of Tourism is drafting a new piece of legislation to be submitted to the Italian Parliament. This new act would regulate, from one side, the admitted derogation against the principle of freedom of services, but strictly limited to protect national cultural heritage, under reasonableness, proportionality and impartiality criteria. Therefore it is expected a new list of special sites under exclusivity of local tour guides. The number of special sites would probably not exceed more than 20 sites, particularly those that are really part of the collective consciousness of Italy (i.e. the Coliseum), in which case even tour guides from third State-members would be excluded. On the other side, Italian Government would reassert the principle of “national qualification or authorization” which means that any qualified tour guide would provide the services in the whole territory of Italy with no boundaries or other territorial limitation.

Nevertheless, the scenario is not completely cleared up; in fact, at national level tour guides associations are currently divided in two parties: the conservative one which aim is to roll-back the legislation at the time of the territorial exclusive, that is before the issue of the above mentioned law 97/2013 and another part which is more focused in elevating the quality of services to be delivered to the tourists and demands more liberalization in the sector, without prejudice in any case of a prior examination as the imperative legal requirement to become a tour guide. At this stage, it is of important to make some considerations *de jure condendo*. The coming legislation should issue a common definition of the tour guide to be shared between State and Regions. In fact, a tour guide is a person who not only guides visitors in the language of their choice and interprets the cultural and natural heritage of an area but also usually has qualifications in a specific area which has been issued and/or recognized by the appropriate authority. In other words, tour guides not only play an important role in communicating the cultural and natural heritage of Italy to visitors but also help to ensure the sustainability of that

heritage by making visitors aware of its importance. Tour guides are very often the first and sometimes even the only contact persons that visitors have. As such, they add considerably to the destination's reputation. As key personalities between guests and hosts, and, at the same time also serve as a marketing tool for domestic advertising.

Tour guides substantially contribute to the understanding of a country, a region, and its self-perception. Their technical expertise; their special knowledge of local and their personal, individually adapted tours enhance the guest's experience. For this reason, the strict application of EU principles in regard to the freedom to provide services should not mean an uncontrolled deregulation of this intellectual profession. On one hand, tour guide activity is mostly regionally specific and dependent on location with comparatively little European mobility. Thus, professional qualification in this field also has far fewer points of contact with freedom of establishment and services as compared to qualifications for other professions. In other words, it is the same tourist that requires a local tour guide.

From the perspective of consumer protection it is a matter of fact that only an appropriately trained tourist guide can give the client authentic and correct information and, thus, render reliable service in return for a fee. On this regard, it seems valuable to oblige tour guides to subscribe an insurance for civil liability to cover damages occurred in case of contract's infringement. While tourist guide's only resource is the knowledge and the quality of the communication of that knowledge – both require technical competency, it seems desirable to establish a fair fee in line with the importance and propriety of the service provided, without prejudice of the EU competition law which prohibits any cartel aimed to false the market and the fair competition of the providers. Furthermore, the tour guide framework law should contain also a clear provision aimed to delimitate the role of museums/church/etc. guides employed by these bodies or even more carrying out their services for free as volunteers. That is to recognize the role of tour guide as an intellectual profession that deserved to be fully regulated (and not just authorized or qualified) like other professions as lawyers, doctors, etc. On the other hand, being a tour guide a fully-fledged profession, it is undoubtable that there is even an increasing trend towards further training to be qualified as a tourist guide, better towards a continuous educational training of this profession. That is another objective that the coming law should address: to foster lifelong learning.

On the contrary, a mere abolition of the legal regulation of the tour guide profession would lead to devalue the profession in general and be a hardship that could hardly be communicated to all those hundreds of micro-entrepreneurs who invested up years in their studying and training and whose professional qualifications would thereby be devalued. In fact, tour guides in Italy are for most exclusively sole proprietors who do not run a physically existing business but whose entrepreneurship consists exclusively of their personal, qualified service. If this service is deprived of its legal basis by deregulating it, the profession will be completely cleared out, and the market will be swamped with unqualified providers such as the so-called “free tours”. Consequently the quality of service will suffer. Additionally, training providers, publishing companies and editors/distributors of technical literature, etc. would also experience negative effects on employment.

With regard to safety issues, thanks to their professional and, more importantly, regional knowledge of Italy, tour guides know immediately what measures to take in case of health or security problems. Well-trained, professional behavior in emergencies; precise knowledge of local conditions (emergency numbers, etc.); first aid; knowledge of the on-site traffic regulations and traffic organizations as well as the national language are integrated components of regulated training and, therefore, naturally part of tour guides’ knowledge. Contrary to what an unqualified guide would not be able to react appropriately quickly in emergencies. Finally it has to be analyzed if the EU, in accordance to Art. 195¹³ of TFEU, has a direct competence in complement the internal tourism legislation of Member States in relation to the tour guides. On this regard, it has to point out that Art. 195 TFEU is a norm that specifies a

13 The Union shall complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of Union undertakings in that sector. To that end, Union action shall be aimed at: (a) encouraging the creation of a favourable environment for the development of undertakings in this sector; (b) promoting cooperation between the Member States, particularly by the exchange of good practice. The European Parliament and the Council, acting in accordance with the ordinary legislative procedure, shall establish specific measures to complement actions within the Member States to achieve the objectives referred to in this Article, excluding any harmonisation of the laws and regulations of the Member States.

competence which is categorized in the Article 6¹⁴ of TFEU. While Article 195 of TFEU seems sufficient to represent a legal basis to found EU tourism law as an autonomous area, notwithstanding, the clear aim to guarantee legislative space to the Member States drives EU to define expressly the complementary competences and the sectors invested by, which external limit is based on the assumption of the prohibition of harmonisation of any internal laws and related administrative implementing measures of the Member States.

In other words, while it seems clear that Article 195 of TFEU does not allow to establish harmonization of tour guides discipline among the Member-states, on the other side EU maintain the faculty to complement tourism national policies in the key of Europe throughout this complementary competence. This mean that it would be advisable, in regard to tour guides, to formulate and implement actions with economic impact aimed to boost this profession, as well as occurs usually in the development of tourism industry. This necessarily implies the conclusion that, on one hand, legally binding measures may be adopted as supporting measures of tour guides profession according to the EU complementary competence under Article 195 of TFEU, while on the other hand EU binding legislation (namely regulations and directives) could reach indirect effect of harmonizing the national tourism framework in this sector.

This is exactly the case of Directive 2006/123/EC which objective is to realize the full potential of services markets in Europe by removing legal and administrative barriers to trade. Could this aim of simplification measures introduced by the Directive be relevant for tour guides and consumers to provide or use these intellectual services in the Single Market? There is no consensus to this question in Italy. Italian Government always has considered the profession of tour guide as governed only by Directive 2005/36/EC on the recognition of professional qualifications and Italy applied that directive by protecting the right to free movement of tourist guides, in keeping with the principle of subsidiarity in force in relation to professions and cultural assets and not as regulated by the Services Directive which instead provided for

14 The Union shall have competence to carry out actions to support, coordinate or supplement the actions of the Member States. The areas of such action shall, at European level, be: (a) protection and improvement of human health; (b) industry; (c) culture; (d) tourism; (e) education, vocational training, youth and sport; (f) civil protection; (g) administrative cooperation.

exemptions from the authorization schemes and from the rule stipulating that it must be possible to exercise the activity throughout the national territory of a country for overriding reasons relating to the public interest, such as the conservation of national historical and artistic heritage.

Notwithstanding the recent judgement stated by the Council of State, Italy stresses that has a particularly rich cultural heritage, including almost 200 000 listed properties from different historical and artistic periods, and to work properly, therefore, a tour guide requires a deep knowledge of that heritage in a limited geographical area (regional). Therefore tour guides thus normally specialize in the interpretation of a specific aspect of cultural heritage, and their profession is not to be confused with that of a tour manager who accompanies a group throughout their trip. The consequence is that the rules governing the profession of tour guide, being a matter closely linked to the promotion and conservation of national heritage, should be fully exempted by Art. 10 of the Services Directive in the application of the latter Directive.

In other words, beside the solution temporarily proposed to create a proportionate, reasonable and impartial list of special sites in order to accomplish with the local jurisprudence and the EU acquis, there is a clear target by the Italian Government to reach a clarification, once and for all, if the exemption provided for in Art. 10 of the Services Directive should fully apply (this could mean to reinstate the territorial exclusivity for reason of general interest represented by imperative reasons of cultural heritage protection) or the maximum limit achievable could be to create the above mentioned list of special sites, to be disclosed only by local Italian guides. It is no small matter, being considered that the performance of tour guides services in non-regulating third State-members is high and de-regulation elsewhere is overdue. The consequence is that tour guides accompanying incoming groups in Italy have an uncertain status and they can explain the national cultural heritage of Italy without having obtained any qualification in their origin's country. Consequently, Italy is more focusing in amending the Professional Qualifications Directive instead of the Services Directive which regulation Italy does not consider tour guides falling in, claiming for awareness of market abuse and commensurate action and trying to extend a proposal of skills certificate of tour guides in all EU. In line with this view, Italy stresses that, for all the reasons above stated, that the organisation of trade fairs, the services of car rental as well as the services delivered by a travel agency, a leisure service delivered by sports centres

and amusement parks, all have nothing to compare with the tour guide services which is performed by virtue of a professional activity or group of professional activities, access to which, the pursuit of which, or one of the modes of pursuit of which is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions to the possession of specific professional qualifications aimed to protect an objective general interest: that is the cultural national heritage.

On this regard, it is fundamental to analyse also the definition of cultural heritage as a universal value for individuals, communities and societies, to be preserved and passed on to future generations (Ferretti, 2013).

Particularly cultural heritage comes in many shapes and forms: tangible (buildings, monuments, artefacts, clothing, artwork, books, machines, historic towns, archaeological sites), intangible (practices, representations, expressions, knowledge, skills, language and oral traditions, performing arts, social practices and traditional craftsmanship), natural (landscapes, flora and fauna) and digital (such as resources that were created in digital form or that have been digitalised as a way to preserve them including text, images, video, records) (European Commission, 2018).

Being the tour guide the interpreter of all of this for the tourists, Italy considers that this activity is something completely different from a mere economic activity to be disciplined under the Services Directive. Neither a derogation could be sufficient. The real target is the fully no application of this piece of legislation for tour guides.

Conclusion

It cannot be denied that EU acquis regarding the suppress on nationality discrimination and the freedom of movement for service providers probably apply as much in the tourism sector as any other. The identity of a territory which the tour guide seems to be the first advocate as well as the the main promoter in introducing the state's culture to tourists (Tavernese, Nicotera L., Nicotera R., 2014), it suggests that is difficult to issue a governing law actually capable to strike the balance between the freedom of movement for workers and the prerogatives of which local authorities are very reluctant to cease to EU; not to mention the undeniable effect on local employment, especially those tour guides which have invested time and efforts to reach high skills at University

level in studying local cultural heritage and consider essential a deep knowledge of the territory to appropriately perform the related services to the tourists. The scenario could be solved by delivering to EU a stronger competence on tourism sector rather than the current complementary competence in accordance with Article 195 TFEU, with the aim to harmonise at least the basic principles of tourism, included the tour guides law (Cavallari, 2016). The undesirable alternative is to expect further litigation before the European Union Court of Justice in the near future to definitively solve this dispute, which seems endless.

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THEORETICAL ASPECTS OF MEDIUM-TERM CONDITIONS OF ECONOMIC AND TOURISM DEVELOPMENT¹

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Abstract

Scientific discussion concerning correlation and bonds which exist between the theory of economic development and theory of development of tourism requires that from the overall theoretical economic thinking and the theory of tourism it should be, first of all, separated only the part which deals with development. This thing is not always easy and simple to realize without touching numerous limiting topics, because in such discussions it is usually very hard to place a limit between a general theoretical part and the part which mainly deals with development. The aim of this paper is to try to understand the links between economic theory and the theory of tourism development. For the purposes of this paper, a method of analysis will be used to identify and highlight important characteristics, the synthesis method, ranging from complex to simple elements, abstraction, induction and deduction methods in order to study the underlying hypotheses and confirm certain attitudes and facts. Modern theories of the development of tourism are those theories which developed in the time of the most intensive development trends after the termination of the Second World War. However, this statement is not thoroughly true.

Key Words: *theory of economic development, theory of tourism development, tourism*

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Introduction

Why can tourism not be treated one-sidedly but as the interdisciplinary entity? It seems that the reasons for that are the standpoints of tourism which find their foundations in geography, demography, sociology, psychology, economy, organization, technology, marketing and even everyday politics. For these reasons, understanding tourism means creation of the mosaic of mutually connected factors without which one cannot talk about the phenomena of wholeness of tourism. It further means that it is needed to accept a great number of assumptions and facts which are cause-effect tied which is especially needed to emphasize.

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

Tourism is widely spoken of, and it is the well-known phenomenon of modern society. Is there anybody in the developed countries who does not know something about that social need and status necessity and symbol as well as civilization movement? Very scarce are the individuals who cannot or do not know how to talk widely about various situations or events during travel with the aim and ultimate target of tourism. When writing about tourism, the saying 'one can write what has already been written but the reader must be convinced that (s)he reads it for the first time' holds true more than anywhere else. Tourism is created from a great number of factors which are not "touristic" in its basis but tourism cannot be formed without such "auxiliary" things, it cannot be developed as well as maintained. Knowing the problems of tourism means acquiring a vast number of facts, suppositions and possible situations because here the proverb 'a consumer is always right' holds true above all. Tourism is the need and precise activity, very delicate and subtle which acquires many types of knowledge, patience and good will not only from the participants

but also from other partakers of tourist offer. Here there are no unique forms of activities because it is the question of 'face to face' business and the traditional proverb 'hundreds of people, hundreds of opinions' could picture this activity in different interesting, delicate and various ways. All these things could be achieved by constant continuous investment into knowledge, especially into the branch of economic knowledge.

Correlation between the theory of economic development and the theory of tourism development

Economic development, being regular progress and increasing prosperity, became the preoccupation of already classic economists. Living conditions which marked the world poverty, illiteracy, illnesses and high mortality rate after the First and especially the Second World Wars, especially in the field of agriculture, in the agricultural countries and similar areas - and such were the most numerous - initiated by themselves the disputes and discussion about the ways of avoiding such state of facts and this in fact meant the appearance of discussion about development (Stefanović & Ivanišević, 2017). The process of looking for the paths for avoiding poverty and floating into the partly safer waters of prosperity brought about the development of different doctrines and even controversial and opposed standpoints expressed in the works of numerous theoreticians of economy. Special corrections of these theoretical standpoints were represented by the possibility of daily survival, so, in such a way, current living standards in some determined surrounding gave real answers to the question of how to behave and what is possible in that situation. Just in confrontation with the direct immediate reality, all theoretical standpoints went almost simultaneously through the checking phase, of course, except those long-term anticipations of the future development of the world economy.

Civil society economy, in fact, started to deal systematically with the problems of the theory of economic development after the appearance of Keynes. However, owing to Keynes the theory of economics transferred its sphere of interest onto global economy and also moved its sphere of interest from the short termed onto long termed research. Keynes's general theory meant predominantly the final battle with the civil society economy theory called 'laissez-faire'. In his famous work "General theory of employment, interest rates and money" the main question and topic is the analysis of limiting efficiency of capital or income rate comparing to expenditure. Keynes is very clear and understandable in his confirmation

that only with individual influence or by the initiative of personality, one could attain full employment, so the stronger role of the state in the sphere of economy and in the policy of economic development is urgently needed. In such a way are created the theoretical foundations on which numerous theoreticians of economy tried to elaborate the whole theory of economic development. In such a way theoretical foundations are created at which numerous theoreticians tried to elaborate and make a detailed proposal of the entire theory of economic development.

The period of appearance of all these theories and theoretical postulates was the time of industrial society creation, the time of industrialized countries domination, which means that in the realization and fulfillment of wanted results a dosage of force is always used, which need not always imply the meaning of violence. Those are the years in which the world tries to come out of difficulties as soon as possible and the problems the Second World War put the world into but just in such new industrialization the world sees the salvation and exit from its own troubles. Theory of development has a great sense and meaning at this moment, so, in many countries, this theory of development has been brought into the center of economic interest and discussion. Since the destruction of war could not be successfully removed in the short period, increase of production of material and other goods and services as well as improvement of living standard and lifestyle by improvement of income per each inhabitant was for a long time the basic and fundamental thesis of general theory of economic development. In such a context it is easy to understand the standpoint according to which industrialization represents the basic aim of economic life not only in developed countries but in the states of the Third World. It is a drastic change of the targets of modern society after the many centuries of the long dominance of the theory of contribution of the development of agriculture to the national economy.

In their essence, all these theories have at least one mutual characteristic: they see the development of the entire society in determined phases which differ between themselves predominantly by their economic content. Second mutual characteristic was the one in which all theories dealt with economic aspect of development but neglected social aspects of development.

Among the most loudly speaking opponents of such standing points was Marx. However, the life itself soon showed who was right so the standpoints of the theory of development valid up to then were supported

and supplemented by new ideas of the social aspects of development. Civil theories of development emphasize cyclic development and point out the phases of such development which by rule correspond to general state and level of development of one society, what, for a long period, referred to the state of development of the industrial society. The most quoted are the positions and attitudes cited in the works of the theoretician Rostow who divided the economic development of civil society into six phases: traditional society, society in which are fulfilled the preconditions of growth, phase of growth, path toward the mature society, phase of high mass consumption and the phase after fulfillment of high mass consumption (Rostow, 1952).

From the standpoint of interests of tourism development, the phase which follows after the high mass consumption is particularly important because in that time and in such a content and volume tourism experienced its full maturity, so the discussions concerning its development became non-discussible in the manner of tourism development justification in all countries of the world, which implicitly developed other assumptions of the theory of tourism development. Cool winds brought by ecological consciousness into the theory of economics, cause such theoretical turnovers which could hardly be found before that even in the works of most bold and courageous theoreticians.

So-called ecological paradigm entered and strengthened the values of the notion of 'sustainable development'. However, people became conscious of the problem of their survival at our planet, specially became aware of the fact that man himself by his careless behavior makes the most harm to nature without which his life on the Earth becomes impossible (Stefanović, 2010). The question of human environment safety and protection and the question of preserving of all natural resources, of which many are very limited in quality and quantity, is placed from these reasons into the center of all economic divisions about development and at all levels of decision making. The conference about environment held in Rio de Janeiro in 1992 was specially explicated in relation to changing of previous human behavior and especially when development and usage of natural resources are in question. One attitude prevailed saying that ecologically less aggressive types of development have to be stimulated and that such types of development should be adapted to each development entity as a whole, to each cultural and traditional standard and to the degree of technological and social development. Such a development must not endanger any development possibility and such a

development has to be aimed toward such economy direction which will bring to the local community the most benefit taking into account and respecting all elements of ecological paradigm.

In such conditions and in such context of theoretical standpoint about development, the theoretical thinking about tourism also developed, which achieved its full sense of meaning only at the moment of the full swing of industrialization because it created at least three necessary conditions for the development of tourism: it provided enough financial means of individuals which could be separated after satisfying basic living needs, enabled paid yearly vacation and by technological innovations created real possibilities for development of most developed capacities of so-called tourist offer. However, as it looked on the first sight to be the meaningful confirmation, the economic theory hardly ever took into account the tourism, and even that when the enormously powerful growth of tertial sector changed general attitude of economic theory toward global moving force in economy. Economic theory was not impressed by huge numbers which confirmed volume and size and also the meaning of appearance of tourism on the global scene where, by its economic results, world tourism in 1998 for the first time proved the name of the 'first industry in the world'. It is hard to give answer to the question: what is the cause of it? Maybe we can find the answer in the fact that tourism is a complex phenomenon in which, besides economic factors, there are many other non-economic factors and such are then the consequences and results of development. But, the first answer to this question could be given by those theoreticians who created modern theory of economics, not leaving in it any space for the phenomenon which, at the end of twentieth century, becomes, at the opinion of many scientists, the destiny and determinant of the life in the world of twenty-first century!

Understanding and awareness that the share of services in a gross national income is positively correlated with the average annual growth of gross national income per one inhabitant, as well as knowledge about positive correlation of growth rate of the mentioned economic dimensions and values, represent one very important standpoint for the theory of tourism in the tendency to show dependence of the development of tourism on the national economy of some countries. Increase of production of material and other goods and services and increase of living standards by the growth of income per inhabitant, for a long time is the fundamental thesis of general theory of economic development but is questionable from the

standpoint of development of tourism. However, development of a great part of today most developed tourism countries of the world showed to what extent the thesis that constantly 'the economic growth has to be maximized' is dangerous. Specific notions and characteristics of tourist product and mostly the fact that the essential part of its substance is natural and by human beings created attraction which does not decrease, does not sell itself and cannot be bought, puts into question some of the fundamental thesis of the theory of development in the way scientific economic thought has described them. Request for constant increase of 'production' in tourism could not be realized without constant increase of the capacities of tourist offer and finally, it is the question of survival of the resources which originally animates the tourism search or request, so the tourism turnover was questioned without harm for resources or for tourism attractiveness.

In similar difficulties found himself anyone who tried to transfer Keynes's postulates originally concerning the theory of economic development and its influence on tourism with the tendency of the employment increase and growth of work as one of the basic aims of economy development and the resultant of production increase. Partly, these suppositions could be accepted also in the field of tourism because tourism, as dominantly tertial activity, is capable to employ relatively great number of personnel even the unqualified type of personnel. It is obvious that such a capability of tourism was the reason to accept it as almost the only development option and many countries which were late in their development or the countries which were on the brink of serious economic development. But, the increased employment in tourism, beside causing different problem of special and urbanism character (construction of residential buildings and belonging objects of communal infrastructure, construction of pre-school objects and schools which created additional needs in the engagement of space) by the rule asks for the engagement of non-domicile human resources, and besides urbanistic problem, it spoils the demographic picture and balance of the structure of population of the tourist destination (according to nationality language, cultural characteristics, religion and similar). Just this non-economic component of development represented itself as corresponding to the policy of economic development in many tourist countries, areas and destination.

One more thesis of Keynes did not find confirmation in tourism. However, Keynes derivates from the assumption that 'prone to spending is a stable function and quantity of total spending always depends on total

income' the second supposition entering the psychological law which according to his opinion, comes out of human nature knowledge and comes to the conclusion and ascertainment that "people, by rule, and averagely, are willing to increase their consumption and spending with the increase of their income, but not in the sense in which salary is being increased" (Keynes, 1960, p. 70).

Tourist practice confirmed the touristic theoretical standpoints that consumption determined for tourism can grow in some determined circumstances and can increase even more than the growth of income.

Economic theory and analysis are aimed at studying economic relations of tourism and economic relations in the tourism itself. "If the changes of the type of appearance influence the change of economic relations in tourism than their difference has a sense for the theoretical analysis because the essence of notion and appearance also changes"- thinks Dulcic (Dulcic, 1991, p. 48).

The theory of tourism development, without any doubt, took over from the general theory of economics are the measures in this area for successful development. In this care the theory of tertiary assumes, and the theory and practice of touristic development confirm, that the development of tourism can be improved by corresponding measures in trade (such as customs measures, foreign currency rates), in fiscal policy (taxes and contributions for urging of some determined service activities) and in politics the financing or investment (preferences, benefits, privileges). Besides these measures of the economic nature, there could be also used the measures of social nature which the countries uniquely use as the regulative ones in their general economic policy and the politics toward tertiary.

Historical analysis of the theory of tourism confirms already old and sometimes actualized thesis that tourism as the phenomenon, except economic, also possesses some other important characteristics which, in some circumstances and surrounding, could become dominant reasons for development and even the effect of this development. "Economic knowledge and economic sciences have put, in the essence, the tourism in the first place", wrote one of the greatest thinkers and innovators in tourism Kurt Krapf and he was right if he had thought about the way the results of tourism manifested themselves dominantly at that time. But, Krapf obviously did not have some better opinion about economic theory

and its acceptance of the fact that one new phenomenon appeared so in continuation of his thesis he convinced himself and the readers that economic element is the mutual and common index of psychological, sociological, cultural, geographical and technological viewpoint of tourism (Krapf, 1985, p. 19).

Theoreticians of tourism almost unanimously, from the very start of theoretical discussion about tourism, confirmed that tourism enables evaluation of free natural resources such as climate, environment, beauty of landscape, clearness of the sea, so they get economic value in its starting form and natural shape (expressed through the price of individual services). This thesis is, without doubt and suspicion, very urging for economic theory in order to explain, for example, how such natural goods but also how the other irrational factors in tourism turn into goods which is evaluated and valorized and reflected through the price.

A special area of interest in the theory of economic development consists of insufficiently developed countries and their economy. There are many theoretical works which deal with the question of development in these lower developed areas (underdeveloped environments so it is understandable to expect that one theoretician-tourismologist will be urged by these discussions and that he will tend to input some of the principles of the theory of economic growth of the country in development and that he will use such principles in the area of touristic development (Vukovic et al., 2010).

Although a kind of weaker development is maintained in all areas in the similar way, still some specific characteristics that generalize theoretical standpoints formulated based on experience of one country or on the basis of several countries always exist. Although, when the development of tourism is in question then specific characteristics of general economic development in this environment greatly influences either the possibility of touristic development or the direction and the power of development. The possibility of employment, although it was the main problem of economic disturbances in developing countries, was emphasized as special advantage in the case of development of tourism. But, economic structure of these countries as well as social economic structure of population, with the dominance of agriculture and cattle breeding, made new employment much more impossible and harder in tourism, but also lost the important role in development of agricultural production, which is a fundamental factor of economy sector in these countries. It is the reason

why the expectations waited to come from tourism did not fulfill themselves, especially at the places where tourism was forced as the foundation of imposed and forced activities.

General economic conditions in the world in the second half of the twentieth century bring the economic theory in front of many new temptations. First of all, there is the increase of consumption which has resulted in increased production and has brought the developed world into quite new situation: technological advancement has improved productive capacities, especially of the products of consumer goods of common usage, that it meant much more than consumers could buy or consume because the production was enormously great.

From these reasons, theoretical thoughts of the economy turned to the problems of sale which brought up the appearance of marketing, a new scientific discipline in the science of economics. Of course, marketing soon found its place in the tourism practice and little later also in the theoretical analysis of tourism. Economic analysis in tourism then turned towards changing and describing of the importance of touristic consumption of different goods and services that find their interest in the market of tourism. Numerous authors throughout the world prove this fact by their works and some of the first written papers about tourism were the works of Jost Krippendorf and Jose I. De. Arrillage, and then followed the works of V.C. Middleton, S. Medlik, H. Zolles, F. K. Ferner, R. Muller, M. Green, A.M. Morisson, E. Heath, G. Wall, A. Jefferson, L. Lickorish, JX Schwarz, J. C. Holloway, R. V. Plant, G. Ashworth, B. Goodall and others. Finally 'the father of marketing' Philip Kotler (in cooperation with D. H. Heider and I. Rein) decided to deal with the marketing in tourism by publishing his work titled "Marketing Places". This radical turn toward research and analysis of the market meant the appearance of many changes not only at the micro-economic level but also the appearance of approaches and principles of macro-economy.

At the very end let us say a few words about the realized connection between theoretical standpoints concerning ecological components of economic and tourism development. Development of the world economic theory and economic theoretical meaning moved towards the knowledge about the need of greater attention toward living environment so toward maintainable development and stable economy.⁴

⁴ English term 'sustainable economy'

As a discipline, economics of living environment exists for about thirty years although the first works about the problem and exploitation of natural resources exist since the 19th century⁵, announcing in such a way a new view and turn in thinking not only at the theoretical but in economic and political practice.

Theoretical standpoint confirms that environment and economy are not different entities but they are connected permanently by the basic laws of physics and by consequences which their mutual relation has for human beings. Pearce explained the foundations of the economics of environment in the following way: Fundamental basis of the economic of environment finds itself in the three level relation: importance, cause, policy... Economic perspectives appear because the value is measured by economic criteria because good or bad economic management is in focus as the reason for degradation of environment but also from the reason that by the economic policy the problem of environment could not be solved (Pearce, 1991). This survey does not deny the value of the standing point of sociology and policy but simply shows that when there are the problems of environment actual, in many cases the reasons of their existence and their solving find themselves in economy.

In order to realize its meaning and sense, the economics of the environment requires returning to the environment everything what is taken in material and energetic sense because the matter and energy will be destroyed in the other way, and without them the life at this planet will be impossible. The development then, for that reason, must be considered and aimed at the resources that are used in the measure in which it will not destroy their reproduction in order to preserve the resources as the long lasting goods for the future generations. It brought about the philosophy of 'the limit of growth' because it was considered that with the control of economic growth some unwanted devastation of resources will be stopped because such resources are needed for insurance of some determined level of growth. In the theory and policy of development it brings us to the calculation of social and public expenses and usage as well as benefits (cost-benefit theory) in which it is good to balance the

⁵ First work from that area was published in 1866 by W. S. Jevons under the title "The Cool Question". Later followed the set of articles published by different authors in different magazines, then in 1932 A. C. Pigou published in London the book titled "The Economics of Welfare" the first thorough work about usability and protection of resources.

achievement from the economy aspect and from the aspect of preserving and protection of environment and living surrounding. Relation of expenses and protection as well as principles on which it is needed to base the mechanism of finding sources and forming of financial means for the protection of human environment, are the subject of many theoretical and practical confrontation and arguments which, in their proposals, move toward reduction of production which pollutes the environment, through the tax for usage of some resources to the lawful postulates which forbid or enable, under certain conditions, the transfer of some economic subjects which are directly in contact with the possibilities of devastation and pollution of human environment and which lead to sustainable economy or better to say to maintainable economy.

Importance of natural resources for tourism, which with their force overcome and surpass the meaning of other factors of touristic development, found a fertile soil in the theory of preservation of human environment, nature protection and the theory of maintainable economic development. Degradation of natural resources leads to the negation of tourism as a phenomena so the interest for this is very understandable and the interest that this theory devoted for tourism and for this problem is also great and it specially increased at the end of the twentieth century.

Review of the theory of tourism development

Using the standpoints of various economic theoreticians the views of the theoreticians of tourism are formed by standpoints about development in similar way to the valid theories of tourism in determined period. It is understandable that theoreticians from the beginning of the twentieth century or earlier could not approach to the problem of development nor could discuss it in the same way as the theoretician from the end of the twentieth century (Vujović et al., 2012). One of additional reasons lies in the fact that tourism theoreticians deal with tourism ex-post and are founding their analysis on the basis of the already achieved but there is only a few works which try to anticipate or foretell the future. When this is done, the theory of tourism stays in the area of global calculations of anticipation and assumption of tourism search and request, tourism structure and eventual economic effects and consequences of such traffic, turnover and tourist consumption. It seems that conclusion of Ivan Antunac is right when he wrote that the authors of theoretical and scientific discussion about tourism (Antunac, 1985, p. 34), in fact, determined the problems at which users in practice and the whole touristic

business environment pointed out. “Those authors only thoroughly used the method of research, than method of scientific systematization, documenting and theoretical generalization so they elevated the whole matter to the higher degree and to the more qualified level in scientific and theoretical sense”, wrote Antunac. Although this observation of his relates predominantly to the period of the end of the First World War, it could be transferred to other numerous works in the latter period, up to the first half of the twentieth century.

In the attempts of systematization of theoretical research in the field of tourism one division has to be accepted which is published by A. Dulcic (Dulcic, 1990, p. 91). He assumes that, generally speaking, theoretical explanation of the role and importance of tourism in the process of development is created into three directions:

First direction formed itself around the explanation of the role of touristic consumption for creation (directly and indirectly) of regional or national economy.

Second direction was aimed toward explanation of the meaning of activities of touristic economy for the economic development.

In the scope of the third direction, research varied in relation to the question: Why tourism does not create new values and how does it have important development functions inspite of this.

Probably the theoreticians of the development of tourism in the process of formation of their attitudes most often used the theoretical thesis of consumption, specially the thesis used by Keynes which meant, in that time, the essential change in understanding of the category of consumption in general and its role in the economic development. As it has been already known, Keynes introduces the notion of proness to spending and proness to consumption and concludes that it is the question of functional relation between the given level or degree of income expressed in the unit wages and spending and expenses for consumption from this level of income. ”Amount which society spends on expenses obviously partly depends (1) on the amount or size of income, (2) on existence of other objective circumstances and (3) on subjective needs and psychological affinities and habits of an individual, members of society and principles according to which the income is divided among them (which can be prone to additions as the production degree grows)

(Keynes, 1987, p. 67). On such exposed and presented principles even now the valid explanations in the theory of tourism still stand.

Already long period up to now, about 160 years and more, has passed since modern tourism exists and develops and this is the era of most active and live periods in development of humankind specially when we speak about technological and technical level.

This unstable and turbulent period brought also, from year to year, many changes to the other areas or segments of life, so there are many changes of theories in these areas because of various degrees of development. Theory of tourism in its modern meaning and existence was born and developed in the time of developed modern economy and modern economic thoughts, when the theory of development was one of the unavoidable (economic) components, so the theory of development in many theses of its content had been, from the very start, incorporated in theory of the touristic thought. But, this theory of development is also "struck" by changes in global theoretical standpoints, especially of the global theory of development.

In that sense it is logical to divide the analysis of theoretical standpoints about tourism, specially about the problems of development, into the following items:

- Early works from periods which precede the appearance of modern tourism
- Classical or traditional theory of development of tourism
- Modern theory of development of tourism.

This division does not have any other claims or pretentions but to make some determined time limits between the periods in which tourism has some characteristics which differ from other periods, and to make some other common characteristics of the theoretical standpoints about the problems of development of tourism.

Tourism and development of economy

Tourist consumption makes direct and indirect effects on the development of economy. Tourism makes direct impact and creates direct effects on those participants of touristic economy which directly sell the services to the tourists. Such participants in tourism are hotels, enterprises which give services of transportation, trade networks and markets. Indirect

effects relate to those economy activities which directly do not participate in giving services to the tourists, but supply touristic economy (industry, agriculture, wholesale, construction, public sector).

a) From the majority of direct effects and impacts on tourism we separate the following (Unkovic, 1995):

Influence on the social product and national income or better to say, the impact on territorial pre-distribution is acquired by touristic consumption in the way that it stimulates development of those economic activities that supply touristic complex as well as influx or overflow of income from the other countries. In the same way, tourism makes possible that one part of social product and national income of economically most developed countries of the world flows over into the countries with the lower level of economy development. In the process of development of every country appears the overflow of income from temporary economically developed countries into the undeveloped regions which, according to an unwritten rule, are touristically developed regions. When we add to this picture the international tourism, influence or impact of tourism becomes more obvious and remarkable.

Influence of tourism on the activities of touristic economy is the most easily noticed in the fact that a great number of economic and non-economic activities take part in the fulfillment of touristic needs. Kurt Krapf states the following: hotels, restaurants, cafés, snack bars (Krapf, 1963, p. 8). So, the analysis of the direct influence of tourism on the economic development has to relate to restaurant management, traffic, trade, touristic organization, craftsman shops and communal activities and services.

The influence of tourism on investments must not also be forgotten, as well as the structure of investment (modernization of traffic, development of hotel accommodation and restaurants).

Tourism is a very important factor of more complete and thorough usage of employment capable population. Here comes in the first place, employment-intensive character of all activities of touristic economy not taking into consideration that the influence of science and technology is here present in the a great amount. Especially important here is the direct inclusion of individual households and taking part of all families in touristic activities even the children. Having in mind manifold importance

of employment for the future economic activities than the importance of tourism is very obvious.

Influence of tourism on the balance of payment is seen through 'invisible import' and 'invisible export' that happen in tourism enterprise activities. From these reasons every country is interested in stimulating the foreign currency. In many countries income from tourism are very important item in the balance payment. Through tourism the undeveloped countries are much easier included in the international economic relations. Because of that it is important to control the influence of tourism equally on the active and passive side of balance of payment, so it is established the special and separate way of tracking the financial movements in tourism-so-called touristic balance of payment.

b) Indirect influence of tourism on the economic development is done mainly by the industry, construction industry and agriculture.

Concerning the civil engineering and construction, here is the question of investments in building of new hotels, restaurants, roads, airports, and other infrastructure by which the income of this economy branch is increased. Also, tourism stimulates production of industrial products planned for fulfillment of different needs of touristic economy. Here we think not only of the production of long lasting consumer goods but of commodities and items of most frequent usage. Concerning the agriculture products they are more often sold through touristic consumption by which the international exchange of goods is improved much better and in more qualified manner than through the selling of goods itself (Cvijanović & Ignjatijević, 2017).

c) Money spent by domestic and foreign tourist is not the same and has to be differentiated, since the money of foreign tourist possesses the multiplied effect. Expenditure of foreign tourist and their spending of foreign currency represent one additional consumption because national income from foreign countries flows into one given touristic country without the outflow of income from the country which the touristic come to. Here we can notice the difference between the export of goods so-called "visible export" and the income from foreign tourists or "invisible export", because in the first case the part of national income is also outflow from the country which is doing the export. Benefits from the money of a foreign tourist can be seen, more or less, in almost every economy branch (Ćirić et al., 2015).

Conclusion

Modern theories of development of tourism are those theories which developed in the time of the most intensive development trends after the termination of the Second World War. However, this statement is not thoroughly true. Namely, in the period immediately after the Second World War tourism was not of extremely interest neither for the theoreticians of economy nor for the practical usage in economy because of the fact that the World had to deal with reconstruction of all which was ruined and destroyed in various ways by the war. The theory of development of tourism returned much seriously, on to the world scene somewhat later, in fact after 1950's and especially after 1960's when the world economy became so stabilized that the tourist flow and turnover of goods began to increase. This specially holds true for Europe as a continent which, on one side, extremely was devastated in the Second World War, but, on the other hand, it was the continent with the most dynamic development of tourism in the whole world. In that period of time Kurt Krapf (1952) wrote his essay "Von der Empirie zur Theorie des Fremdenverkehrs", Troisi (1955) published his work "Teoria economica del turismo e delta rendita turistica" and Paul Bernecker (1956) finished his work "Die Stellung des Fremdenverkehrs im Leistungssystem der Wirtschaft". In such a way fundamental literature is circled and this fundamental literature about tourism creates the basis or the foundation of modern theory of the development of tourism. All works after this period represented only the elaboration of these theses although there were much more original approaches toward the development of tourism, which specially relates to the individual examples of such development. Theory of economics still does not consider tourism to be the phenomenon which had to be studied seriously.

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AN OVERVIEW ON RECENT EVOLUTIONS IN EUROPEAN TOURISM - EVIDENCE FROM EU28, ROMANIA AND LUXEMBOURG

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Abstract

In this paper, the authors consider the evaluation of Romania's position within the European context, from the viewpoint of tourism-related indicators. The research focuses on datasets for Romania, European Union and Luxembourg (selected because of the country's prominence in the hierarchy related to the indicator "Average expenditure per trip by expenditure categories" and pursues a series of benchmarks between the three datasets. The data are extracted from Eurostat online database, which presents the values across a series of dimensions, which are capitalized by the authors to fit in the best manner to the purpose of the analysis. The methods used in the study are based on statistical analysis on the structure and evolution of the selected indicators. Our conclusions, in the case of each indicator, outline the different behavior of the values, supported by differences in the situation of the respective measures.

Key Words: *tourism, expenses, average, accommodation, transport, domestic*

JEL classification: L38, Z31

Introduction

Tourism is a very important sector of development for every country, as it contributes to the creation of jobs, income and wealth. It is also a key driver and beneficiary of the economic growth. It has a social, economic and cultural influence on the image and international perception of the country. By understanding and analyzing country competitiveness in

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tourism, the economic and wellbeing level of the county can be assessed with higher accuracy.

According to De Vita and Kyaw (2016), “*Tourism arrivals measure the inflows of international visitors to the destination country. The expenditure of such visitors is regarded as tourism expenditure.*”, we consider, in this respect, the indicators related to expenditure analyzed in our paper. Popescu (2016) states that “*despite its high potential for tourism, Romania is not yet able to develop an efficient tourism*”, this provides an incentive for us to pursue the outbound and domestic measures related to Romanian tourists’ expenditures. Popescu-Cruceru et al. (2011) develop on the effects of competition on emerging markets.

Manole et al. (2016) have analyzed the evolution of indicators related to tourism services in Romania. Păunică et al. (2010) have described the utility of data warehouse structures in economic analyses.

Tourism is a major contributor in the struggle to reinforce the economic development (Gogonea et al. 2017), the authors consider that “*it should be encouraged due to the multiplier effect that it has in the development of a region*”. As described by Algieri, Aquino and Succurro (2018), “*the true ability of a tourism destination to compete involves not only its natural and cultural resources, but also its social, political, technological and environmental strengths*”.

Considering those opinions and results, supported by authors’ researches, we consider that our approach is consistent with observing the situation and recent evolutions in tourism.

Kaurova et al. (2014) contribute on the development of tourism statistics; Heerschap et al. outline the impact of big data sources on tourism statistics’ innovation. Buiga (2011) develops on the competitive strategies in the European Union context.

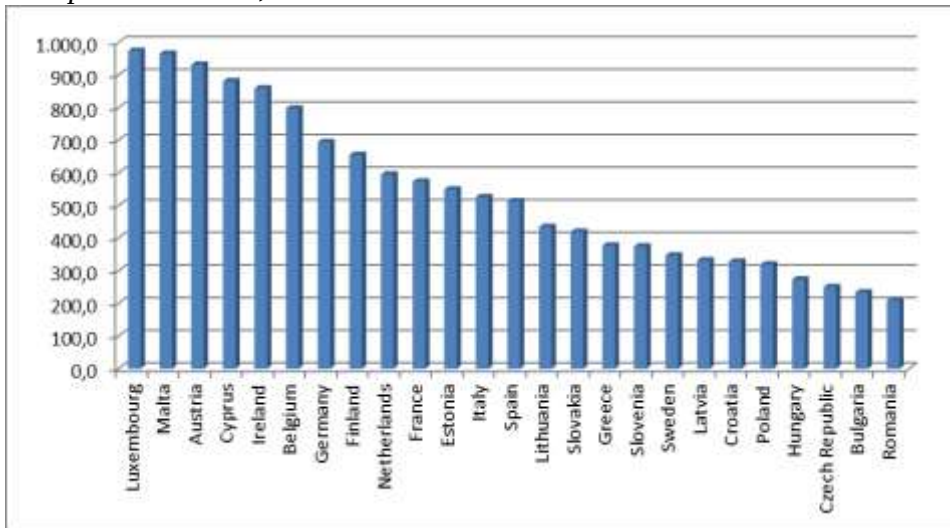
One of the most important indicators in tourism sector is *trip-related expenditure* which has an important economic impact for destination country, but also offers a good insight on the purchasing power of the population. The trip-related expenditure indicator is analyzed in the paper based on the *average expenditure per trip by expenditure categories* and the *average expenditure per night*. In the paper we are benchmarking EU and Luxemburg from the Romanian perspective.

Analysis on the average expenditure per trip

The trip-related expenditure is an important indicator of tourism activity, because it represents a financial source for the destination country, and the inclination of people towards allocating financial resources during their travels. First, the analysis is based on the indicator “*Average expenditure per trip by expenditure categories (from 2012 onwards)* [tour_nat_expert]”, provided by Eurostat, from which we have selected the dimension members that describe the personal expenses, for trips of at least four nights, where partners are all countries of the world, and the measurement unit chosen is the euro currency.

Considering the values of the indicator in 2016, the best positions are associated with Luxembourg, Malta, Austria, Cyprus and Ireland. Czech Republic, Bulgaria and Romania hold the last three places in the hierarchy. The level of the indicator, as in 2016, for all countries for which available data exist, is presented in the figure below:

Figure 1: *Average expenditure per trip by expenditure categories, data for European countries, in 2016*



Source: EUROSTAT online database, dataset „*Average expenditure per trip by expenditure categories (from 2012 onwards)*”, code [tour_nat_expert], data retrieved on March 10th, 2018, graphical representation by the authors

The dataset analyzed emphasizes the leading positions of somehow small countries, of which at least three out of the first five are major touristic attractions themselves (Malta, Austria, Cyprus).

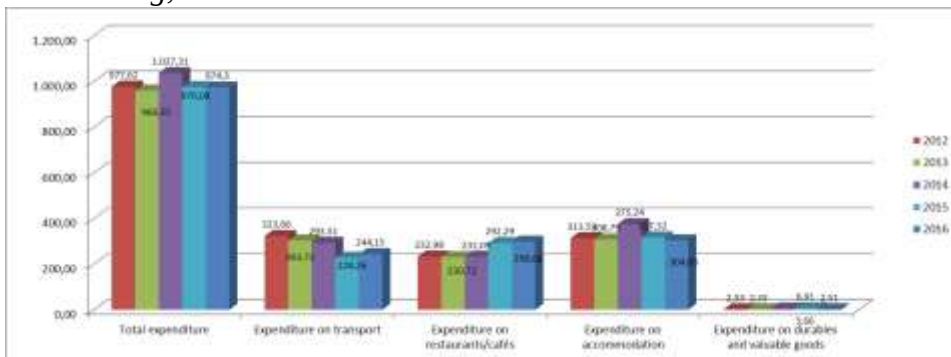
The structure of the expenditure categories is the following:

- Expenditure on transport;
- Expenditure on restaurants/cafés;
- Expenditure on accommodation;
- Expenditure on durables and valuable goods.

We have analyzed the structure and evolution of the total expenditure based on the four categories, as comparison between Luxembourg and Romania. The dataset for Luxembourg is presented in figure 2, and the visual analysis of the chart shows that the expenditure on transport recorded a steady decrease during 2012-2015, and a shift in the trend in 2016, when the transportation expenses were higher, by 6.96%, than the level of the previous year.

The same trend manifests for the weight of the transport expenses. The expenditure on restaurants/cafes increases abruptly in 2015 and the growth continues in 2016, after a stationary trend in 2012-2014, however, the index which characterizes the 2016/2015 evolution is smaller (2.18% versus 25.93% for 2015/2014).

Figure 2: *Average expenditure per trip by expenditure categories, data for Luxembourg, in 2012-2016*



Source: EUROSTAT online database, dataset „Average expenditure per trip by expenditure categories (from 2012 onwards)”, code [tour_nat_expert], data retrieved on March 10th, 2018, graphical representation by the authors

The expenditure on accommodation takes the largest share in total resources spent in the case of Luxembourg, with levels above 31% for the entire interval.

This is, in our opinion, an explanation of the fact that this category displays the highest degree of similarity with the total expenses, if we evaluate the evolution patterns (that is, decrease in 2013, a major increase in 2014, another decrease close to the levels of 2013 observed in 2015 and a minor modification in 2016).

Among the four categories observed, the expenditure on durables and valuable goods holds the least sizable share.

For Romania, the evolution and structure of the indicators is presented in Figure 3.

The average expenditure per total has increased, from a stationary level in 2012-2014, by 14% in 2015 as against 2014 and by 4.32% in 2016 as against 2015.

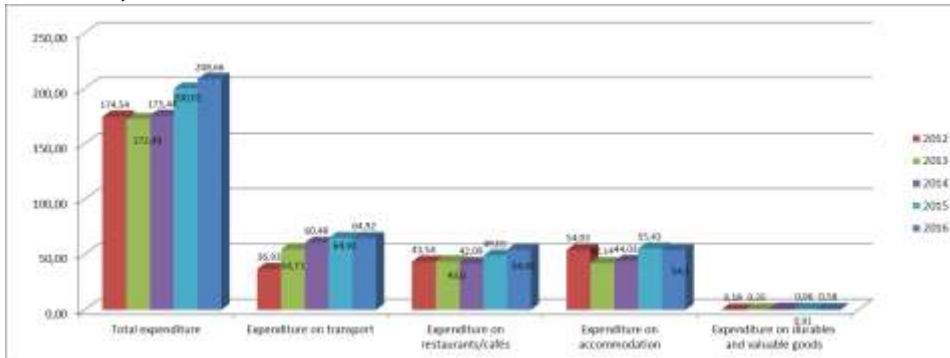
The structure and evolution of average expenditure per categories reveals the major position of the expenditure on transport, especially since 2013 (a share of over 31%) when a major increase occurred, from 2012, by more than 10 percentage points.

It can be seen that the other two major categories (restaurant/cafes and accommodation) have similar shares, between 24% and 28% during the period 2013-2016.

Considering the decrease from 2012 level of the accommodation category's share, we consider that Romanian tourists are more inclined towards finding cheaper accommodation and spend their tourism budget on other expenses during their travels.

As the comparison between absolute values of the total average expenditure per trip places the two countries in our comparison at the opposite positions of the European hierarchy (according to the criteria previously stated), we will focus on the comparative analysis of the dynamics and structure reflected on the four categories.

Figure 3: *Average expenditure per trip by expenditure categories, data for Romania, in 2012-2016*



Source: EUROSTAT online database, dataset „Average expenditure per trip by expenditure categories (from 2012 onwards)”, code [tour_nat_expert], data retrieved on March 10th, 2018, graphical representation by the authors

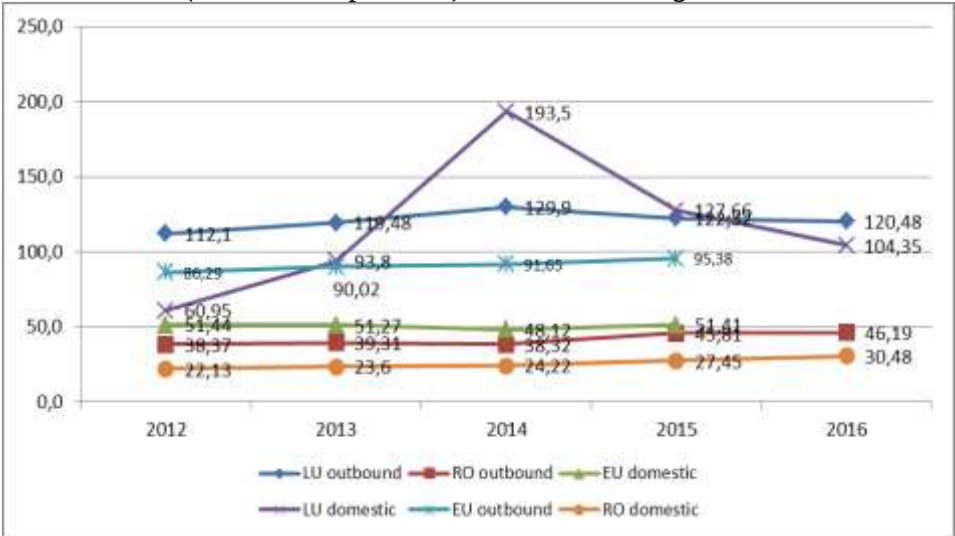
Regarding the average expenditure for transport, the evolution patterns (and the structural ones as well) describe opposite situations. While in Luxembourg the share of these expenses generally decreases across the interval, with the exception of 2016, in Romania, the contribution of transport expenses record a major increase in 2014 from 2012, by some 13 percentage points, then stabilizes in 2016 at a level similar to the 2013 dataset. The data for restaurant/café related expenditures are showing similar patterns for the two countries. But, the comparison of the accommodation category reveals lower shares for Romanian tourists, somehow supporting the above conclusion on their inclination to allocate fewer resources. Also, the Romanian expenditure for transport’s share is higher for 2014-2016, meaning that the transport is more expensive. This could have many causes, such as the oil price in countries visited, the distance and category of airline involved in flight-based long distance travels etc. Not in the last row, the percentage related to durable goods acquisition is lower in Romania, showing a smaller focus (or available resources) to be spent on long-term valuable goods (considering the personally-perceived utility as primary criteria to judge the value).

Analysis on the average expenditure per night

To further capitalize the significance of the average expenditure indicator, we focus on the *Average expenditure per night* measure, also detailed on expenditure categories, which are the same as in the previous section. We

have considered, additionally, the position of the data at the level of European Union (current composition), to enhance the possibility of comparison within the data collection. The evolution of the average expenditure per night, for the three members of the geographical dimension, is presented in the following chart:

Figure 4: *Average expenditure per night, domestic and outbound, Romania, EU (current composition) and Luxembourg*



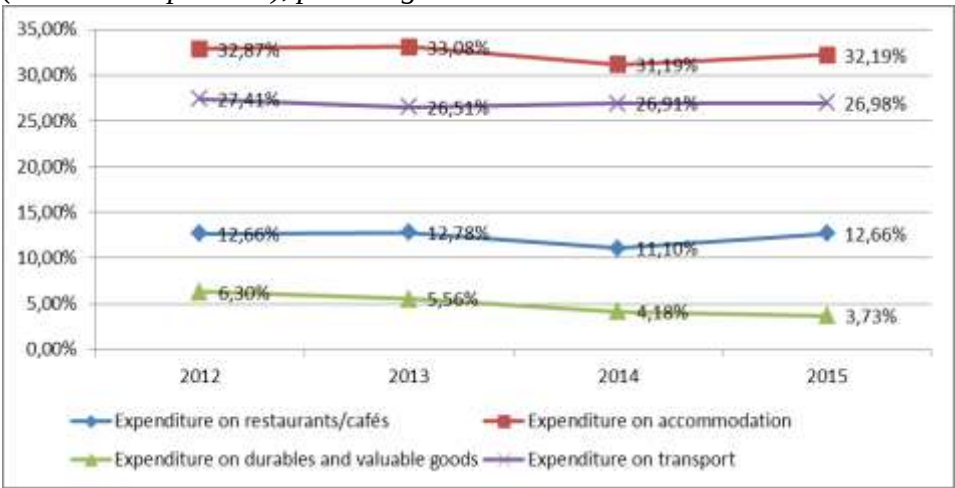
Source: EUROSTAT online database, dataset „Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expnr], data retrieved on March 13th, 2018, graphical representation by the authors

The highest level of expenses is associated with Luxembourg, both on the domestic and outbound levels. While the outbound expenses follow a close to linear shape across the five-years interval, we observe that the domestic expenses increased significantly in 2013 (by almost 50%) and in 2014 (more than twice the level in 2013), followed by a decrease, of lesser magnitude, both in 2015 and 2016.

The values for Romania and the European Union follow a straight pattern, but it is to be noted that the EU outbound levels are far above the domestic, by almost 1.8 times higher if we compare the average values associated with the four year period where data are available.

For Romania, which is placed at the bottom of the interval, the expenses met little variation over time, and the discrepancy between the outbound and domestic costs is 1.62 (again, measured as the ratio between the five-year averages). The analysis based on the structure of the average expenses per night can be made, and we resort to this approach, by each geographical coordinate, comparing between domestic and outbound, by types of expenses.

Figure 5: *Average expenditure per night, domestic related dataset, EU (current composition), per categories*



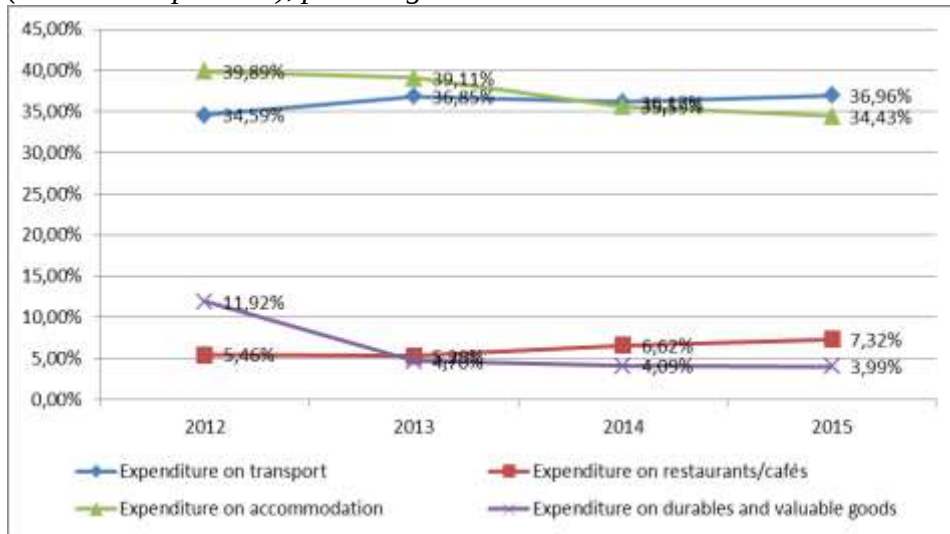
Source: *EUROSTAT online database, dataset “Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors*

The highest share, for the entire interval, corresponds to the *accommodation* category, almost a third of the total value. Next, comes the category *transport*, and it can be observed that in 2014 the first one records a small decrease, then increases in 2015, but not to the same level as in 2013, while the second one follows a more linear pattern. Together, these two categories account for more than 55% of the total expenses.

The *expenditure on restaurants/cafes* is the third in the comparative hierarchy, and its evolution matches the top one. The *expenditure on durables and valuable goods* holds the lowest percentage, being also on a decreasing trend. This means that the European tourist pays much

attention, not to speak about money, to the accommodation for trips within EU, and is less focused on acquiring durable goods.

Figure 6: *Average expenditure per night, outbound related dataset, EU (current composition), per categories*

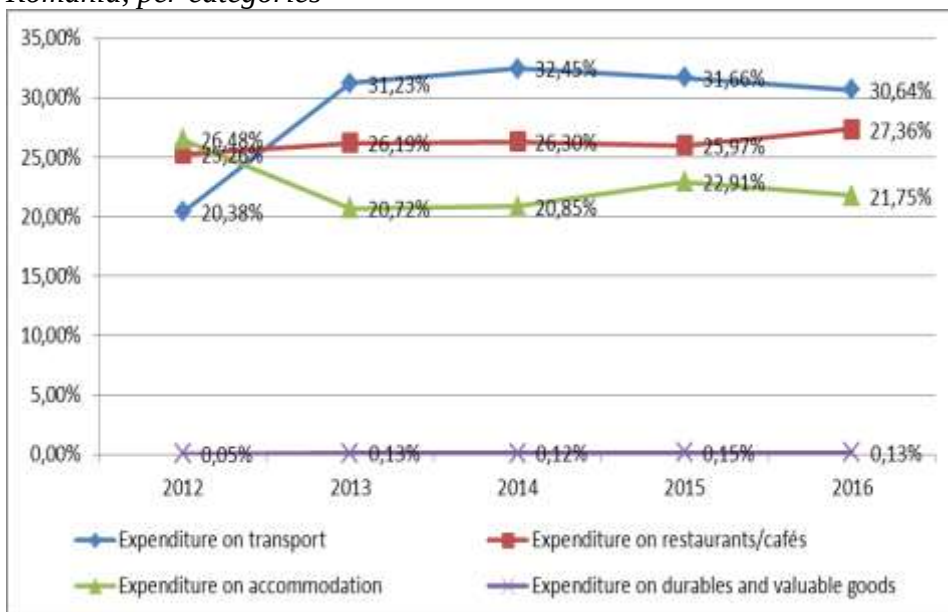


Source: *EUROSTAT online database, dataset “Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors*

The situation of the outbound expenditure is different from the domestic one. The *expenditure on transport* is on a continuous increase and took the leading position in 2015, with a share of 36.96%. The category related to *accommodation* follows a descending trend, opposite to transport but, together, these two categories amount for over 70% of the average expenditure per night. This fact can be explained by the increases in traveling costs (analyses on datasets with higher granularity should provide a better overview), and by the preference of tourists towards cheaper accommodation offers, let’s take into account the competition between online booking platforms and the differences that can be found for same city/area/type of accommodation/features/facilities. To be also noted the fact that the *expenditure on durables and goods* decreases continuously along the four years, corroborated with the increase of the fourth category (*restaurants/café*).

Comparing the *domestic* and *outbound* members, we outline that the highest share is associated with accommodation expenses, with the exception of 2014 and 2015 (outbound), where the first position belongs to transport. The expenditure on durables and valuable goods is associated, since 2013, with the lowest shares of the average expenditure. For Romania, the structure and evolution of the “Average expenditure per night by expenditure categories” is presented in the following figure.

Figure 7: Average expenditure per night, domestic related dataset, Romania, per categories

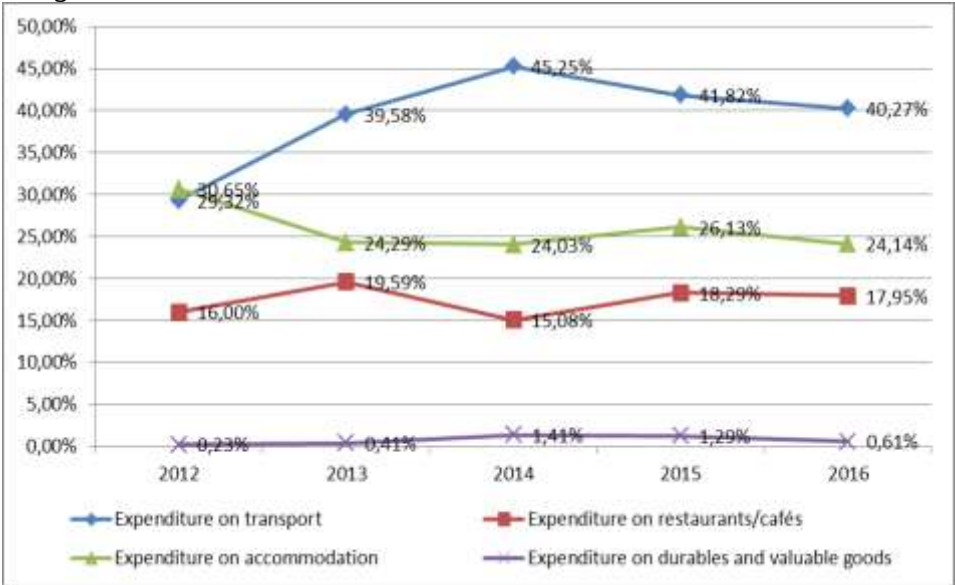


Source: EUROSTAT online database, dataset “Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors

The category with the most significant share in the dataset is associated with transport, followed by restaurants/café and then accommodation. The last position is held by expenditure on goods, with a very low level, less than 0.2%. However, during the most recent years, it tends to remain around 0.15%, showing the low preference of Romanian tourists to acquire durables and valuable goods during their trips within the national borders.

We can outline the following conclusions that characterize this image of structure and evolution. First, the expenditure of transport, as we analyze domestic trips, is conditioned by the price of fuel, train tickets, long-range auto travel tickets. 2014 marked a reverse in the trend, which now reveals the decrease of the share.

Figure 8: *Average expenditure per night, outbound, for Romania, per categories*



Source: *EUROSTAT online database, dataset “Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors*

The expenditure on accommodation also decreases in 2016 compared to 2015, after a sinuous evolution during the five years analyzed. Romanian tourists are very unlikely to purchase durables and valuable goods during their trip within the country, and the resources that remain available following the transport and accommodation expenses are more probably to be spent on restaurants and cafes. Also, the observation of the dataset in figure 8 allows us to outline that accommodation has a more important role in travels abroad, even if there are offers on the market that are comparable, as price per night, to the domestic segment.

The *expenditure on durables and valuable goods* is more significant in the budgets allocated by Romanian tourists, than in the case of domestic trips, even if the level does not reach 1.5% and is decreasing since 2014.

The *expenditure on transport* has the most significant share in this dataset, and it is decreasing along the last two years.

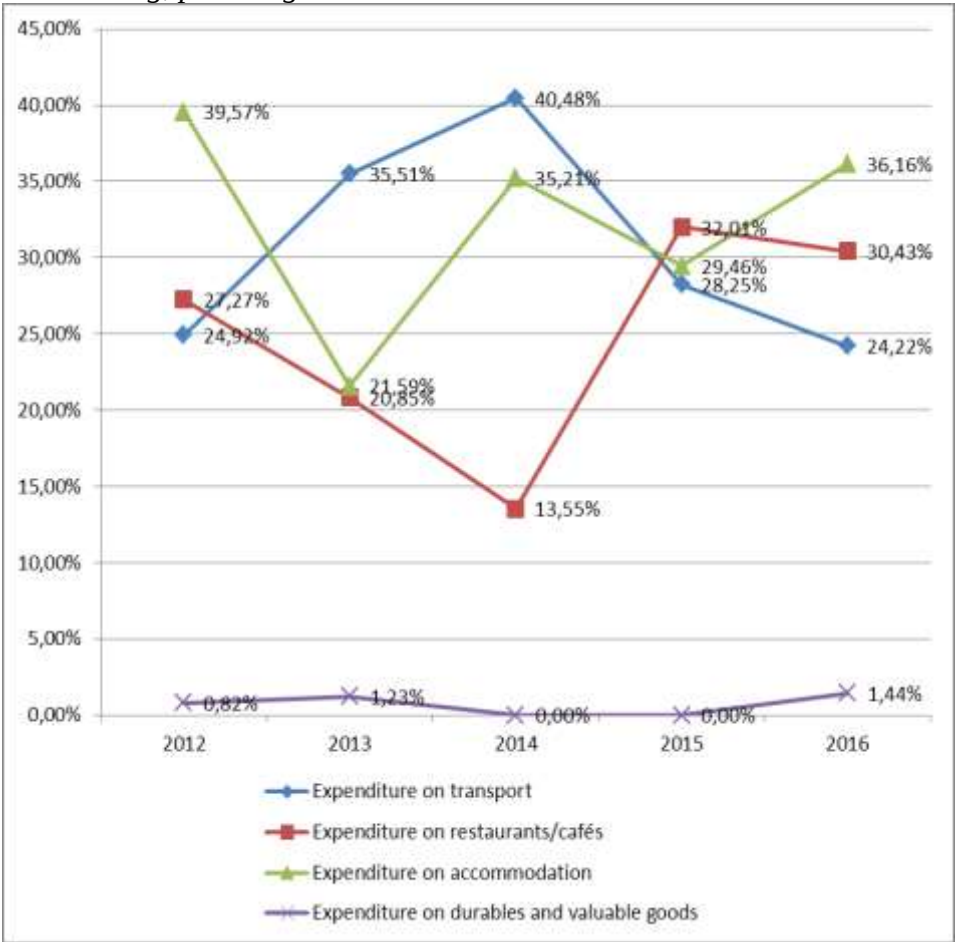
The *expenditure on accommodation* matches the evolution for domestic travels, while *restaurants/cafe* category has a sinuous dynamic with a slight increase in the most recent year of our analysis.

If we consider the correlation between domestic and outbound travel expenses, the *expenditure on transport* takes the highest position, with a significantly greater amount for outbound trips (40%, compared to 30%). Also, the *accommodation* expenses are placed in the second position in the case of outbound travels, while taking the second place in the case of domestic trips. Even under these conditions, the percentage values associated with them are close, with a difference, in 2016, of less than three percentage points. This leads to a higher share of the financial resources being allocated to entertainment in the RECA segment, during domestic travels and also its value surpasses the outbound one, in 2016, by almost ten percentage points. Therefore, it is likely that Romanian tourists, feeling a lesser burden of accommodation expenses, are inclined towards “pampering” themselves in restaurants and cafes.

As for the *expenditure on durables and valuable goods*, the appetite of Romanians towards this type of goods is more significant in the case of foreign travels. Therefore, the comparison between the two situations can be related to a more expensive accommodation in foreign countries, or the preference of the tourists to be housed in more expensive and presumably higher status facilities, and the most part of the travel budget is allocated to travels. Data for Luxembourg are presented in figure 9, similar to the Romanian and European datasets. The domestic transport category decreases in the final part of the interval, and reaches in 2016 a level below the accommodation and restaurants/cafes categories. Those two categories follow similar evolution patterns, with sinuous modifications over the years, as well as the expenditure on durables, which is on an increasing trend since the last non-null value identified (1.23% in 2013). The last year marks a clearly established hierarchy between the four types of expenses, a major difference from the situation of the previous period, when the shares for the first three items were sensibly close to 30%. As

lower sums are required for transportation, it means tourists are encouraged to seek better accommodation, entertain themselves in restaurants and cafes and, why not, acquire valuable memories in the form of durable goods.

Figure 9: *Average expenditure per night, domestic related dataset, Luxembourg, per categories*

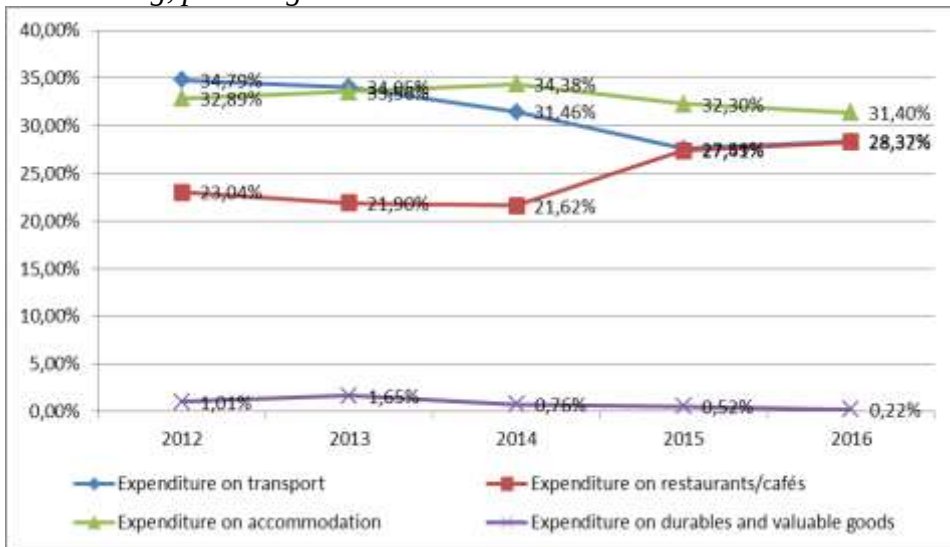


Source: *EUROSTAT online database, dataset “Average expenditure per night by expenditure categories (from 2012 onwards)”, code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors*

Figure no. 10 displays the status of the outbound-specific dataset for the indicator *Average expenditure per night*, for Luxembourg. It can be observed that, during the most recent year, the percentage correlated with

the accommodation decreases below a third of the total expenses, and we have a share of transport expenses very close to the restaurants/cafes. After having the same trend in 2012 and 2013, the indicators' evolution lines "meet" in 2015 and keep close to the other in 2016. The comparative analysis on the two types of destinations displays the prominence of *accommodation* expenses in both cases, however with a higher share in the case of domestic dataset (by almost five percentage points, indicating perhaps a higher price of the accommodations within Luxembourg).

Figure 10: *Average expenditure per night, outbound related dataset, Luxembourg, per categories*



Source: *EUROSTAT online database, dataset "Average expenditure per night by expenditure categories (from 2012 onwards)", code [tour_nat_expern], data retrieved on March 13th, 2018, graphical representation by the authors*

Also, the Luxembourg tourists prefer to acquire valuable goods during their outbound trips in a more prominent manner, with the exception of the year 2016, where the share of those purchases is some six times lower than acquisitions made during domestic trips. Next, we shall perform a brief comparative analysis focused on the indicator *Expenditure on tourism trips*, code [tour_dem_extot]. This indicator shows the total tourism-related expenditure, for both Luxembourg and Romania, the time dimension is consistent with the first analysis (2012-2016, yearly data), we considered the long travels member (that is four nights or over), both

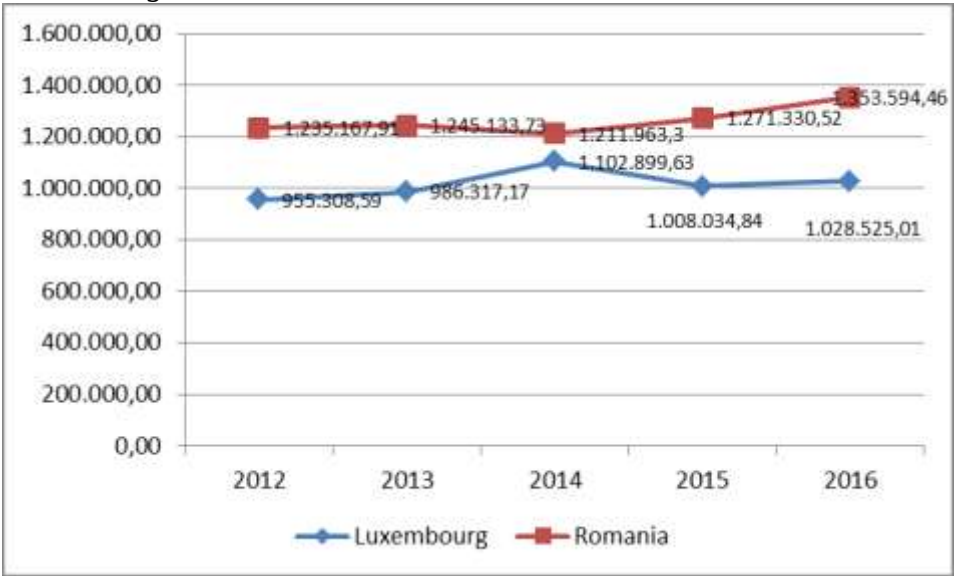
business and personal, categories and the measurement unit is thousand euro.

The comparative evolution of the two datasets is presented in Figure 11. The values, expressed in the same measurement unit, are very close, but the population of Luxembourg is some 5% of Romania's one, thus the inclination and resources of Luxembourg people towards tourism is much, much significant.

Analysis on the total expenditure for tourism

Another feature that distinguishes the case of the two countries is the expenditure related to outbound travels and its share in total expenditure. While Luxembourg tourist abroad travels account for more than 99% of the expenditure, across the entire interval studied, the Romanian share is below 30%, with the highest value in 2014 (29.36%).

Figure 11: *Total expenditure for tourism, data for Romania and Luxembourg, in 2012-2016*



Source: EUROSTAT online database, dataset „Expenditure on tourism trips”, code [tour_dem_extot], data retrieved on March 11th, 2018, graphical representation by the authors

The size of the two countries and the number of tourist attractions in Romania can be one of the factors explaining these values.

Analysis on the number of trips per inhabitant

The analysis of the average number of trips related to the population, based on the indicators “*Number of trips*”, code *tour_dem_tttott*, supports the conclusions drawn so far, analyzed for the long trips of at least four nights.

To evaluate the behavior of this indicator, we have extracted the number of trips per inhabitant, by ratio against the population number, at January 1st. The data are presented in the table below:

Table 1: *Number of trips per inhabitant, Luxembourg and Romania*

Trips per individual	2012	2013	2014	2015	2016
Luxembourg	1,74	1,75	1,81	1,72	1,72
Romania	0,35	0,36	0,35	0,32	0,33
Ratio (L/R)	4,94	4,86	5,20	5,31	5,17

Source: *EUROSTAT online database, datasets „Number of trips”, code [tour_dem_tttott], and Population on 1 January by age and sex, code [demo_pjan], data retrieved on March 11th, 2018, graphical representation by the authors*

The discrepancy between the two countries increased to a value over five, as observed from Table no. 1 (in Romania, the number of trips evolved in a fluctuant manner, a sinuous trend that marks an overall decrease for the studied interval, by 7.4%, while in Luxembourg, even if there is a sharp decline in 2015 compared to 2014 data, the five-year evolution is represented by an increase of 8.099%).

Conclusions

Romanian tourists are more inclined towards finding cheaper accommodation and spend their tourism budget on other expenses during their travels.

the percentage related to durable goods acquisition is lower in Romania, showing a smaller focus (or available resources) to be spent on long-term valuable goods (considering the personally-perceived utility as primary criteria to judge the value).

The average expenditure per night, in Romania and the European Union is higher in the context of outbound trips, versus the domestic trips (for the entire interval considered), while in Luxembourg the same comparison can be observed only in 2012 and 2016. In 2013 and 2015, the values of the two types of average expenses are not very far apart, but there is a spike in 2014 with a gap of almost 80% between them on the average. Also, the highest difference between the outbound and domestic expenses is observed for the European Union, with the lowest distance being in the case of Romania. This means that Romanians are not likely to allocate much larger sums in order to travel abroad and entertain themselves there. Also, they prefer to purchase durables and valuable goods from abroad, when they travel, than from Romania, which is also the case of tourists from Luxembourg one support hypothesis in this context being the idea that prices are more or less the same, and even lower, and the quality of similar products is susceptible to be better in some countries. Also, let us not eliminate from the equation the discount and sale policies practiced in many countries, when advantages for the buyer are significant from the viewpoint of the price/quality ratio.

For the European tourist, the expenditure for traveling, which is influenced by many factors, deserves an analysis of its own, on the basis of data with higher granularity. However, the inclination of tourists towards acquiring durable goods of significant value is more or less the same for both domestic and outbound travels.

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MEASUREMENT OF TOURISM MARKET PERFORMANCE IN EU COUNTRIES: RESULTS OF PROMETHEE - GAIA APPROACH

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Abstract

Tourism is one of leading economic activities in the EU, which significantly contributes to economic development. In order to achieve a sustainable, responsive and high-quality tourism development, it is necessary to plan a strategy that will efficiently use and intensify the processes of tourism development in the EU. The variations in the types and needs of the tourists and the tourist industry impose a multi-dimensional approach to the study of the tourism market. This paper implements a simple methodology for measuring the performance of the EU tourism market using an integrated model for ranking-PROMETHEE model. Based on the eight criteria defined in relation to the performance of the tourist market, the ranking of the 28 EU countries will be carried out. The results of the model will point to the evaluation of the tourism market performance and will define the recommendations and strategies for the tourism market development in relation to the countries that have the best rank.

Key Words: *tourism, performance, EU countries, PROMETHEE - GAIA*
JEL classification: Z32, Z38

Introduction

Due to the impact of economic, social and political globalization processes tourism has become one of the leading industries in many countries. Today, tourism has grown from one small activity to an activity that is crucial for the economic growth and development of a country. If

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we look at the statistics of the World Tourism Organization, we will notice that the dynamics of tourism changed and increased rapidly between 2005 and 2016. In 2016, the arrivals of international tourists amounted to 1235 million, compared to 809 million in 2005. All this led to the total tourism revenues of 1102 billion euro in 2016. According to UNWTO's long-term forecast, international tourist arrivals worldwide are expected to increase by 3.3% a year between 2010 and 2030 and to reach 1.8 billion by 2030 (UNWTO, 2017).

Europe is one of the leading tourist destinations. In order to achieve a sustainable, responsive and high-quality tourism development, it is necessary to plan a strategy that will efficiently use and intensify the processes of tourism development in the EU. However, the tourist product is not just one product, it is a complex package of goods and services that tourists buy. The variations in the types and needs of the tourists and the tourist industry impose a multi-dimensional approach to the study of the tourism market.

The aim of this paper is to present a PROMETHEE based differential multi-criteria approach for objective measurement and assessment of tourism performance at EU level presented by country. The paper is organized as follows: Section 1 describes literature about tourism in EU. Section 2 briefly summarizes a description of applied PROMETHEE method of eight indicators for 28 countries in a 4-year period, while a discussion of the study's results is contained within Section 3. Section 4 draws some conclusions and recommendations on the research presented.

Literature review

Tourism is undoubtedly one of the important economic activities. In addition to the economic ones, tourism provides social, cultural and political benefits for a tourism oriented country. A number of authors pointed out that tourism is one of the important economic activities of all countries in the world (Ardahaey, 2011; Hagiú & Tanascovici, 2012; Zsarnoczky, 2017; Sofronov, 2017, Milićević & Petrović, 2017 etc.)

Many authors highlighted the European Union as an important tourist destination. For example, author Zsarnoczky, (2017) stated that the European Union is currently the world's leading destination and is aimed at maintain its position. The EU is a good example of using new technologies, innovations and new tourist trends. Also, author Mićović

(2017) pointed out that the EU is gradually developing the legislation, procedures, methods and everything that can encourage greater involvement of capital in tourism in order to create a common tourist market.

Numerous empirical studies on international tourism have been undertaken to explain the impact of tourism and to assess tourism performance. For example authors Santana et al. (2016) investigated the impact of the Economic and Monetary Union on international tourism flows across a set of 37 developed countries. This sample comprises 31 European countries and six non-European OECD countries during the period 1995–2012. They explored potential tourism gains for new members and possible entrants of adopting the euro. Authors Barros et al. (2011) analyzed the competitiveness of French destinations based on their accommodation possibilities, natural resources and historical monuments. Results showed that there are several drivers of efficiency for French tourism: sea, sun, Theme Parks, Monuments, Museums, Ski Resorts and Natural Parks as long attractions which can increase the tourists' length of stay.

Results of the author Zurub et al. (2010) showed that tourism is the main economic activity in most EU developed economies. In case of these countries, tourism is not only a basic activity, but also an activity that affects economic growth, as it drives the productivity of other sectors, the creation of infrastructure and accelerates the reproduction cycle.

Empirical evidence about ranking countries considering tourism performance is also important for our paper. Nowadays, sustainable tourism is a relevant topic. Environmental protection is one of the basic and fundamental European values (Voza et al., 2016). Also, authors Bradic et al. (2017) stated that international tourism policy should aim at improving existing infrastructure, extending the season, and promoting alternative forms of tourism, such as eco tourism, health tourism in line with positive ecological performance. Bearing that in mind, authors Anastasijević et al. (2017) applied Promethee method with an aim to determine the tourism sustainability progress in European countries in the period of 2004-2014. According to numerous parameters of sustainable tourism, they concluded that some countries such as Czech Republic, Germany, Hungary and Sweden, have enhanced their sustainability performance concerning all themes. Sustainable tourism in its basic sense implies an economic branch that minimizes the impact on the

environment and local culture (Pavlović et al., 2009). Also, authors Michailidis & Chatzitheodoridis employed Promethee method to evaluate and rank three tourism destinations in Greece. Promethee method applied on tourism market in Greece also use author Andreopoulou et al (2014). They assess internet and e-marketing adoption for the sustainability of rural tourism enterprises. The same methodology was used by the author Kovačić (2010) for selecting the location of a nautical tourism port. This paper applies a similar methodology as the author Ranjan et al. (2016) who used PROMETHEE to quantify the tourism potential of 29 Indian states.

PROMETHEE-GAIA method and data

Methodology

Given that the issue of tourism market performance falls within multi – criteria analysis domain, a set of criteria needs to be reduced to a single criterion in order to properly compare data. Such a possibility is provided by PROMETHEE & GAIA methodology, developed by the Canadian company *Visual Decision* by Brans and Mareschal (Brans et al, 1986). PROMETHEE introduces a MCDM (Multiple-criterion decision-making) methodology based on the analysis of criteria and alternatives so that one alternative is better than the other and so the best alternative is the most appropriate choice according to the given criteria.

PROMETHEE method starts with the following decision (evaluation) matrix (Ranjan et al., 2016):

$$\begin{bmatrix} g_1(a_1) & g_2(a_1) & \dots & g_j(a_1) & \dots & g_n(a_1) \\ g_1(a_2) & g_2(a_2) & \dots & g_j(a_2) & \dots & g_n(a_2) \\ \dots & \dots & \dots & \dots & \dots & \dots \\ g_1(a_i) & g_2(a_i) & \dots & g_j(a_i) & \dots & g_n(a_i) \\ \dots & \dots & \dots & \dots & \dots & \dots \\ g_1(a_m) & g_2(a_m) & \dots & g_j(a_m) & \dots & g_n(a_m) \end{bmatrix} \quad (1)$$

where $g_j(a_i)$ shows the performance of i^{th} alternative on j^{th} criterion, m is the number of alternatives and n is the number of criteria.

The usage of PROMETHEE method requires defining the appropriate preference function and assigning the weight criteria to each input variable. In this method it is possible to choose one out of six forms of the

preference function (Usual, U-shape; V-shape; Level, Linear, Gaussian) where each form could be described with two thresholds (Q and P). The indifference threshold (Q) represents the largest deviation which the decision-maker considers not to be important, while the preference threshold (P) represents the smallest deviation that is considered to be crucial for the decision making. The P value should not be smaller than Q. The Gaussian threshold (s) is representing the average value of P and Q thresholds (Brans,1982; Brans et al., 1984; Brans and Vincke, 1985; Obradović et al., 2012).

Ranking using preferences is the most commonly used method in making multi-criteria decisions. For each alternative (country), the alternative value is expressed in preferences, which have a positive and negative flow. Based on the calculated preference, the net flow of preference that synthesizes all indicators is calculated, and, based on that, the given alternative (country) is ranked (Despotović & Durkalić, 2017).

The net outranking flow for each alternative can be obtained using the following equation:

$$\varphi(a) = \varphi^+(a) - \varphi^-(a) \quad (2)$$

where $\varphi(a)$ is the net preference flow for each alternative. The value of the net flow of preferences ranges from -1 to 1, where the best ranked alternative will have the largest positive net preference flow, and the worst ranked alternative has the largest negative net flow of preference. The higher the value of $\varphi(a)$ means the better alternative.

Dataset

As an adequate method for solving multi-criteria problems, the PROMETHEE GAIA methodology aims to rank the final set of alternatives (in this case, countries) based on criteria to be maximized or minimized. In the case of this paper, there are eight criteria. Based on tourism performance indicators, with data from Eurostat, WB, World Factbook and literature review, this survey will use the following data to measure tourism market performance:

1. Number of foreign tourists, nights
2. Number of domestic tourists, nights
3. Number of hotels
4. Pollution
5. Population density
6. Rail lines

7. Cost of living
8. Number of airports

Indicators are calculated using the available statistical data of the relevant organizations and institutions, and all data sources are used to obtain the mentioned 8 indicators. The obtained statistical data will be used in the next step of the analysis – ranking of data and ranking of individual countries. The *Visual Promethee* program will be used for data ranking.

In this paper, the alternatives are the members of EU. Ranking will be done according to average data collected from 2012-2015, because the datas for that years are available for all countries.

Table 1: Data for performance evaluation of 28 EU states in tourism

Indicator	Symbol	Source
Number of foreign tourists, nights	IT	Eurostat: Number, 1 night or over, outbound ¹
Number of domestic tourists, nights	DT	Eurostat: Number, 1 night or over, domestic ²
Number of hotels	H	Eurostat: Hotels and similar accommodation ³
Pollution	AP	World bank: PM2.5 air pollution, annual exposure (micrograms per cubic meter) ⁴
Population density	PD	World bank: Population density (people per sq. km of land area) ⁵
Rail lines	RL	World bank: Rail lines (total route-km) ⁶
Cost of living	CPL	Eurostat: Comparative price levels ⁷
Number of airports	NA	World Factbook: No airports ⁸
¹ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_dem_tntot&lang=en ² http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_dem_tntot&lang=en ³ http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=tour_cap_nat&lang=en ⁴ https://data.worldbank.org/indicator/EN.ATM.PM25.MC.M3 ⁵ https://data.worldbank.org/indicator/EN.POP.DNST ⁶ https://data.worldbank.org/indicator/IS.RRS.TOTL.KM?page=6 ⁷ http://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00120 ⁸ https://www.cia.gov/library/publications/the-world-factbook/rankorder/2053rank.html		

Source: Authors calculation

According to the given parameters, EU countries are ranked on the basis of the mentioned tourism indicators, analyzed in the previous text. The weight coefficients assigned to the criteria are equal, i.e. 12,5%, in order to avoid a subjective assessment of the significance of each of the indicators. Also, depending on the purpose of the preference function, some criteria will be minimized, while some criteria will be maximized. The weights of the indicators are shown in Table 2.

Table 2: *Distribution of weights of tourism indicators*

Criterion label	Name of the criterion	Weight coefficient	Direction of preference
IT	Number of foreign tourists	0,125	max.
DT	Number of domestic tourists	0,125	max.
H	Number of hotels	0,125	max.
AP	Pollution	0,125	min.
PD	Population density	0,125	min.
RL	Rail lines	0,125	max.
CPL	Cost of living	0,125	min.
NA	Number of airports	0,125	max.

Source: *Authors calculation*

In table 2, eight criteria with their name, labels, weight coefficients and direction of preference are shown. Logically, the criteria such as pollution, population density and cost of living should be minimized, when other five criteria (number of foreign tourists, number of domestic tourists, number of hotels, rail lines and number of airports) should be maximized.

Results and discussions

In order to arrive to the results of the final rank of alternative with the given criteria, it is necessary to present the data set output. Output in this case will be presented in the form of descriptive statistics.

Table 3: *Descriptive statistics*

	IT	DT	H	AP	PD	RL	CPL	NA
Minimum	67708,25	2811,33	153,00	5,71	17,93	0,00	48,40	1,00
Maximum	15406000,00	25566393,50	39634,00	27,01	1329,74	33428,75	137,13	539,00
Average	1896007,66	4655536,23	7223,43	15,32	175,79	7559,59	89,87	113,25
Standard Dev.	3364622,66	6601778,87	11121,91	5,11	245,33	8619,27	24,88	140,00

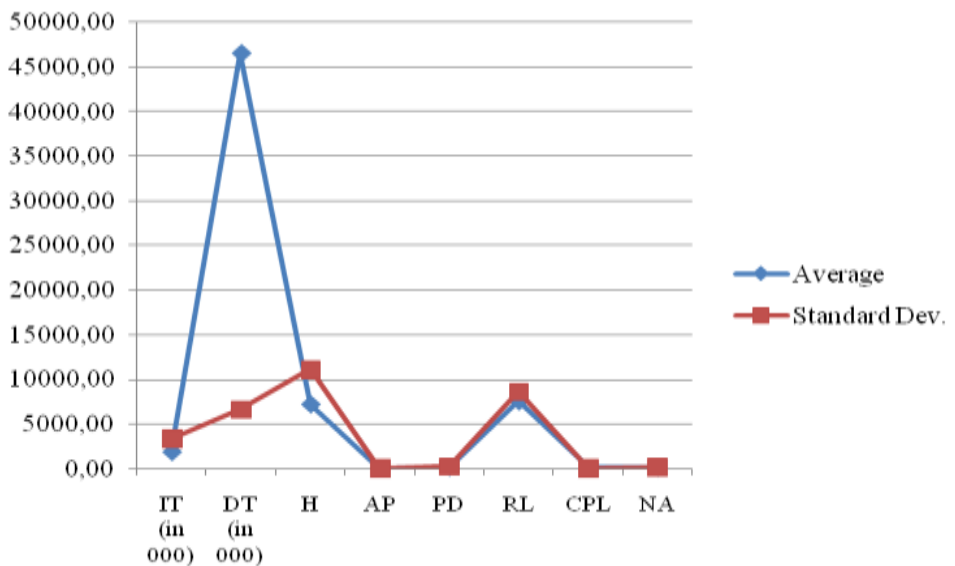
Source: *Authors calculation*

As shown in Table 3, the lowest number of international tourists by night for the EU28 in the 2012-2015 was 67708 nights. This lowest parameter was achieved in Malta. As for domestic tourists, the lowest inflow of foreign tourists was recorded in Luxembourg with 2811 nights. When it comes to the number of hotels and similar types of accommodation, Malta has the lowest number of accommodation capacities, as the smallest observed country. In addition to these parameters, Malta records

minimum values both in terms of rail lines (which are missing) and number of airports (only 1). As for air quality, Sweden has the lowest air pollution value, while Finland has the lowest population density (17.93 per sq. Km).

If we look at the maximum values, in some parameters, they differ significantly from the minimum values. Thus, for example, the largest number of overnight stays in foreign tourism was recorded by United Kingdom (15406000), while France is the top in terms of domestic tourism (25566393 nights). In addition, United Kingdom has the largest number of hotels from all observed countries (39634). Germany is leading in terms of rail lines (33428,75 km) and number of airports (539). Bulgaria is the worst in air quality with as much as 27,01 micrograms per cubic meter. As a small country, Malta has the highest population density (1329,74 per sq. km). The cost of living is the highest in Denmark, according to the comparative price levels.

Figure 1: *Average and standard deviation of selected criteria*



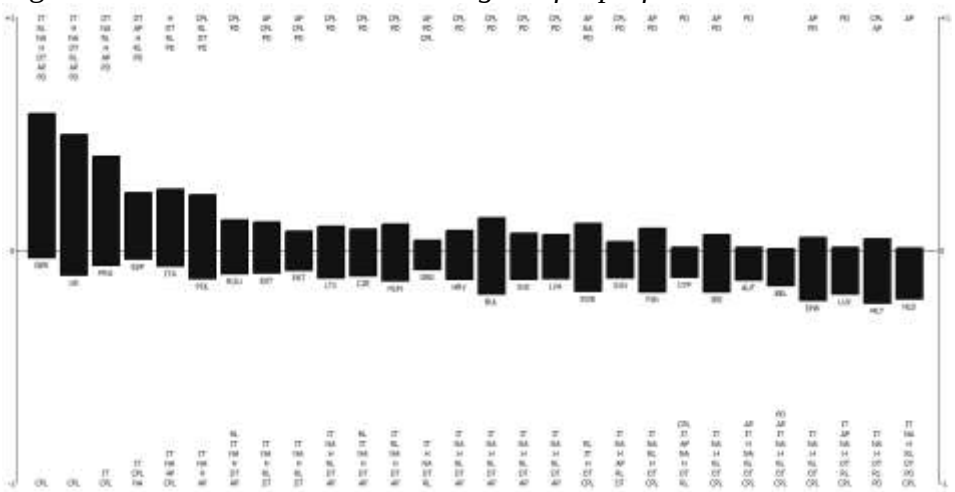
Source: *Authors calculation*

In addition to the basic parameters (minimum and maximum values), it is useful to display the average values, as well as deviations from the average values of the given parameters. Figure 1 shows the average values of the selected 8 indicators, as well as their standard deviations. It can be concluded that deviations from the average are small when it

comes to parameters that are not directly related to the number of overnight stays. However, when it comes to the number of tourists (domestic and foreign), as well as the number of hotels and similar accommodation establishments, deviations from the average values are high. In particular, there are high deviations regarding the average sizes of domestic and international tourists, as there are the biggest differences between minimum and maximum values among countries.

The final ranking of countries in measuring the tourist market performance shows the PROMETHEE rainbows diagram. This diagram represents a synthesized view of the net flow values. In this diagram, alternatives (countries) are shown from left to right side according to their rank. Each alternative is represented by a vertical bar consisting of parts - criteria. Each part of the vertical line shows the contribution of a single criterion in the formation of the total net flow value for a given alternative. The height of the vertical line represents the net flow multiplied by the corresponding weight of the given criterion, where the net flow represents the difference between the positive and the negative preference flows. Indicators that have the highest positive values of one alternative are on the top of the vertical bar, while the indicators with the highest negative values of one alternative are at the bottom of the vertical bar. Based on this, PROMETHEE rainbow diagram shows the profile of all alternatives and criteria, taking into account the weight of each of the criteria.

Figure 2: *PROMETHEE rainbow diagram for performance evaluation*



Source: Authors calculation

The final set of ranking alternatives is presented in Figure 2. Across the EU, the top five most popular destinations were Germany, United Kingdom, France, Spain and Italy. Such a situation is not surprising, taking into account that of the total number of foreign tourists' overnight stays, 21% stayed in Germany and 29% in United Kingdom. The top three most popular destinations Germany, United Kingdom and France together accounted for more than half (54 %) of the total nights spent in the EU-28. But, risk to German tourism performance can be data that Germany has been receiving large and growing gross migration flows from other countries in the European Union in recent years around 4.4 million between 2006 and 2014, and contributing to make it the second largest migrant destination in the OECD (Bertoli et al., 2016).

Also, the average number of hotels in the EU 28 amounted to 202 253. Most of that number is concentrated in the United Kingdom (20%), Germany (17%), Italy (17%) and Spain (10%). This result is similar in the research conducted by the authors Antonakakis et al. (2015) who said that tourism is the leading economic activity for Italy, Germany, Portugal and Spain, whereas an economic-driven tourism growth is evident for Austria and Greece.

The least common destinations by used performance indicators in EU 28 from 2012-2015 were Netherlands, Malta and Luxembourg. Bearing in mind all used performance indicators, Netherlands have all negative net preference flows. For Malta and Luxemborug the effect of the size of these Member States should be considered when interpreting these values.

In addition to the mentioned parameters, in terms of rail line indicators, the length of rail lines in the EU is 211688 km, and from that length Germany, France, Poland and Italy occupy 47%. The longest rail lines are in Germany (33,428 km or 16%) and France (30,013 or 14%). Of the total number of airports in the EU (3171), Germany has 539, France 464, United Kingdom 460. On the other hand, Malta and Luxembourg have lower number of airports, 1 and 2, respectively. In addition to ranking the given alternatives, on table 4 relative country positions (RCP) are presented. This indicator is calculated using the formula:

$$RCP_{ij} = \frac{x_{ij}}{\bar{x}_j} * 100 \quad (3)$$

$i = 1, 2, \dots, n$

$j = 1, 2, \dots, m$

Where RCP_{ij} represent relative country i position for year j

x_{ij} is indicator for country i in year j

$\bar{x}_j$ is average E28 indicator for year j

Table 4. *Relative country positions of tourism indicators*

	IT ↑	DT ↑	H ↑	AP ↓	PD ↓	RL ↑	CPL ↓	NA ↑
BEL	182%	10%	23%	103%	210%	48%	119%	36%
BUL	6%	28%	29%	176%	38%	53%	54%	60%
CZE	30%	74%	85%	131%	78%	125%	74%	113%
DNK	103%	22%	7%	69%	76%	28%	153%	71%
GER	583%	358%	476%	89%	132%	442%	113%	476%
EST	8%	5%	6%	55%	18%	12%	82%	16%
IRE	18%	15%	35%	63%	38%	24%	134%	35%
GRE	16%	62%	137%	81%	48%	31%	98%	68%
ESP	85%	354%	271%	64%	53%	206%	104%	132%
FRA	107%	549%	242%	80%	69%	397%	119%	410%
HRV	13%	22%	13%	127%	43%	35%	74%	61%
ITA	199%	328%	462%	113%	117%	222%	113%	114%
CYP	8%	4%	11%	109%	71%	0%	101%	13%
LVA	8%	9%	4%	121%	18%	25%	78%	37%
LTV	37%	15%	6%	120%	27%	24%	69%	54%
LUX	17%	0%	3%	107%	121%	4%	134%	2%
HUN	26%	60%	29%	141%	62%	104%	66%	36%
MLT	4%	1%	2%	92%	756%	0%	89%	1%
NLD	155%	69%	48%	96%	284%	40%	121%	26%
AUT	86%	29%	179%	105%	59%	65%	116%	46%
POL	135%	256%	49%	160%	71%	251%	62%	111%
PRT	16%	57%	32%	62%	65%	34%	92%	57%
ROU	12%	84%	34%	126%	49%	142%	58%	40%
SVN	29%	5%	9%	118%	58%	16%	92%	14%
SVK	49%	25%	20%	128%	64%	48%	76%	31%
FIN	13%	30%	11%	46%	10%	79%	134%	131%
SWE	45%	46%	28%	37%	13%	129%	140%	204%
UK	813%	282%	549%	81%	151%	215%	137%	406%

Source: *Authors calculation*

Table 4 shows the participation of indicators of a particular country in the average indicator at the level of the EU28 for the period 2012-2015. Values above 100% indicate the values higher than average in a given indicator.

In addition to Promethee ranking, the relative country position shows that Italy (in comparison to all other countries) records above-average values. Within all eight indicators, Italy has values over 100%. This country has a strong resort-based tourism vocation and tourism demand for Italy is especially directed to private accommodation (Guizzardi & Mazzocchi, 2010). Also, in the case of Promethee methodology, Italy was in the top 5 countries. In addition to Italy, Germany and United Kingdom are the countries that have the above-average values of the observed tourist indicators in 7 out of 8 criteria. Interesting is, for example, Belgium, which has the above-average values of some of the observed parameters (4 out of 8), but at Promethee ranking shows negative performance in absolutely all indicators. It is also interesting for the Baltic countries (Lithuania, Latvia and Estonia) to have all observed performances below average values.

Conclusion and policy recommendations

The tourism industry is one of the global leaders that are crucial to the EU economy, especially when it comes to the income and employment. Tourism is a diverse activity, influenced by a number of factors. For this reason it was necessary to observe a large number of segments that affect the performance of the tourist economy. Evaluating the performance of tourist destinations is one of the strategic issues for decision making in the tourism industry. However, depending on the selection of the criteria for ranking, the result of the best tourist destination depends. This paper presents the application of an integrated MCDM approach for tourism performance of 28 EU countries in tourism using PROMETHEE-GAIA method.

This analysis highlights three relevant issues. First, we concluded that tourism performance of Italy, France, Germany and UK are the best in terms of relative position and according to the Promethee ranking.

The second conclusion and the solution of the worst ranked countries to improve their tourist performance lie in the countries with the best tourist performance. Thus, for example, countries such as Ireland, Belgium and Denmark can boost their tourist performance by promoting their tourism products to the first ranked countries. By developing an appropriate strategy, Ireland can, for example, transfer its tourism potential and attract a German or British tourist who certainly prefers international tourism. Possible strategies for the future development of tourism in countries with

the worst performance are: motivation-based consumer segmentation strategy that clearly identifies the priority consumer segments, highly targeted brand communications, a better differentiation of the tourism market compared to the competitors and continuing to enhance, develop and promote air access.

Also, considering Ardahaey (2011) the impacts of tourism can be increased by selling local products and by helping local people retain ownership of businesses that serve tourists. This author emphasized that there are two ways to increase impact of tourism: increase the number of visitors or increase the amount that each visitor spends. According to them and results of our investigation, it can be concluded that countries with less tourism performance (in our way the worst ranked) should attract even more travelers with new infrastructure, more attractions, regional programs and special events over the next years. Also, these countries should develop new programs targeting the tourism market of best ranked counties (in our way UK, German and French market).

In order to develop a strategy for better positioning of tourist performances, the role of the public authorities is also important. Public authorities can significantly influence the development of the tourism industry. For example, in France, public authorities support the construction of tourist infrastructure (ports and inland waterways, the railway network, airports, roads and a dense motorway network). The public authorities provide natural and cultural resources (network of 40 regional nature parks and cultural heritage). Also, professional assistance is provided through a network of public agencies for business and commerce related with tourism (159 chambers of commerce and industry, as well as 20 regional chambers are grouped together) (Guerin, 2004).

Based on this analysis of tourism performance, basic challenges in the tourism industry can be specified, which will be relevant in the coming period. These challenges can also increase the competitiveness of the EU's tourism industry through further exploitation of their strengths and minimizing the existing weaknesses. Recommendations for the future tourism development are (Hagiu & Tanascovici, 2012): (1) strengthening the tourism industry as a high-quality service sector, (2) positioning the EU as the best tourist destination, (3) developing sustainable tourism, (4) develop knowledge based tourism, (5) increasing value in tourism based on existing resources, and (6) strengthening business tourism activities.

During the preparation of the tourism development strategy of the Republic of Serbia, it was established that nine tourism products had potential for further development and investments. The study showed that five prominent tourism products can achieve success in a short period of time, these being (Lakićević & Žarevac, 2016):

- City break;
- Touring;
- Business tourism and MICE;
- Events and
- Special interests.

Results of evaluation tourist performance in EU can also be applied in the strategy of forming the tourism development in the Republic of Serbia. By combining and developing the potentials of the tourism strategy of the Republic of Serbia and the proposed challenges of the EU, a strategy for tourism development in this country can be formed based on competitive advantage, sustainable tourism and knowledge-based tourism.

For further research it may be recommended to expand the set of criteria for evaluating tourist performance. In this evaluation process, a number of criteria are chosen through literature review. For next investigation, authors can include more criteria considering tourism experts and more authors. However, this paper presents a base for decision making in tourism market in whole EU. Using this research, each EU member state can see its tourist status and based on that create a tourism development strategy.

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CHARACTERISTICS OF THE INTERNATIONAL TOURISM FLOWS TO ROMANIA IN THE PERIOD 1993-2016

Marian Zaharia¹; Aniela Bălăcescu²;

Abstract

Tourism has an important role for the economic sustainability of a country, so there is an increased interest in research on the determinants of tourism development. Analysis of the foreign travel flows is a spatial research tool that has in view to explain for tourism stakeholders the impact of tourism growth on publicly provided infrastructure and also to help decision factors to know where they can make investments. Romanian tourism presents a valuable development potential with deep economic, political, social and cultural implications. The main objective of the paper is to build a framework of foreign travel flows that visited Romania between 1993 and 2016 - a country with great tourism potential and to provide decision-makers with possible solutions for the transformation of tourism into a stimulating factor for the other economic branches related to it. The main data source is National Institute of Statistics (NIS, 2018), Arrivals of foreign visitors in Romania by continents and origin countries (NIS_T, 2018). This paper is organized as follows: Section 1 describes some related studies in the field of tourism. Section 2 presents the data analysis, results and discusses various aspects of the foreign travel flows in detail. This paper ends with conclusions and presented directions for future research in Section 3.

Key Words: *foreigner tourist flow, regression models, visitor exports*

JEL classification: C10, C12, L83, Z30, Z31, Z32

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Introduction

Economic literature, empirical studies with differences and peculiarities of each country represent an essential intellectual capital in understanding the development of sustainable tourism and a vital working tool in the process of alignment with international standards on the quality of tourism services. Identification and estimate of relevant determinants of tourism attractiveness of destinations have significant implications for decision-makers, economic operators and policy authorities.

The tourists' arrivals flows are examined by Khadaroo & Seetanah (2008) who based their analysis on a panel data from 28 countries over the period 1990-2000 and the results obtained confirm that a significant determinant of the tourism attractiveness of destinations is transport infrastructure.

Malaj & Kapiki (2016) are of *the same opinion when* investigated the determinants of tourism flows of Greece and concluded that investments in transport infrastructure next to the incomes and EU membership of the origin countries, the political stability and the security affect international tourism flows to Greece.

Maintaining a relatively stable exchange rate presents an important role on international tourism flows, it was demonstrated by Glauco De Vita on a panel of 27 Organization for Economic Co-operation and Development (OECD) and non OECD countries for the period 1980–2011.

Munoz & Amaral (2000) consider the determinants of international tourism flows such as: price of alternative destinations, disposable leisure time, income distribution, age structure and educational level of the population.

Another empirical study which was realized by Uysal & Crompton (1984) on international tourist flows to Turkey based on multiple regression demonstrated that income, price and exchange rate are significant determinants of tourism inflows into a destination.

For Romania, Surugiu & Leitao & Surugiu (2015) demonstrated that GDP per capita, bilateral trade, population, prices are the main determinants of tourism flows to Romania. Their analysis was for the period 1997-2008.

The flows of foreign tourists who visit a country constitute an important source of income which, in countries with a high-performance tourism industry management and adequate infrastructure, can have positive implications for the economic and social development of local and regional communities in those countries.

According to the World Tourism Organization (UNWTO 2016), in 2015 the top five tourist destinations were France (84.5 million arrivals), USA (77.5 million arrivals), Spain (68.5 million arrivals), China (56.9 million arrivals) and Italy (50.7 million arrivals). From the point of view of international tourism expenditure, the top five countries were China (261 US\$ billion), USA (122 US\$ billion), Germany (81US\$ billion), UK (64 US\$ billion) and France (41 US\$ billion).

According to The Travel & Tourism Competitiveness Index 2017, Overall Rank, Romania is ranked 68th out of 136 countries, decreases 2 places compared to the previous year (2015). In the same time, one of its direct competitors, Bulgaria, was with 24 more positions higher than Romania, on the 45th place. In 2016, Bulgaria increases 4 places compared to the previous year.

In contrast with the important role of the tourism on the level of economic and social development, some authors highlight that impact of tourism on economic development is different and presents limitations as a tool for the improvement of the socioeconomic conditions of the population in poor countries. (Pulido-Fernández, & Cárdenas-García & Sánchez-Rivero, 2014).

However, tourism, under the conditions of an efficient management, can have a significant impact on the level of living and development of the whole society by contributing to the formation of the Gross Domestic Product. This finding is in line with that of Ohlan (2017) for India or Belloumi (2010) for Tunisia.

Zaharia & Bălăcescu (2017) consider that the way of attracting foreign tourists flows depends not only on the natural and anthropogenic heritage, but also on the policies adopted especially by developing countries, and their efficiency are factors that accelerate or slow the transition processes.

In order to promote Romania as a tourist destination, particular attention should be paid to increasing the quality of services and products offered,

training of the existing staff and cultivating a mentality that looks at tourists etymological meaning of the word hospitality (Scorte, 2011).

A concept which makes a heated debate in society today is about sustainable development. There are a lot of contradictory studies on the progress, implications, and practicality of sustainable tourism. Pulido-Fernández, Andrades-Caldito & Sánchez-Rivero (2014) argue that progress in tourism sustainability does not affect a country's main economic tourism indicators in the short term, and does not constrain profitability and competitiveness. Unfortunately, Romania with a total contribution of 5.2% of tourism to GDP was in 2016 on 163 rank out of 185 states (WTTC 2017), ahead of Bulgaria (12.8%), Hungary (10.5%), Czech Republic (7.8%) and Slovakia (6.2%). The total contribution of tourism to job creation also places Romania on unfavourable positions. Thus, in 2016, with 6.2% of the employees in the tourism industry, Romania ranks 136th out of 185 states, while Hungary occupies 82nd place (10.3%) and Bulgaria, with a tourism potential relatively similar to that of Romania, occupies the 69th place with a share of 11.3%, by 0.3 percentage points above the European Union average (11.6%). Also, foreign tourist flows are an important source of income. Their expenditures in Romania consist of exports of tourist services (visitor exports), which contribute to the increase of foreign exchange earnings. Unfortunately, from this point of view, Romania is also close to the ranking queue (WTTC 2017). Thus, while in Bulgaria visitor exports represented 12.0% (3.9 US \$ billion) of total exports, Hungary was 6.4% (US \$ 7.4 billion), in Romania it was only 2.8% (2.2 US \$ billion).

The main reason for the stay of non-resident tourists in Romania during the last two years of the analyzed period was represented by business, participation in congresses, conferences, courses, fairs and exhibitions (57.6% of the total number of non-resident tourists in 2016, increasing 1.7% over the previous year). The main data source was the National Institute of Statistics Database (NIS, 2018), Arrivals of foreign visitors in Romania by continents and origin countries (NIS_T, 2018). Data series processing was performed using SPSS (Labăr, 2008).

The rest of the paper is organized as follows. Section II contains an analysis of arrivals flows of foreign visitors to Romania on continents. In Section III we focus on the arrivals flows of foreign visitors to Romania on the European continent. The last Section is dedicated to the conclusions.

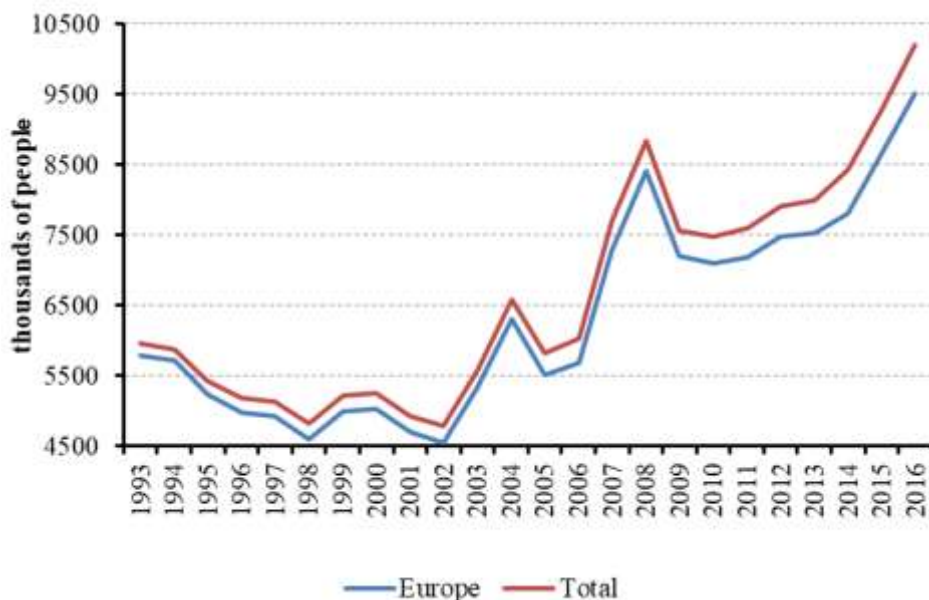
Arrivals flow of foreign visitors to Romania on continents

In the period 1993-2016, the evolution of the foreign tourists who visited Romania presents an upward trend. Thus, compared to the beginning of the analyzed period when it was registered a number of 5963.8 thousands of foreign tourists who visited Romania, at the end of the analyzed period it was registered a number of 10201.0 thousands of people, which means an increase of almost 2 times (171%). (Figure 1)

The studied period recorded fluctuations with main decreases in 2005 and 2009. In 2005, on the one hand, the spread of (highly pathogenic) H5N1 in birds and its official recognition in Romania, and, on the other hand, massive floods had a negative impact on the flow of foreign tourists in Romania when there was a decrease compared to last year by 11.6%.

The decline of the flow of foreign tourists in Romania registered in 2009, when there was a decrease compared to last year by 14.5%, is due of the international financial crisis from the end of 2007.

Figure 1: *Evolution of the number of foreign tourists who visited Romania between 1993 and 2016*



Source: author's own elaboration based on <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR107C>

Table 1: *Characteristics of the trends of the foreign tourists who visited Romania during the period 1993-2016 on the continents of origin*

Continent	Sig. F	R Square	Annual increase	P-value	Lower 95%	Upper 95%
Europe	2.75E-07	0.706	171.456	2.75E-07	122.584	220.327
Asia	4.17E-08	0.752	9.821	4.17E-08	7.327	12.314
North America	3.74E-13	0.913	8.908	3.74E-13	7.693	10.124
Africa	4.34E-08	0.751	0.894	4.34E-08	0.667	1.123

Source: *author's own computation using SPSS*

In synthesis, as shown in Table 1, for all of the four continents analyzed, developments in foreign tourists' flows were upward. The average absolute increase of tourists in Europe who visited Romania between 1993 and 2016 for Confidence level 95% ranges between 122,584 thousand and 220,327 thousand, with the most likely value being 171,456 thousand foreign tourists.

Second and third places are Asia and North America with relatively similar yearly average increases. The intensity of the flow of tourists from Asia who visited Romania increased on average by 9,821 thousand tourists (the confidence interval being 7.327-12.314 thousand tourists).

At the same time, the intensity of tourists' flow in North America grew by an average of 8,908 thousand tourists annually, the confidence interval being between 7,693 thousand and 10,124 thousand annual tourists.

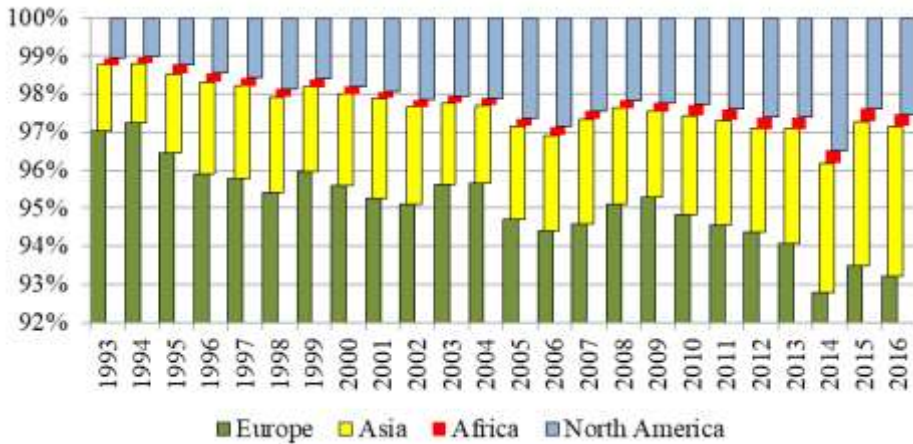
Regarding the flow of tourists from Africa, it remained at very low, although it increased slightly (0.894 thousand tourists annually) reached in 2016 about 32 000 tourists (0.31% of all tourists from the four continents who visited Romania in 2016).

Although the average annual growth rate ranks the flow of European tourists visiting Romania, the annual average rates and the average annual growth rates of foreign tourists' flows from other continents have significantly outpaced Europe.

Thus, while the average annual growth rate of the flow of European tourists visiting Romania in the analyzed period was 1.1833%, the flows of tourists from the other continents increased at a rate of 6.314% for

tourists in North America, 6.061% for Asian tourists, and 4.728% for tourists in Africa.

Figure 2: *Evolutions in the shares of foreign tourists who visited Romania between 1993 and 2016 coming from Europe, Asia, Africa and North America*



Source: *author's own elaboration based on <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR107C>*

These evolutions have led to changes in flow structures of foreign tourists arriving in Romania between 1993-2016 (Figure 2). In 1993, from 5.963 million foreign tourists who visited Romania, coming from Europe, Asia, Africa and North America, 97.01% were Europeans, 1.74% were Asian, 1.06% in North America and 0.19% in Africa. In 2005, North American tourists' share of total foreign tourists grew 2.49 times, reaching 2.64%, and Asian tourists grew 1.4 times, reaching 2.44%. Consequently, the share of European tourists fell to 94.72%.

At the end of the analyzed period in 2016, of the total of 10,201 foreign tourists visiting Romania, coming from the four continents included in the analysis, the share of tourists in Asia was 3.94% (the highest value in the whole period), the percentage of tourists in North America was 2.54% (the highest share of 2.86% was recorded in 2006), while the share of tourists in Africa remained at a very low level (0.31%). Under these conditions, the share of foreign tourists who visited Romania coming from European countries was 93.21%.

Arrivals flow of foreign visitors to Romania in the European continent

Taking into account the events and transformations that took place in Europe between 1993 and 2016, the European states included in the analysis were structured in three groups.

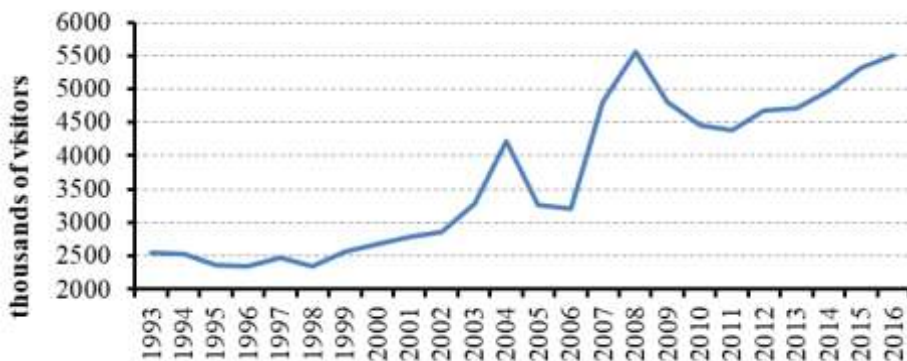
The first group of 26 member states includes the current composition of the European Union less Romania, which is destination of tourist flows, and Croatia for which the data were not available until after 2013.

The second group consists of Croatia, Serbia and Montenegro, and Macedonia. Although the series of data are incomplete during certain periods, given the importance of these states in relation to Romania, they were included in the analysis of the flows of tourists who visited Romania between 1993 and 2016.

The third group of countries included Moldova, Ukraine and Belarus.

The evolution of the total number of tourists from the 26 countries forming the first group is shown in Figure 3 and you can see this group presents an upward trend, with fluctuations. The highest growth was registered after 2007, when Romania joined the European Union. The tourist flow for the first group increased in 2016 compared to 1993 by 2.15 times (from 2556.3 to 5497.0 thousand of tourists)

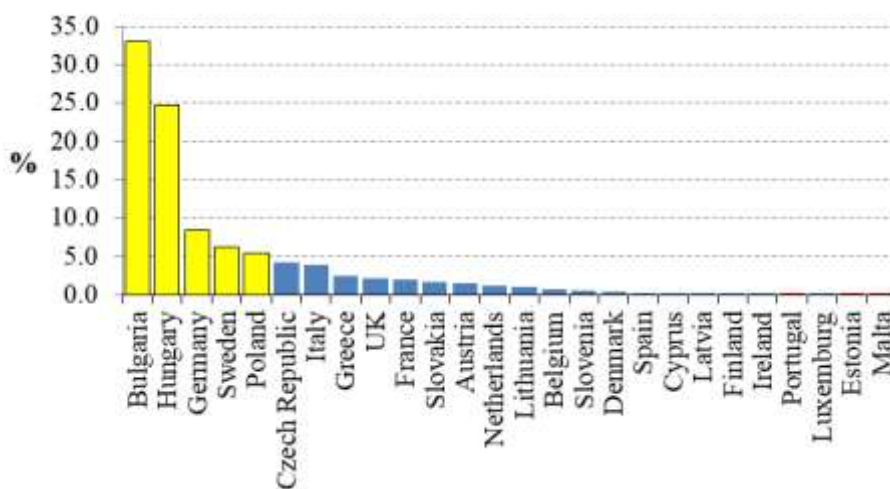
Figure 3: *Evolution of the total number of tourists from the group of 26 countries that visited Romania between 1993 and 2016*



Source: *author's own elaboration based on <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR107C>*

From the point of view of the hierarchy by the number of tourists arriving in Romania, out of 26 states, in 1993 (Figure 4), the first five places, totalling 77.8% of the total number of foreign tourists who visited Romania, were Bulgaria 845.3 thousand of tourists (33.1%), Hungary with 631.0 thousand tourists (24.7%), Germany with 214.3 thousand tourists (8.4%), Sweden with 158.4 thousand tourists (6.2%) and Poland with 138.7 thousand tourists (5.4%). On the opposite side, with shares below 0.1% in the total number of tourists was Portugal, Luxembourg, Estonia and Malta.

Figure 4: *The share by country of the total number of tourists from the group of 26 countries that visited Romania in 1993*



Source: *author's own elaboration*

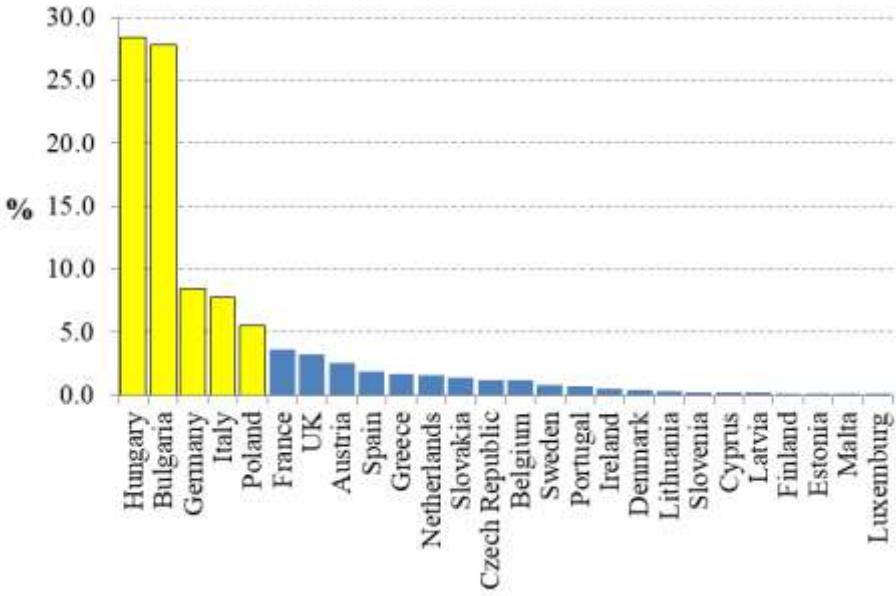
Although the hierarchies changed, in 2016 the share of tourists in the first five states (Figure 5) remained at about the same level (77.9% in 2016 compared to 77.8% in 1993).

The first two places are reversed in 2016, Hungary being the first with 1562.0 thousand tourists (28.42%), followed by Bulgaria with 1527.0 thousand tourists (27.78%).

In the next places were Germany with 466 thousand tourists (8.48%), followed by Italy, which ranked the seven in 1993, coming fourth in 2016 with 425 000 tourists (7.73%) and fifth place remains Poland with 425 000 tourists (5.49%). At the opposite end, with the proportion of total

visitors in the 26 states below 0.1% in 2016, Malta and Luxembourg were.

Figure 5: *Share by country of the total number of tourists from the group of 26 states that visited Romania in 2016*



Source: *author's own elaboration*

In states, tourists' flows have evolved differently. The main features of their evolution are presented in Table 2.

The average annual growth rate of flows of foreign tourists from the 26 analyzed countries that visited Romania between 1993 and 2016 fluctuated between 17, 12% (Portugal) and – 5, 61% (Sweden).

For the period 1993-2016, the first place in the top of flows of foreign tourists from the 26 analyzed countries that visited Romania

is occupied by Hungary who visited Romania between 1993 and 2016 recorded ascending evolution, with a relative change of 1.042 times and an average annual growth rate of 4.02%. The next two ranges are occupied by Bulgaria with a relative change of 1.026 times and an average annual growth rate of 2.60% and Germany with a relative change of 1.034 times and an average annual growth rate of 3.43%.

At the opposite pole are the tourists from Luxembourg, who although they recorded during the analyzed period a relative change of 1,037 times and an average annual growth rate of 3.73% are in the last place in the group of those 26 analyzed countries that visited Romania. The highest growth rate was recorded at the flows of foreign tourists from Portugal with a relative change of 1.171 times and an average annual growth rate of 17.12%, for the analyzed period. Next are tourist from Malta with a relative change of 1.155 times and an average annual growth rate of 15.50%. Unfavourable developments have been recorded for tourists from countries such as: Sweden (-5.61%), Czech Republic (-2.05%) and Lithuania (-1.33%).

Table 2: *Absolute and relative annual average annual flows of foreign tourists from the 26 analyzed countries that visited Romania between 1993 and 2016*

Country	Av.In (ths.)	Av.Ix (%)	Av.Rh (%)	Country	Av.In (ths.)	Av.Ix (%)	Av.Rh (%)
Hungary	40.48	104.02	4.02	Belgium	2.03	105.65	5.65
Bulgaria	29.64	102.60	2.60	Sweden	-5.06	94.39	-5.61
Germany	10.94	103.43	3.43	Portugal	1.61	117.12	17.12
Italy	14.17	106.54	6.54	Ireland	1.04	111.83	11.83
Poland	7.10	103.44	3.44	Denmark	0.51	103.94	3.94
France	6.51	106.11	6.11	Lithuania	-0.30	98.67	-1.33
UK	5.51	105.43	5.43	Slovenia	0.06	100.41	0.41
Austria	4.48	105.79	5.79	Cyprus	0.37	105.53	5.53
Spain	4.26	114.13	14.13	Latvia	0.34	105.69	5.69
Greece	1.28	101.72	1.72	Finland	0.30	106.61	6.61
Netherlands	2.59	104.92	4.92	Estonia	0.22	108.98	8.98
Slovakia	1.37	102.40	2.40	Malta	0.13	115.50	15.50
Czech Rep.	-1.78	97.95	-2.05	Luxemburg	0.05	103.73	3.73

Av.In – Average increase (thousands of visitors), Av.Ix – Average index (%), Av.Rh – Average rhythm (%).

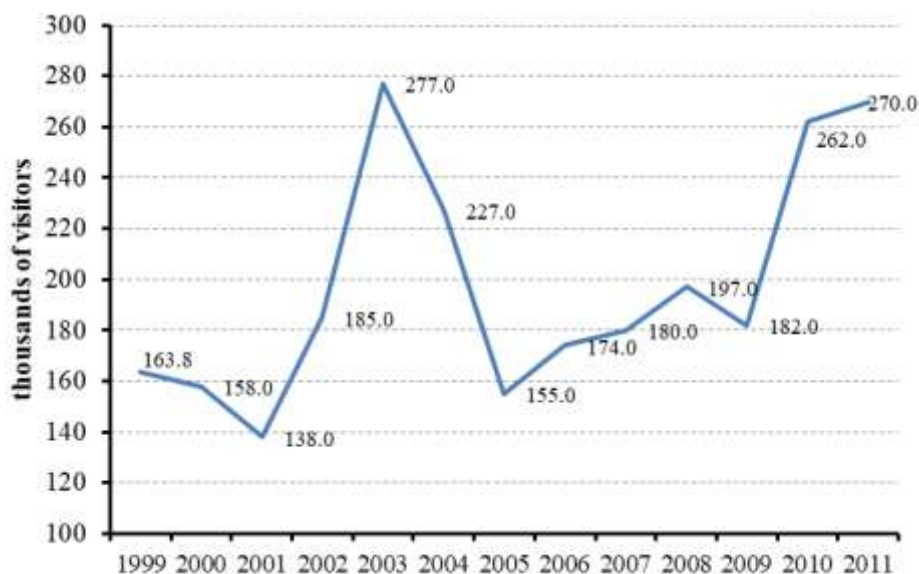
Source: *author's own computation using SPSS*

In the case of the European countries of the second group, due to the dramatic events that led to the dismantling of the former Yugoslavia, and in particular the wars that took place between 1991 and 1995, concluded by the Dayton Agreement of 14 December 1995, in 1998, the flow of tourists from the former Yugoslavia, with the exception of Slovenia, decreased dramatically.

Thus, from a total of 1053.9 thousand tourists who visited Romania in 1993, in 1998 their number decreased to 120.5 thousand (a reduction of 88.57%).

After 1998, the flow of tourists that started to grow, its evolution between 1999 and 2011 being shown in Figure 6.

Figure 6: *Evolution of the flow of tourists from the countries of the former Yugoslavia except for Slovenia who visited Romania between 1999 and 2011*



Source: *author's own elaboration*

In the period 1999-2011, the flow of tourists from the countries of the former Yugoslavia except Slovenia who visited Romania recorded increases from 163.8 thousands of visitors in 1999 at 270,0 thousands of visitors in 2011, a relative change of 1.042 times and an average annual growth rate of 8.85%.

The smallest value of flow of tourists from the countries of the former Yugoslavia except Slovenia who visited Romania was recorded in 2001 (138.0 thousands of visitors). The 2001 year was for countries of the former Yugoslavia full with many political, social, and economic measures to reform the Yugoslav state and society after the Milosevic era.

In the period 1999-2011, the highest value of flow of tourists from the countries of the former Yugoslavia except Slovenia who visited Romania was recorded in 2003 (277.0 thousands of visitors). Compared to the previous year, it was recorded a increase by 1.5 times. Unfortunately, the next 2 years have been characterized by declines in the number of tourists coming from Yugoslavia and 2006-2011 there was an increasing trend which continued in the period 2012-2016 (Figure 7)

Figure 7: *Evolution of the flow of tourists from Croatia, Macedonia, Montenegro and Serbia who visited Romania in 2012-2016*



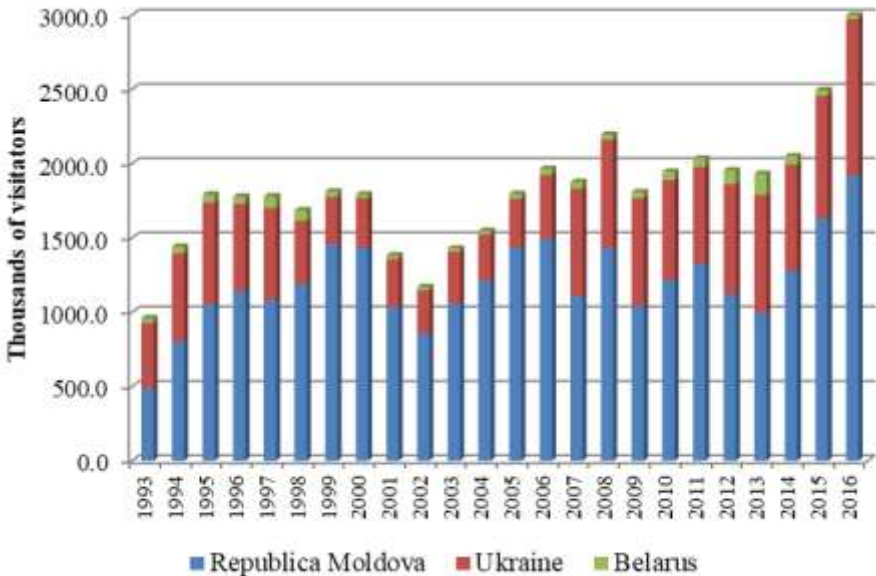
Source: *author's own elaboration based on <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR107C>*

In 2016, the total number of tourists from Croatia, Macedonia, Montenegro and Serbia who visited Romania increased by 152.34 percent compared with 2012 up to 489 thousands of visitors. Most tourists were from Serbia (87.32% from the total of tourists in 2016).

Romania is an attractive tourist destination for Moldovan citizens, as a result of two powerful motivations: geographical distance and common language. In the period 1993-2016 (Figure 8), there was an increase in the flow of tourists from the Republic of Moldova, which was quite stable (from 485.4 thousand visitors in 1993 at 1918 thousand visitors in 2016).

However, during this period there were two decreases recorded in 2002 (the number of tourists in the Republic of Moldova decreased by 82.97% compared to the previous year, reaching 857.0 thousand visitors) and 2013, (tourists from the Republic of Moldova decreased by 88.84% compared to the previous year, reaching 857.0 thousand visitors).

Figure 8: *Evolution of the flow of tourists from Moldova, Ukraine, and Belarus who visited Romania in 1993-2016*



Source: *author's own elaboration based on <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=TUR107C>*

A grow up trend was recorded by the flow of tourists from Ukraine who visited Romania. Compared to 1993, the number of tourists increased by 2.4 times in 2016. A low interest of the citizens of Ukraine towards Romania as a tourist destination occurred between 1999 and 2005. Regarding flow of tourists from Belarus, it is quite fluctuating. Thus, the number of tourists from Belarus oscillate from 31.2 thousands of tourists, in year 1993, up to 143.0 thousands of tourists, in year 2013, reaching 54.0 thousands of tourists in 2016.

Conclusions

The tourism industry plays an important role in the development of society due to its economic potential and employment and its social

implications (due to the increase in the standard of living, increasing the level of preparation and general culture population, etc.). Thus, the development of national and international tourism has become a national priority for many countries.

The current study presented, succinctly, some major benchmarks about evolution registered by the flows of foreign tourists visiting Romania between 1993 and 2016.

The first part of the analyzed period coincided with the first years of the transition of the Romanian economy, when there was a delayed and flawed privatization in all sectors, including tourism, legislative and fiscal instability, and late reforms in all sectors. A real revival of tourism is felt after the year 2000, due to the modernization of the tourist infrastructure and the diversification of the tourist offer. The overall analysis of the foreign travel flows that have visited Romania between 1993 and 2016 shows that most tourists are from Europe, second and third places are Asia and North America with relatively similar yearly average increases.

The highest growth was registered after 2007, when Romania joined the European Union. The tourist flow for the first group increased in 2016 compared to 1993 by 2.15 times (from 2556.3 to 5497.0 thousand of tourists). Taking into account the events and transformations that took place in Europe between 1993 and 2016, the European states included in the analysis were structured in three groups. The first group of 26 member states includes current composition of the European Union less Romania and Croatia. The second group consists of Croatia, Serbia and Montenegro, and Macedonia. The third group of countries included Moldova, Ukraine and Belarus.

For the period 1993 -2016, the first place in the top of flows of foreign tourists from the 26 analyzed countries that visited Romania is occupied by Hungary and the next two ranges are occupied by Bulgaria and Germany. In the case of the European countries of the second group, due to the conflicts within Yugoslavia, the flows of foreign tourists have recorded oscillating evolution.

Regarding the third group of countries, Romania is an attractive tourist destination for Moldovan citizens. In the period 1993-2016, there was an increase in the flow of tourists from the Republic of Moldova, which was

quite stable (from 485.4 thousand visitors in 1993 at 1918 thousand visitors in 2016).

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IDENTIFICATION AND ANALYSIS OF INDICATORS ON SUSTAINABLE TOURISM DEVELOPMENT OF ISTRIA (CROATIA)

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Abstract

In this paper, tourism is being explored as a social and economic phenomenon affecting the entire economic and social life. Therefore, there is a need to approach the overall tourism development more accurately and with greater responsibility based on principles of sustainability. In this context, the aim of the research in this paper is to identify and evaluate indicators that support the sustainable development of tourism. Selected patterns of sustainable development indicators from various available systems were used in the research. The research will examine the hypothesis that links sustainable development, responsible and excellence-based tourism using Istria as an example. We also confirm that the link between sustainable development, responsible tourism and destination excellence is measurable and unbreakable.

Key Words: *Istria, tourism, sustainable development, methodology, forms, indicators*

JEL classification: *O1*

Introduction

The fact is that the world has been trying to implement various projects that support sustainable development for many years. In this regard, various institutions have developed and developed indicators to find the right solution, protect space and people, facilitate the strengthening of the economy and at the same time develop with minimal or completely neutralized negative aspects of nature, the environment and the community.

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The primary objective of this research is to determine the synergy of the overall economy and tourism. Tourism is most often seen as an economic category that brings revenue to the local community, but also to the wider economy. The issues we will particularly emphasize in this paper are: What are the potential gains and losses of tourism for the local community? Are they really realized? Do we have any solutions? It is extremely important to find answers to these questions, and to analyze potential solutions. The subject of research is to determine which economic indicators are suitable for measuring sustainable development and their implementation at the level of the tourist destination of Istria. The basic problem of work is to establish: sizable economic indicators involved in measuring sustainable tourism development. Indicators can help to prevent loss, damage due to inadequate responsiveness at the right time, timely planning of destination projects at the right time. The paper will test the hypothesis that there is a link between sustainable development, responsible tourism and excellence in tourism in the Istrian tourist destination and that this connection is measurable and unbreakable. With sustainable development, we create the preconditions for responsible tourism, the satisfaction of the inhabitants of life in their city. At the same time, the excellence of the destination, the excellence of service and tourism offer is needed to create the overall quality.

Definition of sustainable tourism development

During the 60s, especially the 70s and to the greater extent of the 80s of the last century, focusing on the attention of many countries and enterprises of tourist service providers was solely on the economic aspects of tourism development, i.e. its direct, indirect effects on the economy of domestic and foreign tourists. This has caused sharp criticism and attention to the issues of tourism development impact on society and tourists themselves. The arguments were drawn from numerous examples with a negative sign in tourism development such as the destruction of space (its "burning" for the purpose of tourist construction), derogation from the natural environment and natural attractiveness, commercialization of cultural-historical and other heritage, neglect of anthropological specificity and distinctiveness, and the other (Dobre, 2005). This has caused changes in many destinations that, adapting to the needs of tourism development, have lost their originality and uniqueness, which has distorted tourist travel.

After the 1990s, the whole movement of "humane tourism", "responsible tourism", "healthier tourism", "tourism with vision and future", "eco-tourism" (McMinn, 1997; Wall, 1997; Buckley, 2000; Spenceley, 2008; Jiaying & Sanjay, 2009). More recently, all these terms include the term "sustainable tourism". It can be concluded that the concept of sustainable tourism as a form basically implies the aspiration of a local community (or community of broader scope) in relation to tourism development, which should become responsible for the type, type and pace of the selected tourist development. In other words, sustainable tourism planning should recognize the rights and needs of residents (hosts), respect their resources (physical environment), lifestyle and culture, as well as their right to affect the fate of local resources (tourist and others).

Sustainable tourism could be defined as tourism that "takes into account the current and future impacts on the environment, the economy and society, taking into account visitors, the industry, the environment and the local community" (Sustainable tourism, 3rd edition, Blue & Green Tomorrow, 2014) as a positive approach that seeks to reduce the tensions and fictions that arise from the complex interaction between tourism industry, visitors, the environment and society as a host (Dobre, 2005). It is an approach that involves working for more durable quality and natural and human resources. Also, sustainable tourism is defined as a meeting to meet the needs of current generations (tourists and hosts) without overwhelming interpretation of the ability of future generations (tourists and hosts) to meet their needs.

Indicators of sustainable development in tourism

Sustainable tourism development indicators are defined by measuring instruments that represent sustainability indicators, identified boundary values. They have multiple functions if they are properly defined can lead to better decisions and more effective measurements. The measurements clarify all the problems that the stakeholders have, and provide the total information available to the public and decision-makers. Properly selected indicators of sustainable development provide an entire range of activities, activities, content in the destination that measures them, and provide alertness to problems and prevent economic, social and ecological constraints in development. They are also useful tools for communication, reflection and evaluation.

Below is an overview of the known system of sustainability indicators and institutions that participated in their proposals in their foundation. The term sustainable development has entered the general terminology of the '80s of the 20th century and points to the link between development and environmental protection, and was definitively accepted at the Rio de Janeiro Conference in 1992' (Endl & Berger, 2012). Then, the Rio + 20 Indicator System was adopted, which includes seven critical points: employment of energy sustainability, urban challenges, food safety and development, security of drinking water, ocean and ocean, and disaster relief solutions (<http://www.uncsd2012.org/rio20/7issues.html>).

Following the Environmental and Development Conference held in Rio de Janeiro in 1992, representatives of 179 governments for the future of a healthy society and economy in the world supported the way to the future through "sustainable development", initiated a process called Agenda 21 - Action Plan for 21. century. "Agenda 21 provides a template for action in 40 different areas (soil, forest, water, air, sustainable agriculture and rural development, biodiversity conservation, waste management, etc.) and lists 9 key social groups: women, children and young people, population, associations, local authorities, workers and trade unions, the business world and industry, scientists and farmers, whose actions are of crucial importance for the sustainable development of the Earth. Agenda 21 launched a call to local governments (cities and municipalities) to engage with their residents to discuss sustainable development and to make individual plans for action on that path. (<http://croatia.rec.org/wpcontent/uploads/2012/01/LA21KChrv2.pdf>).

UNWTO 2005 puts a proposal on sustainability measurement with twelve very concrete indicators that overlapping many elements with the Rio +20 proposal. Indicators UNWTO insists on measuring in the segments of local population satisfaction with tourism, the effects of tourism on the local community, the satisfaction of tourists, the seasonality of tourism and the economic benefit of tourism. It further suggests measuring indicators in the category of energy management, availability and preservation of drinking water, drinking water quality, household waste management, rigid waste management (garbage), development control and controlling the intensity of tourism development (UNWTO, 2004). They are still valid today, but are supplemented by current moments and monitoring.

The system of sustainable development indicators adopted by EUROSTAT aims to continuously improve the quality of the residents of the destination, the future of projects and lifestyles, spatial planning and ecological care. This system offers 20 interesting indicators that can point to numerous positives, but also threats and opportunities in space. Eurostat results are published every two years on the Eurostat website (<http://ec.europa.eu/eurostat/web/sdi/indicators>).

The Tourism Sustainability Group (TSG) proposes a measure of sustainability with 23 indicators. This concept of measurement is aimed at public institutions, private companies and other organizations at European, national, regional and local level. Its main goal is to encourage joint action between the public and private sectors.

The GSTC (Global Sustainable Tourism Council) has created a system that is being implemented for the first time in 2010 to achieve a mutual understanding of a sustainable tourism destination. It proposes measuring sustainability in 4 key themes-areas (<https://www.gstcouncil.org/en/gstc-certification/gstc-criteria/criteria-for-hotels-and-tour-operators/39-general/general-content/634-global-sustainable-tourism-criteria-for-hotels-and-tour-operators.html>).

The Sustainability Measurement Indicators proposed by the Global Tourism Council are not different in many elements from other already proposed measurement systems. Particularly emphasized is the effectiveness of managing sustainable tourism development, maximizing economic benefits, minimizing the negative effects of tourism, maximizing benefits for the local community and visitors while minimizing the negative effects of tourism. The biggest difference from the previous systems is that the Global Tourism Council proposes and certification for hotels, which is a marketing extremely interesting and modern approach to tourism (<https://www.gstcouncil.org/en/gstc-certification/gstc-criteria/criteria-for-hotels-and-tour-operators/39-general/general-content/634-global-sustainable-tourism-criteria-for-hotels-and-tour-operators.html>).

The Mission of the Organization for Economic Co-operation and Development (OECD) promotes policies that improve the economic and social benefits of people around the world. Trends encouraging policies designed to improve the quality of people's lives are encouraged, thus

encouraging systematic measurement of enterprise sustainability and competitiveness of tourism under OECD principles.

OECD Tourism Sustainable Development Indicators include 4 areas/themes, 11 indicators (<https://www.oecd.org/innovation/green/toolkit/oecd-sustainable-manufacturing-indicators.htm>): impact and effects of tourism, direct share tourism in GDP, revenues from foreign tourist arrivals per tourist to emitting markets, number of overnight stays in all types of accommodation capacities, export of tourist services, the ability of the destination to provide quality and competitive tourist services, labor productivity in tourist services, purchasing power parity and prices tourist services, state requirements for entry visa, destination attractiveness, natural resources and biodiversity, cultural and creative resources, visitor satisfaction, political responses and economic opportunities, national tourist action plans.

In accordance with all the projects and systems of sustainable development indicators presented in 2014, the European Commission has invited 100 European destinations to participate in the European Tourism Indicators System (ETIS) pilot project. "ETIS is a process managed locally and is designed to monitor, manage and strengthen the sustainability of a tourist destination, consisting of a range of indicators, tool sets and data sets. It is a useful means of tracking the results achieved by destinations, helping to make better management decisions and policy direction. ([Http://ec.europa.eu/growth/sectors/tourism/offer/sustainable/indicators/](http://ec.europa.eu/growth/sectors/tourism/offer/sustainable/indicators/)) The indicators according to the ETIS program consist of: 27 main and 40 electoral indicators. The basic principle of the system of indicators is that responsibility for the destination, ownership and decision-making brings in a synergy between each other.

Research methodology

The research in this paper is based on primary and secondary sources, and approaches and methods based on the attitudes of domestic and foreign researchers. Secondary and primary sources of data will be used for the research to obtain the necessary information. Secondary data refer to books, scientific and professional articles, internet sources of relevant international and domestic authors in the field of tourism, sustainable tourism, destination management, and so on. Descriptive research is applied in this paper, and data collected will be quantitatively and qualitatively analyzed with the help of Microsoft Office Excel and will be

presented in a tabular and graphical form. Descriptive methods of synthesis and analysis, comparisons, the collected data are systematized into a logical unit, with the aim of providing a review of the previous knowledge on the topics discussed above. The key elements of sustainable tourism development will be explored using the indicators outlined in the 7 system indicators. In this study, data from statistics on realized arrivals and overnight stays were used in the entire area of Istria, i.e. Istria county.

The basic objectives of this research are to identify key elements of sustainable tourism development in Istria. In this connection, a hypothesis has been put forward that claims that there is a link between sustainable development, responsible tourism and excellence in tourism in the Istrian tourist destination and that this connection is measurable and unbreakable. Proof of the hypothesis set will be performed on the example of the tourist destination of Istria.

The research is based on the data available in 2016 as the last year for which it was possible to collect / obtain the relevant data. Based on the available data, the aspects of sustainability were analyzed and the level of sustainable development of Istria's tourism was achieved.

The spatial coverage of the research is related to the rural and maritime space of Istria, located in the northeastern part of the Adriatic Sea on the westernmost and largest peninsula of Croatia. Istria is the westernmost part of the Republic of Croatia and is the largest Croatian peninsula, the closest Mediterranean tourist destination to the countries of Central Europe.

The surface of the Istrian peninsula in the Istrian County is 2,822 square kilometers, which represents 4.98% of the total area of the Republic of Croatia (<http://www.istra-istria.hr/index.php?id=610>).

Istria is the leading tourist destination in Croatia. According to available data, http://www.istra.hr/app/upl_files/TZIZ_2010.pdf; http://www.istra.hr/app/upl_files/TZ_2014_01-12.pdf in 2016, the total accommodation capacity of 294,339 units (camp beds and beds) was available to tourists in 2016. Of the number of accommodation units mentioned, 50% of campsites are located. With total capacity, the Istrian County participates with 25% of the total capacity of the Republic of Croatia. In six years (2010-2016) capacities in Istrian County increased by 26%. Tourist traffic

in the Istrian County recorded a higher increase in capacity growth. Thus, according to the latest public data, in 2016 more than 3.8 million arrivals were achieved, which is 25% in total arrivals in Croatia, and over 25 million overnight stays or 32% of realized in Croatia. The average stay of tourists in Istria in 2016 is 6.5 days and is higher than the Croatian average for 5 days.

Results of research and discussion

Sustainable Tourism Development in Istria country (Istria) is considered as a development that, with its internal structure and overall practices and the effects of tourism, as well as their natural environment, keep themselves (only) reproduced, by means of sustainable and thoughtful co-operation. Thus, sustainable development, i.e. sustainability, is understood as an integral sustainable development that, apart from ecological, also has the economic, socio-cultural and political dimensions (Lay, 2007) of sustainability. Whether all four dimensions of sustainability in any such balance - the concept of sustainability falls. It is important to emphasize here that all dimensions of sustainability are measured with the help of indicators to measure the sustainability of development processes.

The first group is ecological indicators to examine and monitor the impact of tourism on a natural basis. The second group is economic-tourist indicators whose purpose is to assess the development and importance of tourism, contribution to the economy and the community through the impact on employment, investments and revenues of municipal or city budgets. The third and fourth groups are socio-cultural and political indicators that follow the mutual relationship between tourism and cultural heritage, i.e. the harmony of tourists with the local community.

Ecological aspect of tourism sustainability of Istria

The purpose of the ecological indicators is to examine and assess the impact that tourism has on individual elements of the natural base. This means that from the aspect of sustainable tourism the primary objective of these indicators is to monitor and limit the invasive action on a natural basis, which can have adverse consequences. The most striking influences of tourism are occupation of the natural space by building tourism capacities, drinking water consumption, production and disposal of municipal waste and production and discharge of wastewater.

Table 1: *Indicators of ecological sustainability of Istria tourism*

Indicator	Unit	Quantity	Indicator	Impact
Areas of Protected Natural Areas	ha	22080,19	-	Attractiveness
Share of Protected Earth's Surface and Water Surface in the Total Surface	%	-	7,82	Attractiveness
Potable water consumption and measures to reduce consumption	-	-	Sufficient quantities are provided	Contribution
Water quality (sea and water)	-	-	The quality of the good is regularly monitored	Attractiveness
Waste water and measures for its exploitation	-	-	To a lesser extent it is used	Contribution
Municipal waste and measures for its reduction and recycling	-	-	Disposal is good, small fraction is sorted and recycled	Contribution

Source: *Authors' research*

Protected natural areas fall into the most attractive areas of some country, and they are a tourist function by categorizing the importance of second-tier management goals. However, in addition to tourism, protected nature has the function of conservation of plant and animal habitat, educational and research function (Boyd, 2004; Ružić, Amidžić, Ružić, 2011). However, increasing the share of protected natural areas on the surface of the tourist region has two major positive consequences for the further development of sustainable tourism. Primarily, the importance of nature protection and biodiversity is increased, and the tourism attractiveness of the region is further strengthened.

On the territory of the Istrian County there are 33 protected areas of 22,080.19 hectares, which occupy 7.82% of the land area of the county.

The consumption of potable water and water for tourism purposes has certain specificities in relation to other consumers. The most important thing is that increased water consumption in tourism occurs in the summer months when in most cases the smallest amount of rainfall and the hydrological minimum. Related to this, in the summer months there is a maximum consumption of about 100 days (Gulić, 2000). Part of this spending is not only related to tourism but to irrigation of agricultural land and other economic activities.

Finally, in tourism, there is a hidden consumption of water through the production of food and alcoholic and non-alcoholic beverages intended for receptive tourist regions (Müller, 2004). Istria has sufficient quantities of drinking water for the needs of the population and the economy, and thus increased consumption in the current tourist accommodation facilities cannot endanger the water supply provided by the three Istrian water supply systems (Istrian Plumbing, Buzet Vodovod, Vodovod Labin).

In Istria and especially in domestic wastewater management, it is hampered by factors that limit and hamper the implementation of the principle of sustainable management. The first group of factors are natural, and among them the most important composition and geological structure of the relief of the largest part of Istria with water-permeable sedimentary rocks and high density of underground and surface waters. The second group of factors are social, among which the most important settlement structure with many small and spatially scattered settlements and parts of settlements, which makes it difficult to build a sewerage network.

Disposal of municipal waste generated in each area is an ecological, social and economic issue and a technological challenge for local self-government units. Therefore, from the aspect of sustainability, it must be environmentally efficient, economically viable and socially acceptable (Morrissey & Browne, 2003). The increased number of tourists in the receptive regions further jeopardizes the natural base, creates costs for the local population and burdens the communal systems in the destination. Utility Waste Management in Istria is carried out by seven public utilities, whose headquarters are, except for Umag, in the centers of former municipalities. The municipal waste is disposed of at seven landfills and about 150 illegal landfills.

In previous scientific research and practical application of the principle of sustainable tourism at various spatial levels, great attention has been paid to the mutual influence and linkages to the natural basis, and numerous indicators have been developed and implemented for this purpose. However, it would be wrong to interpret the meaning and goals of sustainable tourism solely from the aspect of interaction with the natural basis because the economic implications were the driver of development in some receptive regions.

Table 2: *Indicators of Economic Sustainability of Istria Tourism*

Indicator	Unit of measure	Quantity	Indicator	Impact
The ratio between the number of tourists and local residents (average and top of the season per day)	average per day	-	0,329	Social pressure
	average in top of the season per day		1,187	
Accommodation capacity accumulation rate	annual average%	-	23,3	Pressure
	average in peak season%		83,9	
Number of tourists per square meter and beach per day	Whatever. average:	-		Pressure
	destinations		0,024	
	beaches		0,042	
	top of the season:			
	destinations		0,087	
	beaches		0,150	
Total number of beds and places in camps per 1000 inhabitants	-	-	1,41	Social pressure
The share of tourism in GDP	%	-	18,2	Contribution to the economy
Average spending per visitor	€	-	75,90	Contribution to the economy
The average length of stay in days	-	-	6,5	Contribution to tourism

Source: *Authors' research*

The significance and purpose of using economic-tourist indicators are multiple. First, the indicators show the level of development of tourism, i.e. the tourist significance of the municipality and the city through the burden of space for accommodation capacities and degree of concentration. Secondly, from the aspect of sustainable tourism, they show how much the realized tourism traffic utilizes to the local community (Ružić, Amidžić, 2017) through overnight stays and collected tourist taxes without creating any negative effects. Third, indicators show the importance for the local economy from the aspect of investment in tourism and hospitality of municipalities and cities, i.e. the contribution of tourism to employment.

Table 3: *Tourist arrivals and overnight stays in Istria, the average stay of tourists and capacity utilization in 2016*

Month	Arrivals	Nights	Average stay in days	Average capacity utilization in days	Average capacity utilization in%
Januray	18.268	76.272	4,2	0,2	0,6
February	33.95	102.789	3,0	0,3	1,0
March	83.137	281.067	3.4	0,9	2,9
April	165.727	563.399	3,2	1,8	6,0
May	366.477	1.554.161	4,2	5,3	17,1
June	510.41	3.010.083	5,9	10,2	37,7
July	1.009.068	7.121.501	7,1	24,2	78,0
August	1.033.160	8.192.689	7,9	27,8	89,7
September	472.516	3.405.377	7,2	11,6	38,7
October	124.168	518.474	4,2	1,8	5,8
November	29.265	117.752	4,0	0,4	1,3
December	37.748	112.23	2,9	0,4	1,3
Total	3.851.405	25.003.197	6,5	84,9	23,3

Source: *Istria Tourist Board. Tourist arrivals and nights by Tourist Offices 01-12/2016, [online] Available at: (http://www.istra.hr/.app/upl_files/TZ_2016_01-12.pdf)*

Tables 2 and 3 analyzed the economic aspect of sustainable tourism with several selected indicators such as: tourist operating indicator, specific sleeping threshold, contribution to economy and tourism. The tourist operating indicator shows the pressure of tourism on space and society as a ratio of tourist numbers and local population per day and the total number of accommodation units per 1000 inhabitants. These indicators show social pressure that can have a negative impact on the quality of tourism and its sustainability.

Increasing the number of nights has positive effects as it can strengthen the local economy and increase the number of employees. By contrast, the increase in overnight stays can negatively affect the natural base through increased emissions of harmful gases, wastewater, municipal waste generation, traffic jams and the like. Likewise, a sudden increase in the number of overnight stays can have a negative impact on the local population due to increased crowding in settlements where the emergence of tourists with different lifestyle habits and styles can cause open conspiracies. The negative effect on the local economy comes from the threat of unilateral development with tourism that would depend on most

of the community's employees. The quantification and determination of the tolerance threshold over which the number of overnight stays starts, with positive, negative and negative effects on the natural base, the local economy and the population of some space is not possible without considering the developmental specificity of each individual tourism region. Attempts to quantify such a specific sustainability threshold were conducted in the Mantova and Lepontinin Alps (Castellani et al., 2007, Castellani & Sala, 2010) surveys by calculating daytime loads per local inhabitant by dividing the total number of overnight stays with the number of days in the year and the number of inhabitants of the observed area and multiplied by 100. A subjective assessment of the researchers that the specific sustainability threshold of 25% (in Istria 23.3%) after which the overnight stays, with positive, also have negative effects on the tourist destination.

For implementing the full monitoring of sustainable tourism, apart from the ecological and economic-tourist indicators, it is necessary to analyze and incorporate socio-cultural indicators that cover a wide range of quantitative and qualitative data. One of the fundamental values of sustainable tourism is the respect of the socio-cultural authenticity of the receptive region, the preservation of its cultural heritage and its traditional values, and its contribution to intercultural understanding and tolerance.

Table 4: *Socio-cultural aspect of sustainability of Istria tourism*

Category	Indicator	Impact
Cultural and Historical Heritage (Cultural Historical Monuments of Istria)	Over 83 monuments from different times; ancient Roman monuments (Amphitheater Arena, Archbishop of Sergijevac, Augustan Temple, remains of many Roman villas ...); the Euphrasian Basilica complex in Porec from the 6th century, listed on the UNESCO List of Protected Cultural Heritage; the other valuable sacral heritage such as medieval churches painted in frescoes, church of Sv. Blaža in Vodnjan with a collection of sacred art and preserved mummified bodies of several saints; the remains of Glagolitic influence in medieval art and literacy; medieval castles and fortresses, the historic town center of the small towns in the Istrian interior and on the coast; numerous Austrian fortifications from the 19th century in the vicinity of Pula; Italian architecture between the two world wars with a mining settlement and a separate urban plan of Raša; recognizable traditional rural architecture with drywalls and chalks	Attractiveness

Respect for Traditions and Traditions	Traditions and traditions of Istria are respected and included in the tourist offer by organizing thematic events.	Attractiveness
The culture of living in the spiritual and material sense	Thanks to the rapid development of tourism and its accompanying activities, a high standard of living has been achieved in Istria, which has allowed its inhabitants a pleasant life in a spiritual and material sense.	Quality
Cultivating a regional identity in Istria in everyday life or on special occasions (customs, manifestations...), homeland	In Istria, preserved traditional values testify of interculturality and tolerance. There are also events, social gatherings where domestic "rape" or dialect is kept. At folk music and dancing in Istria, musicians and folklorists meet with dietitian harmonics, beasts, sopilo and mihu ...). A distinctive feature of the Istrian folk tradition is the way of playing and singing known as the five-tune Istrian scale as part of UNESCO's protected intangible heritage, as well as numerous traditional daily Istrian dialects.	Attractiveness
Relationship with tourism: attitudes of owners of accommodation facilities and local population	Relations and attitudes towards tourism in Istria are correct	Satisfaction with population and tourists

Source: *Authors' research*

The protected material cultural and historical heritage in sustainable tourism has the same meaning as a protected nature because, apart from the emphasized tourist value as a part of the attraction, it has the role of preserving the cultural and national identity of a given space, and is also part of the anthropogenic and physiognomic constituent of the landscape. The importance for tourism is twofold because the protected cultural and historical heritage increases the attractiveness of a tourist destination and can increase the resources needed for its preservation.

Table 5: *Political aspect of sustainable tourism in Istria*

Indicator	Indicator	Influence
National and regional tourist plans	Master plan of Istrian counties 2015-2025.	Planning
Business support provided by tourist communities (local / county), infrastructure, family, neighbors and the like	Great support	Participation of the community
Security	On a high level	Quality

Source: *Authors' research*

With the emergence of a concept of sustainable tourism and the attempts of its application in different destinations, socio-cultural components such as respect for the customs, culture and languages of the receptive regions population and the creation of a multicultural atmosphere are put into the first plan.

The political dimension of sustainability is reflected in the functioning of the society / state in a way that determines its cultural identity and overall destiny, working conditions and the lives of people and, in general, of the population living on its territory. It is, therefore, the practice of self-determination, that is, self-determination in everyday life. The political dimension of the sustainability of tourism is concerned with the widespread support of the JLS (village, municipality ...), family, neighbors and similar business community in the tourist community (county and local). Local community support in business is most clearly seen in the degree of infrastructural equipment of the area where the analyzed subject of tourism is located and which greatly contributes to the quality of life and work. In this regard, we can conclude that the Tourist Board of the Istrian County provides a satisfactory support to the work of tourism.

Support of higher instances, such as a village, municipality, city, county, etc., is also recognized and strong. Local community support, in terms of logistics, organization, financial input, and the like, is no exception.

General security, although not part of the tourist attraction of the receptive tourist region, is the primary criterion for making a decision of a tourist in choosing a tourist destination. Peace and security of tourists are the preconditions for a successful development of tourism in the settlement, region or state. Any indication of a threat to peace and security causes a decline in tourist traffic, not only in the affected destination, but also in neighboring regions.

Conclusion

Investigating the integral sustainability of tourism in Istria Country (Istria), we have concluded that it has been well achieved. The potential for achieving the integral sustainability of tourism in Istria are the natural environment and favorable tourist-geographical position.

By analyzing the ecological dimension of the sustainability of tourism in Istria it can be concluded that an elevated level of sustainability has been achieved. Indicators show that in Istria under protection 22.080,19 hectares or 7.82% of its total area. By analyzing other aspects of ecological sustainability of tourism in Istria, it was found that the amount of water provided by three Istrian waterways and alternative sources is sufficient to increase tourist capacities and tourists. The quality of drinking and seawater is regularly monitored, which also increases the quality of Istria's tourist offer.

In the economic dimension of tourism sustainability in Istria, the results show a satisfactory situation, but it is necessary to monitor the pressure of space tourism.

Tourism operational indicator and spatial concentration of tourism in Istria shows a lot of pressure. Confirmation of this indicator gave results of the modified index of importance of the tourist center. According to that location quotient, Istria has developed tourism. The realized tourist nights in Istria have so far had only positive effects on the natural base, the population and the economy. By analyzing the results of the specific peak of Istria overnight stays, 23.3 approached the assumed value of 25.00, whose overdraft would indicate the possible negative effects of tourism.

The socio-cultural dimension has also been achieved as expected, as well as the political dimension visible in all its segments, supporting the development of sustainable tourism of the entire community and economic subjects of Istria.

Integral sustainability of Istria's tourism is achieved in its entirety because it is based on the equal representation of all dimensions of sustainability in the ecological, economic, socio-cultural and political dimension.

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ANALYSIS OF THE TOURISTS MOVEMENTS BETWEEN MACEDONIA AND SERBIA FOR THE PERIOD 2005-2016

Nikola V. Dimitrov¹

Abstract

The paper covers the analysis of tourist movements between Macedonia and Serbia. The goal is to see the dynamics of the tourist trip and overnight stays through the statistics used by the state institutions of both countries. Through the presented textual and graphic results - tables and graphs, the tourist movement between the two countries, the places of famous tourist destinations is perceived, and recommendations are given for increasing the mutual tourist visit.

Key Words: *analysis, tourists, nights, tourist resorts, Macedonia, Serbia*
JEL classification: Z3, Z32

Introduction

Tourism is one of the main branches that could trigger economic development in countries that have an abundance of natural resources (Durkalić & Stamenić, 2014). Tourist movements between Serbia - Macedonia have a long tradition (Dimitrov & Koteski, 2017). The fact that Macedonia has unique and well-preserved natural resources, large number of traditional rural households and much supplementary potential, imposes great future challenges towards rural tourism development (Dimitrov&Petrevska, 2012). Thanks to the geographic position of Serbia, landscapes suitable for different forms of recreation, natural beauties, but also rich natural heritage and folklore, there are favorable conditions for the development of the rural tourism (Cvijanović&Mihajlović, 2016).

Our research analyzes tourist movements of tourists and nights between the two countries for the period 2005-2016. The websites of the statistical offices of the two countries provided us with the relevant data (Drzaven

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zavod za statistika 2017 ; Zavod za statistiku 2003). We analyze the movements of tourists and overnight stays between Macedonia - Serbia and Serbia - Macedonia. The next step in the research is the comparative analysis of the obtained data and making conclusions and recommendations.

Tourist movements Macedonia - Serbia

The tourist movements of Macedonia - Serbia for the observed period 2005-2016 have the following characteristics: the number of tourists from Macedonia visiting Serbia has been on the increase for almost the entire period, from 25,946 in 2006 to 55,263 tourists in 2016, increasing by 29,317 or 113%. We register similar data for nights, from 49,811 in 2006 to 107,371 in 2016, with an increase of 57,560 tourists or 115%. The average stay of Macedonian tourists in Serbia was 1.93 days, which is too little. The participation of Macedonian tourists in the total number of foreign tourists visiting Serbia ranged from 3,83% to 5,18%, with an average of 4,25%, and the participation in the total number of tourists staying in Serbia was moving with values from 1.21% to 2.00%, with an average of 1.58% (see: Table and Figure 1). The share of nights spent by Macedonian tourists in the total sum of foreign tourists visiting Serbia ranges from 3.52% to 4.65%, with an average of 3.84% and in the total number of nights spent by tourists in Serbia, was moving with values from 0.72% to 1.42%, with an average of 0.99%.

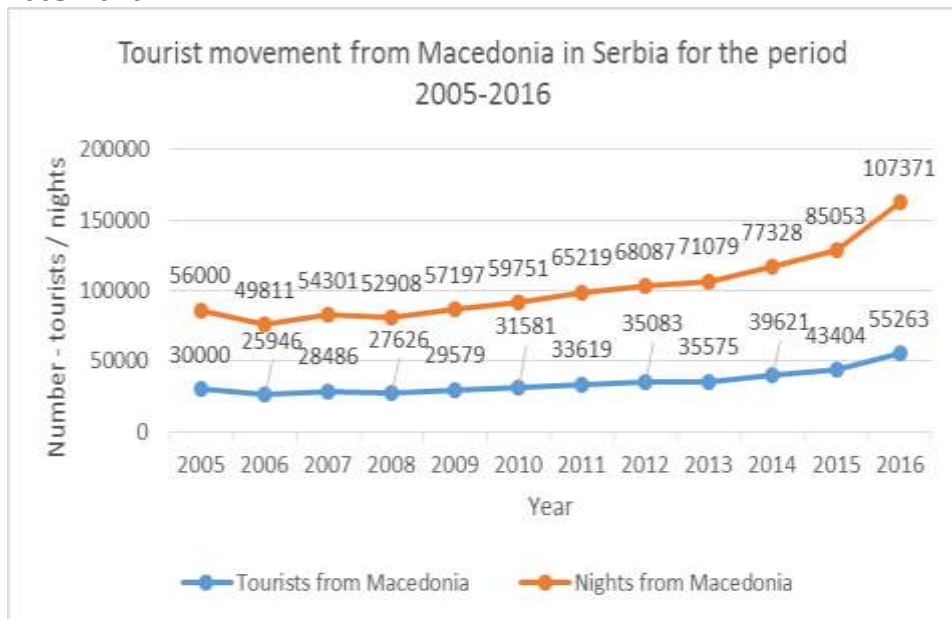
Table 1: *Tourist movement from Macedonia in Serbia for the period 2005-2016*

Year	Total tourists RS	Foreign tourists	From Macedonia since	Total nights RS	Foreign tourists	From Macedonia since	Days of residence
0	1	2	3	4	5	6	6:3
Republic of Serbia (RS)							
2005	1988469	578272	30000	6499352	1204301	56000	1.87
2006	2006488	585559	25946	6592622	1200709	49811	1.91
2007	2306558	696045	28486	7328692	1475675	54301	1.90
2008	2266166	646494	27626	7334106	1398887	52908	1.91
2009	2018466	645022	29579	6761715	1469102	57197	1.93
2010	2000597	682681	31581	6413515	1452156	59751	1.89
2011	2068610	764167	33619	6644738	1643054	65219	1.93
2012	2079643	809967	35083	6484702	1796217	68087	1.94
2013	2192435	921768	35575	6567460	1988393	71079	1.99
2014	2192268	1028732	39621	6086275	2161054	77328	1.95
2015	2437165	1132221	43404	6651852	2409680	85053	1.95

2016	2753591	1281426	55263	7533739	2738998	107371	1.93
Total	26310456	9772354	415783	80898768	20938226	804105	1.93
Year	Tourists from Macedonia since (%)	Foreign tourists (%)	Total tourists RS (%)	Nights, from Macedonia since (%)	Foreign tourists (%)	Total nights RS (%)	
Republic of Serbia (RS)							
2005	100	5.18	1.50	100	4.65	0.86	
2006	100	4.43	1.29	100	4.14	0.75	
2007	100	4.09	1.23	100	3.67	0.74	
2008	100	4.27	1.21	100	3.78	0.72	
2009	100	4.58	1.46	100	3.89	0.84	
2010	100	4.62	1.57	100	4.11	0.93	
2011	100	4.39	1.62	100	3.96	0.98	
2012	100	4.33	1.68	100	3.79	1.04	
2013	100	3.85	1.62	100	3.57	1.08	
2014	100	3.85	1.80	100	3.57	1.27	
2015	100	3.83	1.78	100	3.52	1.27	
2016	100	4.31	2.00	100	3.92	1.42	
Total	100	4.25	1.58	100	3.84	0.99	

Source: Drzaven zavod za statistika (2017), Zavod za statistiku (2003),
Calculated by the author

Figure 1: Tourist movement from Macedonia in Serbia for the period 2005-2016



Source: Calculated and drawn by the author

For the whole period, compared to other foreign tourists, the number of Macedonian tourists staying in Serbia decreased since 2005, when they were in the 3rd place (after tourists from Slovenia and Bosnia and Herzegovina), and fell to the 11th place in 2015 (after Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Slovenia, Turkey, Germany, Italy, Romania and Greece).

Tourists from Macedonia mostly visit the main administrative centers (Belgrade and Novi Sad), followed by spas (Vrnjačka Banja, Soko Banja, Niška Banja, Koviljača, Prolom, Maruška Banja), mountains (Kopaonik, Zlatibor and Tara), Valjevo, Zaječar, Zrenjanin, Niš, Kraljevo, Kruševac, Kragujevac, Čačak, Užice) etc.

Tourist movements Serbia – Macedonia

The tourist movements of Serbia-Macedonia for the observed period 2005-2016 have the following characteristics: the number of tourists from Serbia who visited Macedonia for approximately the entire period is with significant fluctuations, from 35,692 in 2011 to 50,145 tourists in 2016, with an increase of 14,453 or 40.5%. We register similar data for overnight stays, from 71,153 in 2012 to 116,909 in 2007, and in 2016 they were 93,782 in 2016, increasing by 45,756 tourists or 39.1%. The average stay of Serbian tourists in Macedonia was 2.1 days. The participation of Serbian tourists in the total number of foreign tourists visiting Macedonia is moving with values that have a significant deviation of over 10%, ie from 9.53% to 19.84%, and an average of 12.46% and in the total number of tourists in Macedonia, the share ranged from 5.34% to 8.32%, with an average of 6.28% (see Table and Figure 2).

The share of nights spent by Serbian tourists in the total number of foreign tourists visiting Macedonia ranges from values that have a significant deviation of over 14%, ie from 8.20% to 22.56%, with an average of 11.93% and in the total number of nights spent by tourists in Macedonia ranged from 3.30% to 5.78% with an average of 3.97%. For the whole period, compared to other foreign tourists, the number of tourists from Serbia who stayed in Macedonia from 2005 onwards gradually decreased and fell from the 1st place (with 38,127 tourists) to the third place in 2011 (after tourists from Greece 45,509 and Turkey 39,251). In 2012, 2013 and 2014 they were also in the third place (after tourists from Turkey 68,124 and Greece 46,184), while in 2015 and 2016 tourists from Serbia were in the second place (following tourists from

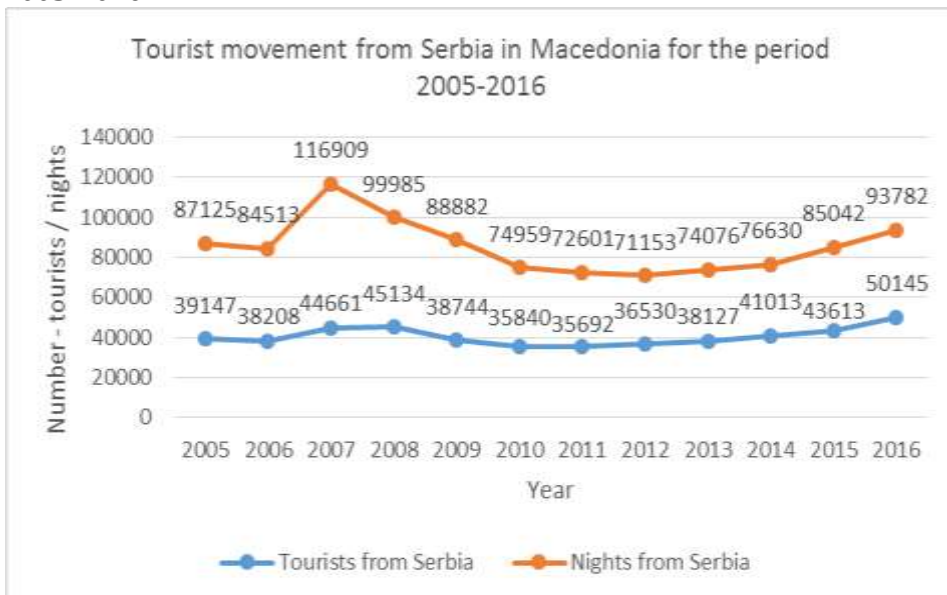
Turkey 105,738). Tourists from Serbia mostly visited the capital (Skopje), followed by the lake places (Ohrid, Struga, Dojran, Prespa), the mountain areas (Mavrovo, Popova šapka, Kruševo, Pelister), the spas (Katlanovska Banja, Bansko, Debar Banja, Negorca Banja) and at least other places.

Table 2: *Tourist movement from Serbia in Macedonia for the period 2005-2016*

Year	Total tourists RM	Foreign tourists	From Serbia since	Total nights RM	Foreign tourists	From Serbia since	Days of residence
0	1	2	3	4	5	6	6:3
Republic of Macedonia (RM)							
2005	509706	197216	39147	1970041	442988	87125	2.22
2006	499473	202357	38208	1917395	442845	84513	2.21
2007	536212	230080	44661	2019712	518088	116909	2.61
2008	605320	254957	45134	2235520	587447	99985	2.21
2009	587770	259204	38744	2101606	583796	88882	2.29
2010	586241	261696	35840	2020217	559032	74959	2.09
2011	647568	327471	35692	2173034	755166	72601	2.03
2012	663633	351359	36530	2151692	811746	71153	1.94
2013	701794	399680	38127	2157175	881375	74076	1.94
2014	735650	425314	41013	2195883	922513	76630	1.86
2015	816067	485530	43613	2394205	1036383	85042	1.94
2016	856843	510484	50145	2461160	1054017	93782	1.87
Total	7746277	3905348	486854	25797640	8595396	1025657	2.10
Year	Tourists from Serbia since (%)	Foreign tourists (%)	Total tourists RM (%)	Nights, from Serbia since (%)	Foreign tourists (%)	Total nights RM (%)	
Republic of Macedonia (RM)							
2005	100	19.84	7.68	100	19.66	4.42	
2006	100	18.88	7.64	100	19.08	4.40	
2007	100	19.41	8.32	100	22.56	5.78	
2008	100	17.70	7.45	100	17.02	4.47	
2009	100	14.94	6.59	100	15.22	4.22	
2010	100	13.69	6.11	100	13.40	3.71	
2011	100	10.89	5.51	100	9.61	3.34	
2012	100	10.39	5.50	100	8.76	3.30	
2013	100	9.53	5.43	100	8.40	3.43	
2014	100	9.64	5.57	100	8.30	3.48	
2015	100	8.98	5.34	100	8.20	3.55	
2016	100	9.82	5.85	100	8.89	3.81	
Total	100	12.46	6.28	100	11.93	3.97	

Source: Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author

Figure 2: *Tourist movement from Serbia in Macedonia for the period 2005-2016*



Source: *Calculated and drawn by the author*

Regional review of the tourist movements between Macedonia – Serbia

The regional review of the tourist movements between Macedonia and Serbia relates to the period 2010-2016. According to the statistical regional survey, the movements of tourists in the Republic of Serbia are divided into two major regions Serbia-North (with two regions, the Belgrade region and the Vojvodina region) and Serbia-South (also with two regions, region the Šumadija region with Western Serbia and the region South Serbia with East Serbia). The number of tourists from Macedonia who visited the Serbia-North region for the period 2010-2016 has the following characteristics. The number of tourists from Macedonia who visited the Serbia-North region for nearly the entire period was growing, from 21,615 in 2010 to 32,973 tourists in 2016, increasing by 11,358 or 52.5%. The participation of tourists from Macedonia in this region in the total number of tourists from Macedonia in 2016 was 59.7%.

We registered similar data for overnight stays, from 34,053 in 2010 to 53,848 in 2016, with an increase of 19,795 overnights or 58.1%. The share of overnight stays of tourists from Macedonia in this region in the

total number of nights spent by tourists from Macedonia is 50.2%. The average stay of nights spent by Macedonian tourists in the Serbia-North region is 1.63 days, which is too little.

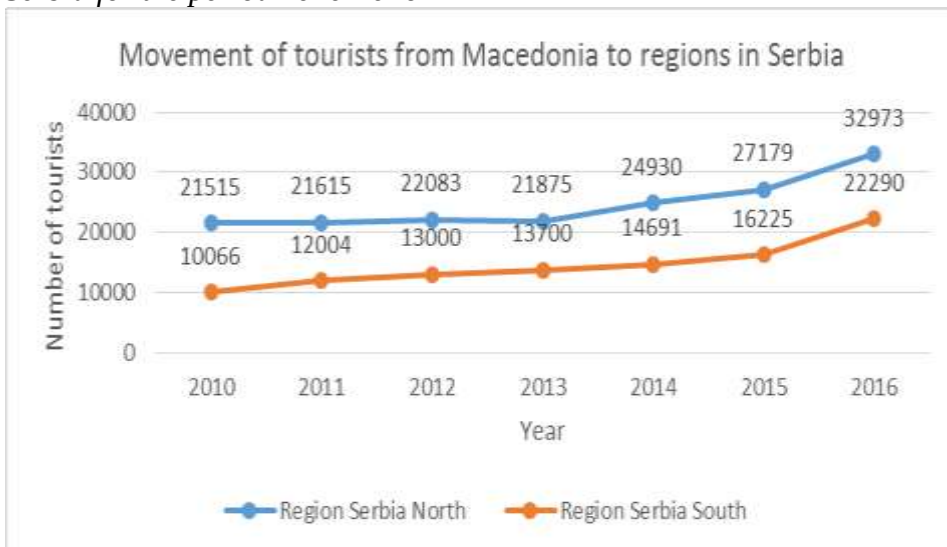
The number of tourists from Macedonia who visited the Serbia-South region for the whole period is growing, from 10,066 in 2010 to 22,290 tourists in 2016, increasing by 12,224 or 121.4%. The participation of tourists from Macedonia in this region in the total number of tourists from Macedonia was 40.3%. We also registered similar data for overnight stays, from 25,698 in 2010 to 53,523 in 2016, with an increase of 27,825 nights or 108.3%. The share of overnight stays of tourists from Macedonia in this region in the total number of nights spent by tourists from Macedonia was 49.8%. The average stay of nights spent by Macedonian tourists in the South Serbia region was 2.4 days (see Table and Figure 3 and 4).

Table 3: *Tourist movement from Macedonia in the regions of Serbia for the period 2010-2016*

REGION	YEAR						
	2010	2011	2012	2013	2014	2015	2016
Total Serbia	2000597	2068610	2079643	2192435	2192268	2437165	2753591
Domestic	1317916	1304443	1269760	1270667	1163536	1304944	1472165
Foreign	682681	764167	809967	921768	1028732	1132221	1281426
From the Republic of Macedonia	31581	33619	35083	35575	39621	43404	55263
Total Serbia-North	900296	908522	959643	1066081	1125232	1220939	1359642
Domestic	402431	348176	3609760	377287	358885	384536	419526
Foreign	497865	560344	609643	688794	766347	836403	940116
From the Republic of Macedonia	21515	21615	22083	21875	24930	27179	32973
Total Serbia-South	1100301	1160088	1120000	1126354	1067036	1216226	1393949
Domestic	915485	956265	900000	893380	804651	920408	1052639
Foreign	184816	203823	200324	232974	262385	295818	341310
From the Republic of Macedonia	10066	12004	13000	13700	14691	16225	22290

Source: *Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author*

Figure 3: Tourist movement from Serbia in Macedonia in the regions of Serbia for the period 2010-2016



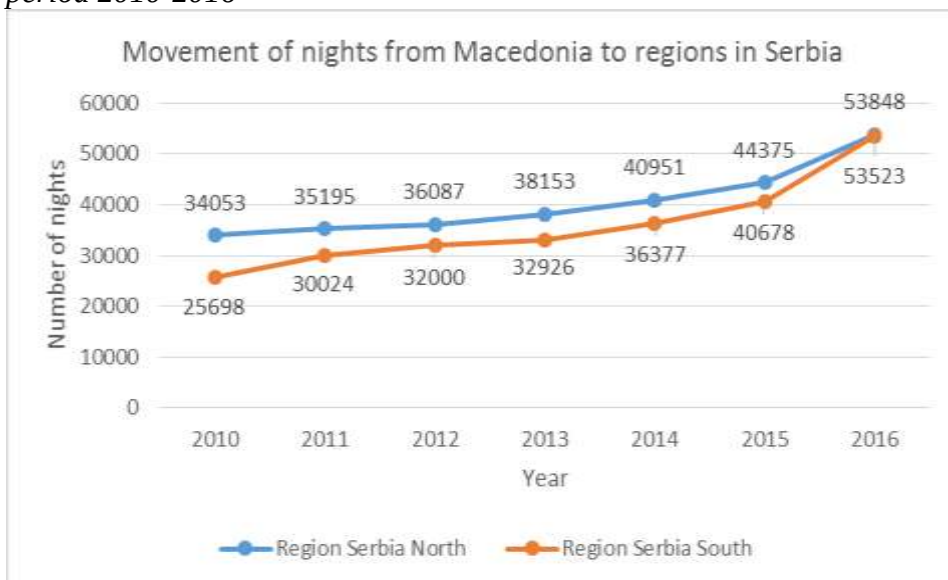
Source: Calculated and drawn by the author

Table 4: Tourist movement - nights from Macedonia in the regions in Serbia for the period 2010 - 2016

REGION	YEAR						
	2010	2011	2012	2013	2014	2015	2016
Total Serbia	6413515	6644738	6484702	6567460	6086275	6651852	7533739
Domestic	4961359	5001684	4688485	4579067	3925221	4242172	4794741
Foreign	1452156	1643054	1796217	1988393	2161054	2409680	2738998
From the Republic of Macedonia	59751	65219	68087	71079	77328	85053	107371
Total Serbia-North	2086933	2093922	2203000	2418407	2464945	2680331	2991073
Domestic	1060085	944295	980000	1008303	942022	983722	1066690
Foreign	1026848	1149627	1280617	1410104	1522923	1696609	1924383
From the Republic of Macedonia	34053	35195	36087	38153	40951	44375	53848
Total Serbia-South	4326582	4550816	4281702	4149053	3621330	3971521	4542666
Domestic	3901274	4057389	3708485	3570764	2983199	3258450	3728051
Foreign	425308	493427	515600	578289	638131	713071	814615
From the Republic of Macedonia	25698	30024	32000	32926	36377	40678	53523

Source: Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author

Figure 4: *Tourist movement – nights, from Serbia in Macedonia for the period 2010-2016*



Source: *Calculated and drawn by the author*

Regional review of the tourist movements Serbia - Macedonia

The regional review of the tourist movements of Serbia-Macedonia relates to the period 2010-2016. According to the statistical regional survey, the movements of tourists in the Republic of Macedonia are divided into eight statistical regions (Vardar, East, Southwest, Southeast, Pelagonia, Polog, Northeast and Skopje region).

The number of tourists from Serbia who visited the regions in Macedonia for the period 2010-2016 has the following characteristics: the number of tourists from Serbia who visited the Vardar region was increasing during the entire period, from 1,415 in 2010 to 6,450 tourists in 2016, with an increase of 5,035 tourists or 355.8%. The participation of tourists from Serbia in this region in the total number of tourists from Serbia in 2016 was 12.8%. The average stay of Serbian tourists in the Vardar region was only 1.1 days, which is too little.

We also registered similar increase in the Vardar region for overnight stays, from 1,939 in 2010 to 7,205 in 2016, with an increase of 5,266 nights or 271.6%. The share of overnight stays of tourists from Serbia in

this region, in the total number of nights spent by Serbian tourists in 2016 was 7.7%.

The number of tourists from Serbia who visited the Eastern region for the whole period has significant oscillations, from 535 in 2010 to 967 tourists in 2016, with an increase of 432 tourists or 80.7%. The share of tourists from Serbia in this region, in the total number of tourists from Serbia in 2016 was 1.9%. The average stay of Serbian tourists in the eastern region was only 1.9 days.

We also registered similar increase in the eastern region for overnight stays, from 1,004 in 2010 to 1,824 in 2016, with an increase of 820 nights or 81.7%. The share of overnight stays of tourists from Serbia in this region, in the total number of nights spent by Serbia in 2016 was only 1.9%.

The number of tourists from Serbia visited the Southwest region for the whole period has significant oscillations, from 12,517 in 2010 to 10,245 tourists in 2016, with a decrease of 2,272 tourists or a decrease of 18.1%. The participation of tourists from Serbia in this region, in the total number of tourists from Serbia in 2016 was 20.4%. The average stay of Serbian tourists in the southwest region is 2.9 days. The largest number of Serbian tourists came to Ohrid in the summer season.

We also registered similar data in the southwest region for overnight stays, from 38,364 in 2010 to 30,245 in 2016, with a decrease of 8,119 overnight stays or a decrease of 26.8%. The share of overnight stays of tourists from Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 was only 32.2%.

The number of tourists from Serbia who visited the Southeast region for the whole period was growing, from 2,424 in 2010 to 9,116 tourists in 2016, with an increase of 6,692 tourists or 276.1%. The participation of tourists from Serbia in this region, in the total number of tourists from Serbia in 2016 was 18.2%. The average stay of Serbian tourists in the southeast region was only 1.6 days. On their way from Greece, most of the Serbian tourists stay one night in Dojran.

We also registered similar increase in the southeast region for overnight stays, from 4,087 in 2010 to 14,625 in 2016, with an increase of 10,538 overnight stays or 257.8%. The share of overnight stays of tourists from

Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 is only 15.6%.

The number of tourists from Serbia who visited the Pelagonia region for the whole period saw a small increase, from 1463 in 2010 to 2131 tourists in 2016, increasing by 668 tourists or 45.6%. The share of tourists from Serbia in this region, in the total number of tourists from Serbia in 2016 was 4.2%. The average stay of Serbian tourists in Pelagonia region was only 1.9 days.

We registered similar data seeing a small increase in the Pelagonia region for overnight stays, from 3,050 in 2010 to 4,095 in 2016, with an increase of 1,045 overnight stays or 34.3%. The share of overnight stays of tourists from Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 was only 4.4%.

The number of tourists from Serbia who visited the Polog region for the entire period has been significantly declining, from 941 in 2010 to 720 tourists in 2016, with a decline of 221 tourists or a decrease of 30.7%. The share of tourists from Serbia in this region, in the total number of tourists from Serbia, in 2016 is only 1.4%. The average stay of Serbian tourists in the Polog region was 2.8 days. Most of the Serbian tourists come in the winter skiing season, in ski resorts Mavrovo and Popova Šapka.

Data on overnight stays in the Polog region for the mentioned period increased significantly, from 1,675 in 2010 to 1,992 in 2016, with an increase of 317 nights or 18.9%. The share of overnight stays of tourists from Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 was only 1.9%.

The number of tourists from Serbia who visited the Northeast region for almost the entire period has increased, from 402 in 2010 to 1,169 tourists in 2016, with an increase of 767 tourists or 190.8%. The share of tourists from Serbia in this region in the total number of tourists from Serbia in 2016 was 2.3%. The average stay of Serbian tourists in the northeast region was only 1.3 days.

Similar data that give evidence of an increase of overnight stays were registered in the northeastern region, from 782 in 2010 to 1,563 in 2016, with an increase of 781 nights or 99.9%. The share of overnight stays of

tourists from Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 was only 1.7%.

The number of tourists from Serbia who visited the Skopje region for the whole period was growing, from 16,143 in 2010 to 19,347 tourists in 2016, with an increase of 3,204 tourists or 19.8%. The participation of tourists from Serbia in this region, in the total number of tourists from Serbia in 2016 was 38.6%. The average stay of Serbian tourists in the Skopje region was only 1.7 days.

We also registered similar increase in overnight stays in the Skopje region, from 24,058 in 2010 to 32,233 in 2016, with an increase of 8,175 nights or 34.0%. The share of overnight stays of tourists from Serbia in this region, in the total number of nights spent by Serbian tourists in 2016 was 34.4%. (See Table and Figure 5 and 6).

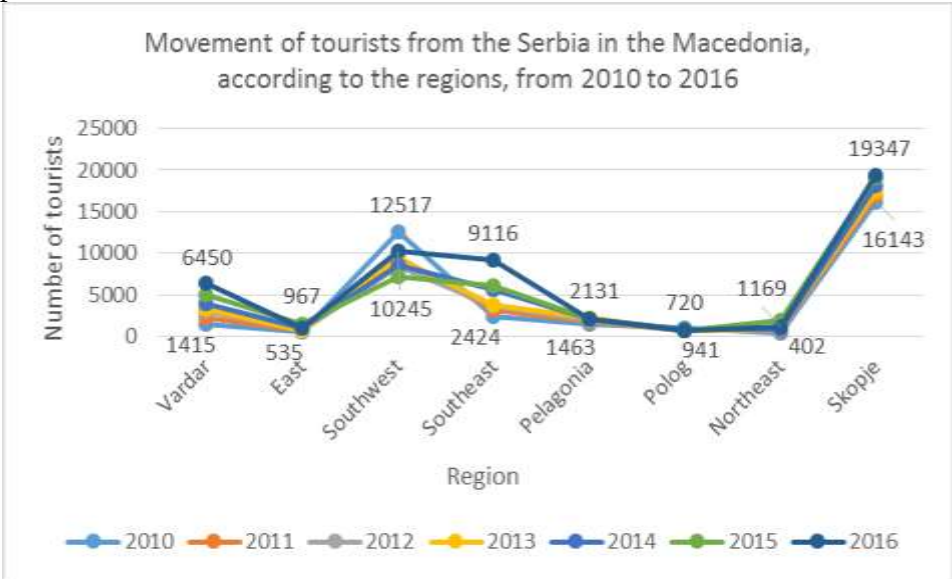
From 2010 onwards, tourists from Serbia dominate the Vardar and Northeast regions. They are second in the Skopje region (after tourists from Turkey), in the East region (after tourists from Bulgaria), in Pelagonia and in the South-East region (after tourists from Greece), and in the Southwest region they are in fourth place (after tourists from Turkey, The Netherlands and Bulgaria) and the Polog region (after tourists from Albania, Kosovo and Turkey).

Table 5: *Tourist movement from Serbia to Macedonia, by regions for the period 2010-2016*

REGION	YEAR						
	2010	2011	2012	2013	2014	2015	2016
VARDAR	1415	2267	3062	3282	3938	5028	6450
EAST	535	743	608	713	960	1446	967
SOUTHWEST	12517	9459	8338	9385	8611	7239	10245
SOUTHEAST	2424	3186	3628	3695	5694	6107	9116
PELAGONIA	1463	1731	1920	2155	2072	2132	2131
POLOG	941	711	614	701	765	637	720
NORTHEAST	402	620	890	804	774	1907	1169
SKOPJE	16143	16975	17470	17392	18199	19117	19347
TOTAL	35840	35692	36530	38127	41013	43613	50145

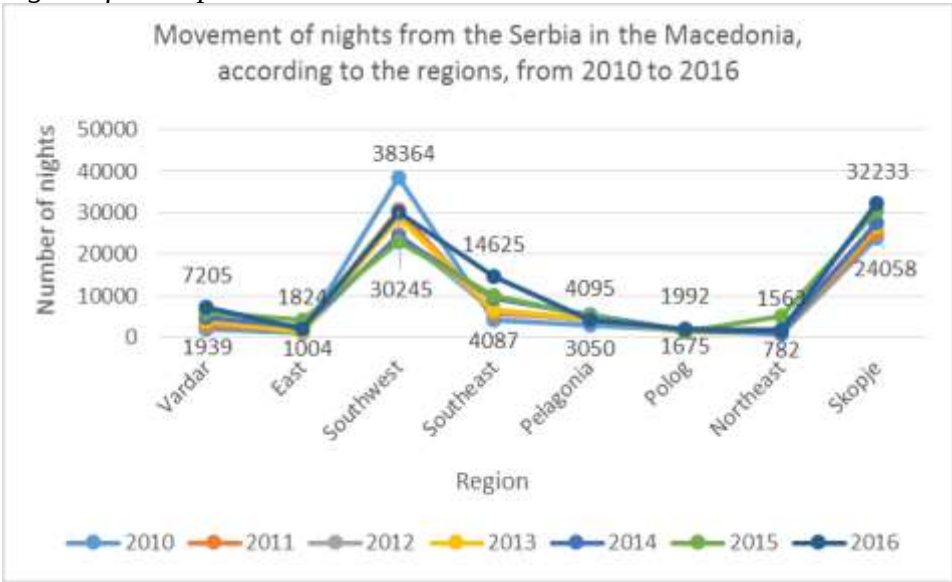
Source: *Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author.*

Figure 5: *Tourist movement from Serbia in Macedonia, by regions for the period 2010-2016*



Source: Calculated and drawn by the author

Figure 6: *Tourist movement - nights from Serbia in Macedonia, by regions for the period 2010-2016*



Source: Calculated and drawn by the author

Table 6: *Tourist movement - nights from Serbia in Macedonia, by regions for the period 2010-2016*

REGION	YEAR						
	2010	2011	2012	2013	2014	2015	2016
VARDAR	1939	2878	3773	3830	4801	5869	7205
EAST	1004	1607	1377	1324	2493	4191	1824
SOUTHWEST	38364	30689	24982	28783	24136	23055	30245
SOUTHEAST	4087	5538	6245	6495	9504	9973	14625
PELAGONIA	3050	4447	4067	4344	5460	5196	4095
POLOG	1675	1250	1273	1421	1541	1239	1992
NORTHEAST	782	916	2082	1092	1039	5099	1563
SKOPJE	24058	25096	27354	26787	27656	30420	32233
TOTAL	74959	72421	71153	74076	76630	85042	93782

Source: *Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author*

Differences in tourism movements

Differences of tourist movements between Serbia and Macedonia and vice versa for the observed period 2005-2016 have the following characteristics: the number of tourists from Serbia who visit Macedonia for the whole period oscillated significantly from positive to negative, from 17,508 in 2008, when tourists from Serbia were more numerous than tourists from Macedonia, to -5,118 in 2016 in favor of tourists from Macedonia, who were more numerous than tourists from Serbia. The total difference in the tourist movements from the largest to the smallest number is 22,626 tourists. So in the last year tourists from Macedonia who stayed in Serbia were more numerous than tourists from Serbia who stayed in Macedonia. (See Table and Figure 7) Collectively, for the period 2005-2016, there were 71,071 more tourists from Serbia (486,845) than from Macedonia (415,833), or 14.6%. The number of nights spent by tourists from Serbia who visited Macedonia in approximately the entire period oscillated significantly from positive to negative, from 62,608 overnights in 2008 realized by tourists from Serbia ($116,909 - 54,301 = 62,608$), to -13,589 overnights in 2016, realized by tourists from Macedonia ($93,782 - 10,7371 = 13,589$). The total difference in the number of nights spent by tourists from the largest to the smallest number was 76,197 nights. So, in the last three years, the nights spent by tourists from Macedonia in Serbia are more numerous than the nights spent by tourists from Serbia in Macedonia. Collectively, for the period 2005-2016, the total number of nights spent by tourists from Serbia (1,025,657) is more

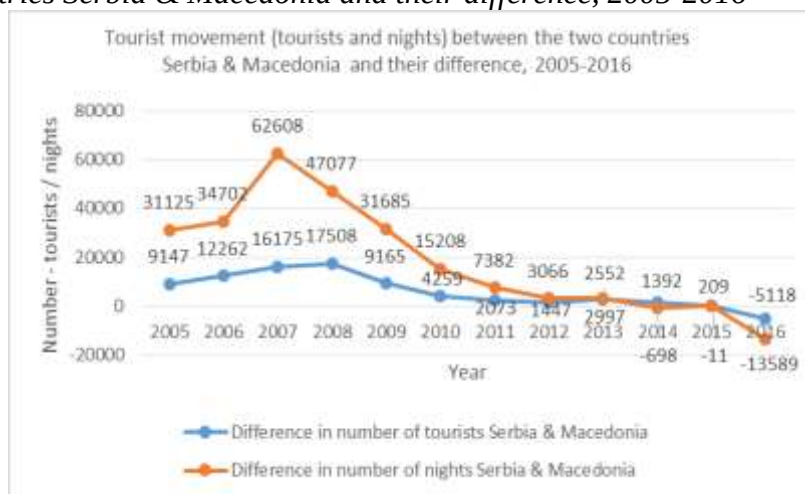
than the total number of overnight stays realized by tourists from Macedonia (804,105), by 221,562 tourists, or 21.6%. (See Table and Figure 7)

Table 7: *Tourist movement (tourists and nights) between the two countries Serbia & Macedonia and their difference, 2005-2016*

Year	Tourists		Difference in number of tourists	Nights		Difference in number of nights
	From Serbia since	From Macedonia since		From Serbia since	From Macedonia since	
Republic of Macedonia & Republic of Serbia						
2005	39147	30000	9147	87125	56000	31125
2006	38208	25946	12262	84513	49811	34702
2007	44661	28486	16175	116909	54301	62608
2008	45134	27626	17508	99985	52908	47077
2009	38744	29579	9165	88882	57197	31685
2010	35840	31581	4259	74959	59751	15208
2011	35692	33619	2073	72601	65219	7382
2012	36530	35083	1447	71153	68087	3066
2013	38127	35575	2552	74076	71079	2997
2014	41013	39621	1392	76630	77328	-698
2015	43613	43404	209	85042	85053	-11
2016	50145	55263	-5118	93782	107371	-13589
Total	486854	415783	71071	1025657	804105	221562

Source: *Drzaven zavod za statistika (2017), Zavod za statistiku (2003), Calculated by the author*

Figure 7: *Tourist movement (tourists and nights) between the two countries Serbia & Macedonia and their difference, 2005-2016*



Source: *Calculated and drawn by the author*

Conclusion with recommendations

The trend in the global tourism services market is such that competition is increasing and user demands changed (Lazić, Cvijanović, Ljumović, 2013). From the stated data it can be concluded that the tourism between the two countries has a tradition and has significant tourist movements. In recent years, the trend of visiting Macedonia - Serbia and Serbia - Macedonia has significant oscillations and small growth. Macedonia has a small advantage when it comes to the differences in the tourist visit between the two countries.

We can said that tourism between Serbia and Macedonia have been sustain. The development of tourism in the context of sustainable development in future means that equal attention, should be paid to the relationship between tourism and the environment (Vujko&Gajić, 2014).

Tourists from Serbia who stayed in Macedonia visited the following tourist destinations: Ohrid, Skopje, Dojran, Struga, Bitola, Mavrovo, Popova šapka, Kruševo, Vevcani, Kumanovo and other places. While the tourists from Macedonia who stayed in Serbia visited the following tourist destinations: Belgrade, Niš, Kopaonik, Vrnjačka Banja, Niška Banja, Soko Banja, Kragujevac, Novi Sad, Zlatibor and other places.

For a more numerous and richer tourist visit, the two countries should work towards mutual agreements and devise strategies for enriching the tourist visit between Macedonia - Serbia & Serbia - Macedonia, for the period 2020-2025.

In the Strategy, from most activities we recommend the following:

- Subsidizing a twin tourist visit from the state and the local government;
- Establishment of joint travel agencies and tourist arrangements;
- Subsidizing friendly and family visits with tourist goals;
- Subsidizing of mutual educational, cultural, scientific, economic and other cooperation.

The tourist movements between the two countries have a long tradition with realistic perspectives of new forms and contents of a tourist offer that guarantees mutual tourism profit.

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TOURISM STATISTICS IN THE KINGDOM OF YUGOSLAVIA

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Abstract

The paper presents the way the tourism statistics was conducted in the Kingdom of Yugoslavia in the period from 1918 to 1941. This branch of statistics included data on the "hotel industry", and data on healing waters, climatic and tourist sites. The Ministry of Trade and Industry was responsible for collecting data on the "hotel industry" in the Kingdom of Yugoslavia, whereas the data on the spas and climatic and tourist sites were collected by the Ministry of Social Policy and Public Health. Data collected were published in publications of these ministries and Statistical Yearbook of the Kingdom of Yugoslavia. By analysing the content of these publications, it has been concluded that tourism statistics was very detailed. By comparison with statistical publications from other countries of that time, but also with modern statistical publications, a conclusion has been reached on the high level of development of tourism statistics in the Kingdom of Yugoslavia. The development of tourism statistics reflects, on the one hand, the level of development of national statistics between two World Wars, and, on the other hand, the importance that tourism had at that time.

Key Words: *tourism statistics, hotel industry, healing waters, climatic sites, the Kingdom of Yugoslavia*

JEL classification: *N74, C82*

Introduction

The first data on the tourism industry in the Kingdom of Yugoslavia could be found in the Yearbook of the Kingdom of Serbs, Croats and Slovenes (SCS), which was published in 1926. This was the first

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statistical yearbook in the Kingdom that was published after the Great War. The Yearbook is a unique publication in many ways. It has the character of today's statistical calendars, but it is even livelier, rich in descriptions and articles of the famous authors of that time. One big chapter in the Yearbook is dedicated to the tourism industry. The author of this chapter is Ćiril ŹiŹek, PhD (1890-1974), a Slovenian lawyer and tourist organizer, the Head of the Department for Tourism at the Ministry of Trade and Industry in the period from 1921 to 1932. In this chapter, the natural beauties of Yugoslavia are described in a picturesque way; instructions are given to tourists regarding visas, transport and accommodation; also, the services of tourist agencies "Putnik" and "Yugoslav Tourist Club" are offered.

Detailed statistical data on the tourism industry, which are to be found in later statistical yearbooks, are not available in this publication. Nevertheless, this publication gives very precious information on important issues regarding tourism. For example, it was stated that after the crisis of the first years after the Great War, tourism industry started to develop, and that as early as in 1924, about 120,000 tourists visited the resorts, spas, climatic sites and cities in the Kingdom of SCS. The most visited place was Vrnjaĉka Banja, with more than 20,000 tourists. In that year, the climatic sites and resorts in Slovenia were visited by 20,000 tourists, the Adriatic coast was the destination for 70,000 tourists, and Bosnia and Herzegovina was visited by 15,000 tourists. In addition, according to the authors of the Yearbook, statistical surveys on this particular issue had not been completed yet, so it was stated that it was possible that there had been more visitors. In 1924, the economy of the Kingdom of SCS earned between 300 and 400 million dinars from the tourism industry (The Yearbook of the Kingdom of Serbs, Croats and Slovenes, 1926).

The general public began to be interested in tourism when it was announced that in 1923, that is, just a few years after the Great War, the Adriatic coast was visited by about 60,000 Czechs (The Yearbook of the Kingdom of Serbs, Croats and Slovenes, 1926). Already then, all the preconditions for the accelerated development of the tourist industry were made. Namely, all mineral waters, mud, sea baths and climatic sites in the territory of the Kingdom of SCS had already been studied, classified and described. The chemical composition of the healing waters, the diseases that those waters could treat, the climatic and tourist sites of each region

were described. The seriousness and detail with which those issues had been approached tell about the importance that was attached to tourism.

At that time, with the stabilization of post-war life, local population began to acquire certain tourist habits. It is known that, in Serbia, leisure travelling had already emerged at the end of the 19th century and that until the beginning of the Great War there were already some forms of tourism: excursions, vacations in spas, travelling abroad (Krejić et al., 2017). Going to the spa was affordable even for the rural population. The urban population, such as clerks, doctors, lawyers could afford to go to the sea. These habits continued after the Second World War and are recognized today in the culture and mentality of the peoples of the region (Gnjatović & Leković, 2015; Gnjatović & Leković, 2016). Natural beauties, almost 300 healing and thermal springs, elegant seaside resorts, historical sites, proximity to the Orient, the monuments from the Roman era and the Middle Ages, attracted foreign tourists, so by 1930 the number of foreign tourists who visited the Kingdom of SCS had risen to over 250,000 (Statistical Yearbook of the Kingdom of Yugoslavia, 1933).

Statistical coverage of tourism industry and data sources

With the development of national statistics in the first years after the Great War, an organized collection of data on tourism had begun. Extensive statistics of tourism industry was developed. It was comprised of indicators such as the tourist visits, accommodation capacities and spa and climatic healthcare facilities. Even more detailed statistics on tourism industry appeared in the Statistical Yearbook of the Kingdom of Yugoslavia for 1929 (1932), when the first data on hotels and hotel visitors were published. From that year on, data on tourism were published regularly in all Statistical Yearbooks of the Kingdom of Yugoslavia until 1941. At first, two sections of the Statistical Yearbook of the Kingdom of Yugoslavia were dedicated to tourism. In the section called *Hotel Industry*, there were information about hotels and hotel visitors, while within the section called *Health Conditions*, in the sub-section called *Healing Waters, Climatic and Tourist Sites*, there were summary data on the number of those healthcare facilities and tourist destinations along with detailed data on spas, chemical composition of healing waters and the diseases that they could heal. This way of the data presentation (separating the data for hotels from the data for spas in two sections) was kept up to the Statistical Yearbook for 1933, after which the

data were published only in one section in the Yearbook, which was called *Tourism*.

In the beginning, the organization of the statistical service in the Kingdom of SCS was within the mandate of particular ministries that collected statistical data for their own needs. Later on, with the establishment of regional administrative units called banovine in 1929 (Annex Chart 1), the statistical service was also organized at the level of the following regions: Dravska, Drinska, Dunavska, Moravska, Primorska, Savska, Vardarska, Vrboska and Zetska (Radović – Stojanović et al., 2017). While the ministries were in charge, the Ministry of Trade and Industry was responsible for collecting data on the *Hotel Industry*, while the data on the *Healing Waters, Climatic and Tourist Sites* were collected by the Ministry of Social Policy and Public Health.

In the Statistical Yearbook of the Kingdom of Yugoslavia for 1929 (1932), it was stated that the sources of data for the *Hotel Industry* were published as well as unpublished materials. Among published materials were publications of the company "Putnik". Tourist Association "Putnik" was the first domestic travel agency. It was founded in 1923 as a joint-stock company under the auspices of the Ministry of Trade and Industry and the Ministry of Transport and has dealt with numerous activities in the field of tourism, the most famous being the organization of tourist events and publishing of tourist publications and propaganda material (Lazić, 2015). Among unpublished materials were the Reports of the Banovina Administration and the Ministry of Trade and Industry. However, in spite of the existence of the administration on a regional level from 1929 onwards, most of the statistical surveys continued to be carried out by the ministries. This way of organizing the national statistics was kept until the beginning of the Second World War.

As it was stated in the above mentioned Statistical Yearbook of the Kingdom of Yugoslavia for 1929 (1932), the sources of data for *Healing Waters, Climatic and Tourist Sites* were also both unpublished and published materials. Among unpublished materials, official data of the Ministry of Social Policy and Public Health and data from the regional administration had been used. Among published materials, a publication of the Ministry of Public Health entitled "Healing Waters and Climatic Sites" (1922) was cited. These unpublished and published materials were cited as sources of tourism data in all Statistical Yearbooks ending in 1932.

Then, in the Statistical Yearbook of the Kingdom of Yugoslavia for 1933 (1935), for the first time, data were presented within the section called *Tourism* instead within the section called *Hotel Industry*. The sources of data for the number of hotels and their accommodation facilities were somewhat different and those were primarily unpublished official reports of the regional administrations. However, for visitors (tourists), the sources of data were the official reports of the Ministry of Trade and Industry - Tourism Department. This Department was, in fact, the Department for foreign visitors, passengers and tourists, which was established by the Decree of 20 March 1921 (Official Gazette of the Kingdom of SCS, no. 097, 1921).

Interwar statistics of tourists and other rich archival material from the scope of work of the Ministry of Trade and Industry in general and this Department, in particular, could be found in the funds of the Archive of Yugoslavia (Miroslavljević, AJ-65). In the rich material of the Archives, numerous statistical tabular reviews of visitors and tourists in various places with the data on their number, nationality, purpose of arrival and number of overnight stays could be found, as follows: by regions, within the regions by the districts, and within the districts by the places sorted in alphabetical order. In addition to statistical data, the Archives of Yugoslavia keeps numerous reports and government records on the statehood, prospects and measures for improving tourism. There are, also, reviews of tourism revenues, tourist monographs of a large number of authors and the views on the beauties of Yugoslavia, its history, ethnography, architecture and folklore.

In the Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936), it could be read that among published sources of data on *Tourism* there was the publication of the Tourism Department of the Ministry of Trade and Industry entitled "Tourism Policy, Volume I" (1936). Unpublished sources of information were still official reports of the Tourism Department. There was no more a separate section in the Yearbook for *Healing Waters, Climatic and Tourist Sites*, nor were they listed in detail and described as in all previous yearbooks, but their summary review was given within the section of *Tourism*. The Statistical Yearbook itself was becoming more and more comprehensive year by year, new tables were added to it (for example, the Census of Population from 1931), while some others, such as the listing of spas and thermal waters, were slowly omitted. In the Statistical Yearbook of the Kingdom of Yugoslavia for 1934-1935 (1936), we can find the first time series

regarding tourism. Namely, tables entitled “Tourism Overview” and “The Financial Effect of Tourism” which shows data on financial revenues by years, from 1930 to 1935 was presented.

The section dedicated to the tourism industry in the Statistical Yearbook of the Kingdom of Yugoslavia for 1936 (1937) is called *Tourism and Mountaineering*. Not very well known today, but mountain climbing in the Kingdom of Yugoslavia was very developed. Already after the Great War, there were 11 mountaineering societies in the Kingdom, 19,300 organized alpinists and 38 Alpine houses. Sources of data for *Tourism* are the same as those collected for the Statistical Yearbook for 1934-1935, while sources of data for *Mountaineering* are official, unpublished reports of individual mountaineering companies and data taken from the publication called "Eleventh Congress of the Association of Mountaineering Clubs of the Kingdom of Yugoslavia, Sarajevo "(1936). It is also worth mentioning that, again, in the Statistical Yearbook of the Kingdom of Yugoslavia for 1936, there was no separate section devoted to *Healing Waters, Climatic and Tourist Sites*.

The sources of data presented in the Statistical Yearbook of the Kingdom of Yugoslavia for 1937 (1938) were those already used before such as published and unpublished reports of the Tourism Department of the Ministry of Trade and Industry but also official reports of border commissariats that kept records of entry and exit of passengers. These sources of data were also used in the Statistical Yearbooks of the Kingdom of Yugoslavia for 1938-1939 (1940) and for 1940 (1941). The Statistical Yearbook for 1940 was the last one published in the Kingdom of Yugoslavia.

Hotel industry

In the first Statistical Yearbook of the Kingdom of Yugoslavia in which data on the *Hotel Industry* were published, the one for 1929 (1932), the statistics covered in detail the hotel accommodation by regions and the main regional sites. The hotel information contained the number of hotels, number of rooms and number of beds, as well as detailed information about hotels, such as: number of hotels with telephone, garage, elevator, bus or car, heating, private bathroom (sea and thermal), reading room, tennis court, lounge (orchestra, dancing, music hall and bar), hotel distance from railway or steamboat station, number of hotels with bathroom in rooms, number of rooms with hot or cold water. A detailed

overview of the accommodation capacities included the total number of rooms (with one, two or more beds) and the total number of beds in the hotels.

The second set of data presented in the separate table refers to Yugoslav hotel visitors and their citizenship by regions, and hotel visitors - foreign nationals by country. In 1929, the total number of hotel visitors was 978,821, out of which 774,070 were Yugoslavs and 204,751 were foreigners. The largest number of foreign visitors in this year, as well as in the years that followed, came from Austria and Germany, then from Italy, Hungary, Albania and other neighboring countries (The Statistical Yearbook of the Kingdom of Yugoslavia for 1929, 1932).

A detailed overview of the accommodation capacities and visitors continued to be presented in the coming years. In time, new places were added as tourist destinations within the districts of individual regions. Visitors were recorded by the number of their arrivals and in 1933, as the section changed its name to *Tourism*, "hotel visitors" become "visitors - tourists". In the Statistical Yearbook of the Kingdom of Yugoslavia for 1934-1935 (1936) a table titled Review of Tourism by Years, containing data on the number of visitors and the number of overnight stays according to citizenship of visitors, was published for the period from 1930 to 1935. These were the first time series of tourism in today's sense of the word. On the other hand, data on hotels and accommodation capacities were missing in this Yearbook, and these data were no longer published in statistical yearbooks for the following years until the Second World War. Great novelty in the Statistical Yearbook of the Kingdom of Yugoslavia for 1934-1935 (1936) was a table entitled The Financial Effect of Tourism, which showed the income from tourism for climatic, spa and tourist places, for a period of six years, from 1930 to 1935. This table had appeared once again, in the Statistical Yearbook of the Kingdom of Yugoslavia for 1936 (1937), for a period of seven years, from 1930 to 1936. Income from tourism in 1935 amounted to 827,154,000 dinars, and in comparison with the already mentioned data for 1924, when it was between 300 and 400 million dinars, it more than doubled. In 1936, this income was even higher and amounted to 845,562 dinars (Annex Table 2).

Review of the number of hotels, hotel accommodations and tourist arrivals in the period from 1929 to 1939 are presented in Table 1.

Table 1: *Hotels and tourist arrivals in the Kingdom of Yugoslavia 1929-1939*

	Hotels	Number of rooms	Number of beds	Visitors according to their citizenship (tourist arrivals)		
				Total	Yugoslavs	Foreigners
1929	1326	17 108	26 014	978 821	774 070	204 751
1930	1 280	19 744	32 267	1 148 408	839 163	309 245
1931	1 346	19 980	32 039	981 974	762 639	219 335
1932	1 335	15 129	26 210	672 192	550 389	121 803
1933	1 705	21 937	36 593	884 446	667 792	216 654
1934	-	-	-	946 380	711 421	234 959
1935	-	-	-	1 009 728	767 514	242 214
1936	-	-	-	950 786	691 792	258 994
1937	-	-	-	871 935	634 038	273 897
1938	-	-	-	1 007 501	719 610	287 891
1939	-	-	-	939 226	663 395	275 831

Source: *Statistical Yearbook of the Kingdom of Yugoslavia 1929 (1932); Statistical Yearbook of the Kingdom of Yugoslavia 1930 (1933); Statistical Yearbook of the Kingdom of Yugoslavia 1931 (1934); Statistical Yearbook of the Kingdom of Yugoslavia 1932 (1934); Statistical Yearbook of the Kingdom of Yugoslavia 1933 (1935); Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936); Statistical Yearbook of the Kingdom of Yugoslavia 1936 (1937); Statistical Yearbook of the Kingdom of Yugoslavia 1937 (1938); Statistical Yearbook of the Kingdom of Yugoslavia 1938-1939 (1939); Statistical Yearbook of the Kingdom of Yugoslavia 1940 (1941)*

Looking at the trends in tourism in this period, it can be seen that, compared to 1929, the total number of visitors increased in 1930 and amounted to over one million arrivals. However, in 1931, as a result of the Great Depression, the number of tourists decreased. The tourist visit was in decline in 1932, too. In this period, the income from tourism decreased from 605,354,000 in 1930 to 530,544.000 in 1931, and then to 402,905,000 in 1932 (Annex Table 1). The year 1933 brought a significant increase in tourist arrivals, and the income from tourism almost doubled in comparison with 1932. With the end of the Great Depression, tourist arrivals continued to increase, so in 1935 and in 1938, the number of recorded tourist arrivals amounted to over a million. Accommodation capacities had been constantly growing year by year, regardless of the crisis. At the end of the interwar period, there was a decline in the number of domestic tourists and a growing number of

foreign visitors. In 1939, at the wake of the Second World War, the decline of the tourist visit was recorded once again.

Beginning with the Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936), the methodology used for data presentation is slightly different compared to the previous years. Namely, this Yearbook marked for the first time the distinction between tourist arrivals, published in all previous Yearbooks, and the total number of tourists. The distinction between these two categories was not explained in the Yearbook, but it can be understood on the basis of the contemporary methodology of statistical coverage of tourism. Namely, today the term "tourist arrivals" means the number of guests who stay one or more nights in the accommodation facility in the observed period. The number of arrivals does not correspond to the number of tourists, because one person can travel several times during the year and every time his/her arrival is registered. Also, a person can visit more places, and each time his/her stay is registered in the accommodation facilities in which he/she resides. The number of tourists includes persons who have attained at least one night. Today, contemporary statistics on tourism is based on the data for tourist arrivals (Radović – Stojanović & Vasović, 2016). New methodology for the presentation of data on tourism applied in the Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936) which made the distinction between tourist arrivals and the total number of tourists, had been implemented in all succeeding Yearbooks until 1941.

Within this new methodology, in the Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936), tourist arrivals were presented first, followed by the table with the overview of tourism, which showed the total number of tourists and the number of overnight stays (nights) for the period from 1930 to 1935. After that, the table named Income from Tourism by Years and, finally, the Table of Climate, Spa and Tourist Places on regional level were presented. This organization of data was also kept in the Statistical Yearbook of the Kingdom of Yugoslavia for 1936 (1937) with data on mountaineering in this Yearbook separately presented. Two tables on mountaineering were given: Members of federal hiking associations by societies in 1934 and 1935, and Central bodies of federal mountaineering societies in 1935. In 1935, there were 10 mountaineering societies with 131 branches, 108 hiking houses and 23 803 members throughout Yugoslavia. The numbers of tourists and tourist overnight stays that appeared in all succeeding yearbooks are given in Table 2.

Table 2: *Number of tourists and tourist overnights in the Kingdom of Yugoslavia 1930-1939*

	Number of tourists			Number of tourist overnights		
	Total	Yugoslavs	Foreigners	Total	Yugoslavs	Foreigners
1930	551 659	295 512	256 147	3392785	2 213 950	1 178 835
1931	549 033	339 236	209 797	2993263	2 130 476	862 787
1932	512 355	364 999	147 356	2831114	1 985 642	845 472
1933	884 446	667 792	216 654	4 398 169	2 963 521	1434648
1934	946 380	711 421	234 959	4 644 560	3 159 642	1 484 918
1935	1 009 728	767 514	242 214	5 117 251	3 602 881	1 514 370
1936	950 786	691 792	258 994	5 278 361	3 582 167	1 696 194
1937	907 935	634 038	273 897	5 289 118	3 674 757	1 614 356
1938	1 007 001	719 610	287 391	5 479 461	3 917 013	1 562 448
1939	939 226	663 395	275 831	5 448 233	3 995 769	1 453 064

Source: *Statistical Yearbook of the Kingdom of Yugoslavia 1934-1935 (1936)*; *Statistical Yearbook of the Kingdom of Yugoslavia 1938-1939 (1939)*

The Statistical Yearbook of the Kingdom of Yugoslavia for 1937 (1938) no longer contained the data on the income from tourism. Also, there were no tables under the name: Climate, Spa and Tourist Sites. The novelties were the data for passengers where they were represented by the countries from which they come (the country that issued the travel documents) and by the regions in Yugoslavia to which they arrived. The practice continued to make distinction between the arrival of tourists and the number of tourists. Organization of data was the same in the Statistical Yearbook of the Kingdom of Yugoslavia for 1938-1939 (1939) with the data shown in this Yearbook only for 1938. Also, a separate table called Tourism by Regions was presented in this Yearbook. Data for 1939 were presented in the Statistical Yearbook of the Kingdom of Yugoslavia for 1940 (1941). These data were presented in tables called: Passengers, Review of Tourism by Years (number of tourists and total number of overnight stays), and Passengers by Regions and in the end, Visitors - Tourists (tourist arrivals). There were no data on the financial effects of tourism in this yearbook. These were the latest information on tourism published before the Second World War.

Healing waters, climatic and tourist sites

In 1929, the first year for detailed data on spa and climatic health resorts on the territory of the Kingdom of Yugoslavia, 288 healing waters and

426 climatic and tourist sites were listed (Annex Table 1). Within the numbers for healing waters, 46 spas were ranked as of the first and the second category, and within the total number of climatic and tourist sites, 110 were coastal ones. The largest number of healing waters were located on the territory of Drinska (66) and Moravska Region (62), followed by Vardarska (37) and Dunavska Region (29).

How could such a large number of healing waters in the territory of the Kingdom of Yugoslavia be explained? An explanation could be found in the first published Yearbook. "The Kingdom of SCS is a very hilly country; of a total area of 250 000 km², only 17% are plains, especially in the lower parts of the Sava, Drava and Tisa river basins, and the rest of the surface includes mountains of a very complicated structure. ... All the hilly areas, especially the remains of the old earth crust, are sprinkled with numerous furrows that touch very deep into the earth's crust. ... From these cavities and furrows, vapour and gases started to emerge." (Yearbook of the Kingdom of SCS, 1926, 381) These vapours and gases were enriched by water wires that spilled onto the surface of the earth, and the end result was a large number of thermal springs.

Not only had the spas attracted tourists' attention. "In addition to springs and mineral mud, in the Kingdom of SCS other physiotherapeutic phenomena, numerous climatic sites and seaside resorts could be found. In the mountainous regions (especially in Slovenia and Croatia), there are quite a lot of climatic health resorts that are nicely arranged. Let us mention, first of all, the picturesque Lake Bled in Slovenia and Plitvice Lakes in Croatia, which are almost the most romantic in Central Europe. The best places to stay in the fields, not only in summer, but also in winter, are located on the coast of the Adriatic Sea." (Yearbook of the Kingdom of SCS, 1926, 384)

In addition to the general overview of the number of healing waters and climatic and touristic sites, a separate table entitled Spas provided a detailed overview of baths and healing waters in the spas of the first and the second categories: the name of the spa, the category of the spa (I, II), the chemical composition of healing water and all diseases this healing water was healing. In another separate table, other healing and mineral waters were listed by regions. In the end, all climatic and tourist sites in different regions of the Kingdom of Yugoslavia were listed by their names (Statistical Yearbook of the Kingdom of Yugoslavia for 1929, 1932). This way of presenting the data and giving the detailed

information on healing waters was kept in the succeeding statistical yearbooks, ending, as already mentioned, with the Statistical Yearbook for 1933.

Table 3: *Healing waters, climatic and tourist sites in the Kingdom of Yugoslavia 1929-1933*

	Healing waters			Climatic and tourist sites			Total
	Spas I and II cat.	Other	Total	Costal	Other	Total	
1929	46	242	288	110	316	426	714
1930	46	240	286	110	319	429	715
1931	45	232	277	103	261	364	641
1932	45	232	277	103	261	364	641
1933	45	232	277	103	261	364	641

Source: *Statistical Yearbook of the Kingdom of Yugoslavia for 1933 (1935)*

Starting from the Statistical Yearbook of the Kingdom of Yugoslavia for 1934-1935 (1936) the data on spa and climatic resorts were not shown specifically, but within the *Tourism* sector. Thus, the information on the tourist sites recorded in the table called The Tourism Review had been somewhat different. It is also worth mentioning that there was a new look of the table. This new way of statistical presentation, with the data for 1935 and 1936, is shown in Table 4.

Table 4: *Climatic, spa and tourist sites in the Kingdom of Yugoslavia 1935-1936*

	Alpinist and sub-alpinist	Spas (Baths)	Tourist	Costal	Total
1935	46	65	259	60	430
1936	64	55	114	61	294

Source: *Statistical Yearbook of the Kingdom of Yugoslavia 1936 (1937)*

In the Statistical Yearbook of the Kingdom of Yugoslavia for 1937 (1938), the methodology of statistical presentation of tourism industry changed again. The table under the title Climatic, spa and tourist sites was missing and it no longer appeared in the Yearbooks published until the Second World War. In the Statistical Yearbooks for 1938-1939 (1939) and for 1940 (1941) a table entitled Tourism by Regions and by types of tourist sites could be found. It was divided into: tourist places in the narrow sense, tourist sites of climatic and mountain character and tourist sites of spa character. This table shows the number and citizenship of tourists who visited these places. Other, more detailed information about

spa and climatic sites was no longer presented. Obviously, there was a change planned in the statistical coverage of tourism industry, but in what direction these changes were meant to move, one cannot find out. The first next research on tourism was carried out after the Second World War, when the methodology of research began to be published. "The first methodology manual was introduced in 1946, and it was published in 1954 in the edition of the Federal Statistical Office "Methodological material" volume no. 37." (Radović – Stojanović & Vasović, 2016, 85).

Conclusion

The statistics of tourism in the Kingdom of Yugoslavia had many features of today's modern tourism statistics, primarily the continuity and completeness of the coverage and regularity of publishing. Most of the data from the area of tourism that were collected at that time could still be found in statistical publications on this branch of the economy.

From the very beginning, tourism statistics was very detailed. Not only were the data for the arrivals of tourists and their overnights, hotels and beds presented. Moreover, the data that one could hardly assume to be the subject of interest of the statistical research at those days could be found in the Yearbooks. All this was completely in the spirit of the time. This testifies to the high level achieved in the overall development of the statistics, but also to the importance that tourism had as an economic activity in the Kingdom of Yugoslavia.

It has to be pointed out that there were no methodological explanations in the Statistical Yearbooks of the Kingdom of Yugoslavia. Also, there was certain incompleteness in the statistical coverage of certain phenomena. However, these shortcomings should be seen in the light of the difficulties that the country was struggling with then. Regardless of all, the level of the development of national statistics in general, and tourism statistics, in particular, was significant. It can be concluded that the development of statistics has highlighted the development of tourism activity itself.

At the end of the interwar period, the statistical coverage of tourism activity was changed again. The statistics of tourism was on its way to being methodically improved, but on this path, it was disturbed by the war events. During the war, there was a discontinuity in the statistical coverage of tourism activity, and the first subsequent research of this

branch of the economy was carried out sometime after the end of the Second World War.

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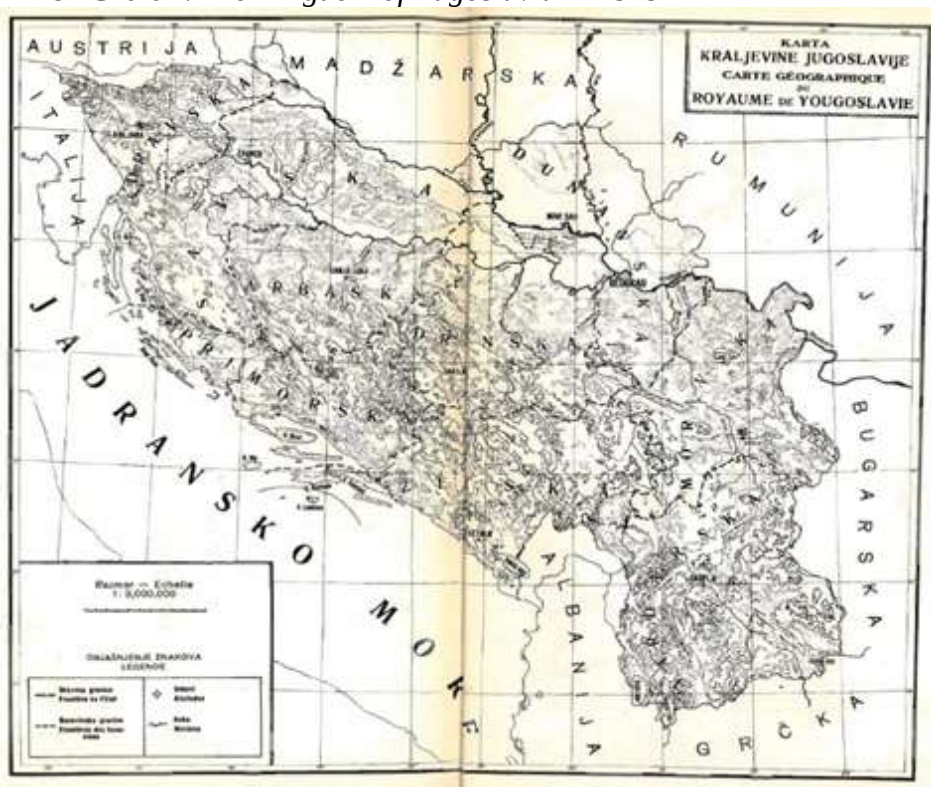
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Annex

Annex Chart 1: *The Kingdom of Yugoslavia in 1929*



Source: *Statistical Yearbook of the Kingdom of Yugoslavia 1929 (1932)*

INNOVATIONS AS A FACTOR OF COMPETITIVENESS OF TOURIST ECONOMY

Dejan Đurić¹; Dragana Đurić²;

Abstract

Innovation, as a way of change, represents the condition for successful functioning of enterprises with the aim to achieve a long term business success. An innovative enterprise is characterized by orientation towards the customers and market and turning to technology, while the openness and orientation towards changes represents a condition for a high level of innovation. The factors which affect innovation are the specific competitive environment in the branch that the enterprise belongs to, and the innovation of the very enterprise. The authors in the paper analyze the essence of innovations and different approaches in their sorting, as well as the specificities of the paradigms of innovative approaches. As the tourist sector is less innovative in comparison to the rest of the economic sectors, the goal of this paper is to emphasize the importance of innovations for the tourist sector.

Key Words: *innovation, innovation process, enterprise, tourism.*

JEL classification: Z30, O30

Introduction

When it comes to tourism industry, it must be borne in mind that this is a dynamic branch followed by various changes. Given the increasing revenues from tourism worldwide and the projected growth in the number of tourists in the future, many countries find solutions for their own development in a competitive tourist offer (Cvetkovski et al., 2014). Tourism is one of the most important actuators of the economy development in the world and most likely the only activity that connects nations and countries without any prejudices, which is one of the main

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reasons that enables tourism to develop rapidly. Successful business and the achievement of appropriate results require a proper understanding of the changes taking place on the market (Cvijanović, 2016, p.46).

Changes involve the space in which business entities operate, the means of communication they use, the technology of business organization, the level of knowledge and competence of employees, i.e. all the determinants of a successful business, as well as a list of available contracts that are available to businesses that have the capacity to express the true intent of the contracting parties on one hand and understand the economic reality on the other. The market is one of the most important supporting pillars, as a place where supply and demand meet, and lately electronic communications network, so thanks to the market, tourism policy has changed and improved. Compared to other economic activities, tourism exceeds the national level much faster, becoming a vital global activity (Ristić & Milanović, 2017.).

Proper positioning in a dynamic and competitive tourism market is conditioned by the observation of contemporary trends, and tourism as a business provides much for the entire economy, so it is necessary to pay more attention to it and to highlight the positive effects, especially when it comes to countries in development. Man increasingly invests his efforts to improve both supply and demand in the sector. The tourism development strategy lives in the future, so the offer has to be more contemporary. We live in a time of modern technologies that affect all areas of human life. The application of new information and communication technologies has caused a change in the relationship towards the role of innovation which represents a means of economic improvement and a powerful means of globalization.

Defining *innovation*

The simplest and most well-known definition of innovation was given by Paul Trot according to which innovation is the process of transforming the idea into practical application. Myers and Marquis say that innovation is the overall process of some interconnected subprocesses and that it is not always the concept of implementing a new idea, the invention of a new device or the development of a new market, but the innovation is operation of all these processes together (Myers & Marquis, 1969).

The term innovation signifies:

- Product - Innovation as output - a product or service that has market verification;
- Process - Innovation as a process - innovation process from idea to realization, i.e. from generating ideas to implementation.

In 2005, the Organization for Economic Cooperation and Development (OECD) gave a general definition of innovation: "Technological innovations are significantly improved products (goods and services), or processes, new marketing methods, or new methods of organization in business practice, work environment or external relations"(OECD, 2005).

The European Commission defines innovation as "improving and expanding the range of products and services and related markets; establishing new methods of production, procurement and distribution; introduction of changes in the management, organization and working conditions of employees" (European Commission, 1995).

When defining innovation, four aspects of observation can be considered:

- Entrepreneurship;
- Competition advantage;
- Innovation activities and processes;
- Nature of innovation.

Peter Drucker defines innovation as a key element of entrepreneurship: "Innovation is the specific tool of entrepreneurship, the means by which they exploit change as an opportunity for different business or a different service" (Draker, 1991). Drucker believes that innovation is the basis of entrepreneurship. On one occasion, Drucker warned: "A well-known company that is incapable of innovating in an era of innovation, is condemned to ruin and disappearance." In other words, most companies in a modern competitive environment have only one option – "To be innovative or die."

Porter emphasizes the importance of innovation, i.e. the ability of the company to realize successful innovation projects, to acquire a competitive advantage (Porter, 2008). Freeman points out that innovation includes technical design, production, management and commercial activities that are involved in the marketing of a new or improved product or the first commercial use of a new or improved process or equipment.

Emphasizing the importance of innovation for the company, the author has formulated the famous thesis that he is familiar for in literature: "Not to innovate is to die" (Freeman, 1997).

Contribution of innovation to the development of entrepreneurship

Today in economic theory there are numerous definitions of entrepreneurship, so it is often said that there are as much definitions of the term of entrepreneurship as the authors who dealt with this inexhaustible topic. Each of the definitions emphasized one of the key features expected from entrepreneurs, as conditions in which an entrepreneur operates. Sublimation of the subjective aspect which refers to the personal characteristics of an individual as an entrepreneur, and objectively regarding the economic environment in which an individual manifests his entrepreneurial qualities, leads to a complete definition of entrepreneurship. Joseph Schumpeter, designates an entrepreneur as an innovator, Kirzner points out that it is crucial for entrepreneurs to discover and exploit new business opportunities, according to Knight for entrepreneurs the decisive is to notice the difference between risk and uncertainty, etc. (Iversen et al., 2008.). One of the definitions is that entrepreneurship is control and exploitation of resources in order to create an innovative economic organization for the purpose of development and growth under the circumstances of existence and uncertainty (Dollinger, 2008., p. 9).

The initial steps in the development of the theory of innovation were made by Joseph Schumpeter (1883-1950) in the 1940s, pointing out that economic development was largely determined by non-economic factors that relate to the institutional structure of society. The entrepreneur has a key role in this, who is not only a manager, but a person who accepts the risk as an inevitable companion for the introduction of new products and new technologies. The most important factor of economic growth is the combination of five factors, which in essence represent the complex of innovations:

- New products,
- New production technologies,
- Opening up new markets,
- Introduction of new resources and raw materials,
- A new organization of economic activity (Schumpeter, 1939).

Realizing the process of innovation is approached by only some, bold entrepreneurs, who use innovation, profit, but also provide the benefit to the whole society, because there are significant interdependencies between different forms of innovation. Thus, new products open up new markets, generating demand for new resources and raw materials and encouraging innovation in manufacturing technologies. Innovations in economy are realized in the form of clusters, because after some entrepreneurs have successfully innovated, they will be followed by other entrepreneurs, and new products or new technologies will expand in the economy. Most entrepreneurs that generally have a risk aversion are not the bearers of this expansion, but a small number of entrepreneurs are responsible for innovation and economic development, which are willing to take the risk. Schumpeter considered that economic development brings qualitative changes that are crucial, stimulated by innovations in different historical periods. He declared innovation as the basic factor of technological progress and economic development, in terms of replacing old technologies with new ones, which he called "creative destruction."

The importance of innovation is enormous, and technological innovations represent the core of technological progress, which is the most important factor of growth in productivity, technological growth and economic development. Technological innovations are one of the most important factors for achieving competitive advantage. Technological progress implies the improvement of existing ones and the introduction of new means of work, work items and work processes (technology and production organization). The process of technological progress leads to structural changes in the production process, resulting in a higher product mass, shortening of production time, saving of raw materials, lowering of costs per unit of product, and improvement of product quality. The impact of technological progress on productivity growth (which is standardly measured by the analysis of residuals in the production function) is so great that it is thought that about half of the rate of economic growth comes from it. Technological progress meets the growing and, in principle, unlimited human needs, but also creates new needs.

Innovation, as a feature of an organization, consists in the organization's openness towards changes, the successful management of changes, and the successful acceptance of changes. Innovation is the characteristic of business entities that deal with the adoption of new ideas and respond quickly to the impulses from the environment. Innovation is a necessary

condition for successful functioning in order to achieve long-term business success, i.e. profitability and competitiveness.

The innovative economic organization is characterized by customer and market orientation and reliance on technology, openness and orientation towards change, which is a requirement for a high degree of innovation. Key factor in the competitiveness of an innovative business entity are innovations that represent its strategic resource. The main factors influencing innovation are the specific competitive environment in the branch to which the economic entity belongs and the innovation thereof.

When it comes to the innovativeness of an entity, there is a paradox, because although companies are often motivated to develop new products (services or processes) due to the needs of customers, competitive factors and corporate goals, they themselves raise barriers and create difficulties that jeopardize the innovative process. As a result of the forces that stimulate innovation (the interaction of business entities and the market environment) and the forces that create resistance to change (internal strength in the company), a paradox of the development of a new product arrives.

Economic entities, branches, regions observed in different contexts, manifest in today's conditions of operating a radically different perception of the intensity and significance of change and innovation. The attitude of the economic entity towards the change can be different. Principally, a distinction should be made between: passive and active attitude toward change. Passive attitude means waiting, in a nutshell, i.e. adapting companies to the resulting changes. On the contrary, an active attitude means stimulating, that is, the company's precedence in change.

Innovations are a special form of change. They represent an instrument by which an entrepreneur creates new creative resources, or enriches already existing resources with a higher potential for wealth creation. Bearing in mind this fact, a number of authors rightly point out that innovations are a specific tool for entrepreneurs, that is, the tools through which the entrepreneur realizes the desired changes. In other words, entrepreneurship is a driving force for development and a fundamental generator of innovation. In the changes taking place in the company or in the environment in which it works, entrepreneurs find the possibility of innovating. Uncertainty as the immanent quality of the market, forces the entrepreneur to continuously evaluate business alternatives in an even

more dynamic environment. For entrepreneurs, innovation is the process of taking a creative idea and transforming it into a useful product, service or method of work. "Hence, an innovative organization is characterized by the ability to channel its creative efforts into useful results. When managers talk about changing an organization to make it more creative, they are usually thought to want to stimulate innovation" (Milisavljević et al., 1993, pp. 52-53).

In order to understand the phenomenon of innovation, it is not enough to investigate only the object of innovation, but it is necessary to introduce a complex that deals with the innovation process in the analysis. The innovation process has been treated for a long time as an organizational issue. Transformation of basic inventions into commercial products, processes, or services is a long-term, highly risky, complex, inter-dependent and non-linear process. On the other hand, the organizational possibilities for initiating and maintaining innovations are to a large extent determined by regional or national significance. Therefore, the economic and social conditions in which the innovation process takes place will always play a very important role when business organizations take the risk by taking into account the viewpoint that innovation is the key factor of competitiveness, survival and sustainable growth.

The process of creating innovations is composed of various activities that are in interaction between each other and which can be represented in the order of performance in the following way:

- Collecting information about the problem,
- Research (general or applied),
- Idea and development,
- Finding a solution,
- Marketing solutions (Gallouj, 2002, pp. 35-36).

The set of elements that make up the innovation process can be combined with the typology of different types of knowledge. Some authors cite five relatively well-rounded knowledge groups:

- Knowledge related to nature,
- Knowledge in the field of design,
- Knowledge related to research and development,
- Knowledge related to the final product,
- Knowledge related to knowledge (Faulkner et al., 1995).

Typology of knowledge constructed like this can be applied to the complex of innovations assuming that knowledge related to nature is expanding with knowledge related to social life, as well as to consider the consequences of this expansion on other types of knowledge. The purpose of a creative combination of economic resources is to connect not only information and knowledge, but also people and organizations.

Innovation must basically situate in the company, as an unprecedented form of organizing economic life everywhere in the world. Innovation in the company is not, nor can it be someones's privilege or imposed obligation, because in principle everyone can be inovators, which is why it is necessary to create an incentive and inspirational atmosphere in which innovative fever, cramp and compulsion is replaced with creative positive rivalry of new ideas and solutions.

Innovation, as a particular state of the human spirit, always integrates several goals in itself, and the most important ones are economic, aesthetic, ecological and ethical. Innovative does not always have to be absolutely original. The so-called "creative imitation" also represents a significant breakthrough in innovative behavior, which is why it is always better than "creative rest". Every innovative behavior involves risk acceptance, but the innovator is more focused on the possibility than on the risk.

The need to develop innovative tourism products and services

Tourism in today's conditions is becoming more and more important and it is becoming a big challenge for countries that see a great chance in the export of tourism services to accelerate their economic growth (Đurić & Đurić, 2016). Contribution to the importance of the tourism industry is a consequence of not only dynamic changes in tourism trends, but also an exceptional contribution to the overall economy, as confirmed by UNWTO statistics. Namely, tourist arrivals increased by 7% in 2017 and reached a total of 1.322 million dollars according to the latest World Tourism Barometer of UNWTO, and it is expected to continue in 2018 with a rate of 4% -5%, which is the strongest results from 2010 (Maksimović et al., 2017, p.27).

It is expected that this trend will continue in 2018. Based on current trends and economic perspectives, international tourist arrivals around the world will grow at a rate of 4% -5% in 2018, which is above the average

increase of 3.8% planned for the period 2010-2020, as well as in the long-term tourism forecast by 2030. International arrivals to Europe and America are expected to increase by 3.5%-4.5%, Asia and the Pacific by 5%-6%, Africa for 5%-7%, and in the Middle East by 4%-6%.

Chart 1: *International tourist arrivals*

INTERNATIONAL TOURIST ARRIVALS in mil.		
Continent	2017	2030 (forecast)
Europe	671	744
USA	207	248
Asia and Pasific	324	535
Middle East	58	149
Africa	62	134

Source: www.unwto.org

From the foregoing, the progressive development of tourism can be clearly seen not only in Europe, but also in the world, so that the tourism development strategy must become the backbone of the economic development of all countries that have comparative advantages in this economic area (Đurić & Đurić, 2017).

The development of new products means connecting different disciplines, such as marketing, finance, production, etc. Each of these disciplines has its task in creating new products, and only by synchronized action of all disciplines will the product be ready for placement on the market. However, companies differ from each other, so it is necessary to find a way to produce a new product that will match their business strategy. For example, the automotive industry and travel agency do not have the same business, so the production process and the use of quality parts itself will play an important role in the production of cars, while the marketing sector will be important in the travel agency, and this is mostly based on modern information technology, not excluding the quality of the offer. Taking into account all the impacts on the creation of a new product, both internal and external, as well as the work of each individual segment, at the end when everything is completed a product will be made that will be beneficial to its consumers and will bring profit to the company that created it.

There are several ways to define a new product. In that sense, it is important to ask: what would be a new product in tourism? It is widely

known that tourism is an economic activity that includes a wide range of activities: trade, catering, accommodation, entertainment, cultural institutions, events, educational institutions and many others. Therefore, tourism is usually associated with services, but also tourism products. If we take into account the definition that the products are new things or improved products that already exist then it can be concluded that tourism products in the narrow sense belong to: hotels, hostels, tourist resorts, B&B, private apartments, travel agencies and tourist boards, sports and recreational centers, wellness centers, fitness halls, restaurants, souvenir shops, etc., and in a wider sense there are tourist services that would include everything that these facilities offer. So, there are new services, or existing, but upgraded. These would be, for example: new rooms in hotels, bicycle rental services in the accommodation facility, a new type of meal in a restaurant, a new destination that will be offered by a travel agency (which may be a product and service), and so on (Prester, 2010).

Picture 1: *International tourist arrivals*



Source: <https://www.e-unwto.org/doi/book/10.18111/9789284418725>

Globalization is certainly the most recognizable general trend that marks the development of tourism in recent years (Cvijanović et al., 2016, p. 82). The increase in the number of business entities registered for performing of service activities is caused by the importance of services in the economic sphere, since they generate 70% of the total GDP and 70% of the total employment, so more and more present thoughts on the

possibilities and the need for legal regulation of the heterogeneous service sector seem justified. The European Union moved far in the direction of a mutual normative regulation of service economic activities by adopting the EU Directive 2006/123 on services in the internal market.

Services are seen as a special discipline because they are different from products they are not tangible and in their creation, the consumer / buyer is also involved. When it comes to nowadays services, technology plays a big role there. Production is automated, which leads to a situation where people have more free time, and excess free time means going to a hairdresser, a wellness center, a gym, or the like. This was recognized by all service providers and, therefore, increased their share in GDP.

Significant revenues from service activities rest on strong support coming from the field of informational technologies, the Internet and software development. From this it can be concluded that technology truly changes the understanding of services and introduces a special dimension in the whole story.

The development of new services is a process that starts with the idea and ends with the launch of a service, and many companies launch a service in parallel with the product. For example, the car industry, besides the production of a specific car, also provides maintenance, servicing and financing of this product. Hotels, in addition to rooms and beds (tangible things), also offer a restaurant, bar, gym, wellness center, wedding or similar events, business meetings, etc. The buyer is, therefore, in the center of attention, and hence the customers / consumers themselves should be involved in the development of new products or services, because it will show best in what direction the production should go and what to offer on the market, under what conditions, prices and quality.

Market advancement of companies in modern global conditions and the launch of new products and services must be based on a well-developed market entry strategy. During the implementation of the new product on an already existing market, the company must develop a strategy for developing a new product. If the product already exists and the market is new, then it is approached to the creation of a new market development / research strategy. When both the market and the product are brand new for the company, in this case a strategy for completely new innovations is established, which means research of market and products, as well as their mutual influence and development.

Successful innovation means that the company has managed to pass a risky path from idea to launch to the market. When the market accepts innovation, it can spread to other areas. At the same time, it is necessary to make a corrective insight into what has happened in the past in order to eliminate certain critical elements, negativities, bad decisions, moves, etc. in order to better manage innovations in the future.

When it comes to tourism, innovation should be the everyday life of tourism companies. The essential component of tourism companies is a smart investment in new tourist services or creating a supply differently than others, as tourism trends and tourism demand change rapidly and competition is growing.

There are certain stages that the company must pass on the way of implementing its innovations, but also to determine if there are opportunities to introduce innovations. These stages and barriers that appear on the path to successful innovation are equally worthwhile for all sectors of the economy, whether for trade or tourism. In this respect, the joint work of all employees is very important in order to achieve successful innovation. Also, it is necessary to use all available resources and sources of information in order to select the best idea, and it also means constant learning about new chances, opportunities and behavior in certain situations that the company encounters. Innovations mean that the company is constantly working on its offer, and that it cares for both its customers and its employees.

There is no best or unique way of managing the innovation process, because it depends on the industry in which the subject operates, on the technological possibilities, the market conditions, etc. The stages of the innovation process can be: identification of potential innovation; choosing the one that is considered to be the greatest success - because resources need to be invested in innovation; implementing innovation, upgrading ideas at different stages until the final launch of a product or service on the external market.

Sources of innovation in tourism usually come out of the tourist sector, which means that the IT revolution is responsible for nowadays tourism development, which has led to the development of online tourist agents and tour operators of companies that work on their products and launch new, in order to be far ahead its competitors. To survive in the conditions

of global competition it is very important to use the achievements of modern information technologies.

Information and communication technologies play a very important role in the development of innovations and the overall development of the tourism industry. The development of innovative products and services would not be possible without the existence of the aforementioned technologies. Information and communication technologies (ICT) are important for the tourism sector, since they enable searching of information, purchasing services, making reservations, etc.

Tourism shows that it will increasingly depend on innovations in the future, especially those involving ICT. Information and communication technologies are now an integral part of our lives, so it is logical to conclude that they have an important role in planning the trip. As travel is more pronounced and more frequent than before, and people travel for different reasons and desires, it allows travelers to quickly and easily access information so that it makes the journey more enjoyable and easier, and that would not exist without advanced ICT technology. Although the potential of IT is enormous, this does not necessarily mean that business performance is guaranteed. The use of information technology does not give an automatic advantage in business, but certainly represents the necessity of today.

Conclusion

Schumpeter was the first scientist to recognize the importance of developing a new product for economic development, considering that competitiveness is achieved by the introduction of a new product and that the gained advantage is more significant than that based on marginal changes in the price of already existing products. Schumpeter defined the innovation as a "new combination" of existing resources. He called this combinational activity an entrepreneurial function and linked it to entrepreneurs and entrepreneurship.

Schumpeter emphasized the importance of technological innovations for economic development, and for the initiation of innovations, he equally emphasized the inventions that were caused by demand and exogenous scientific discoveries. He emphasizes the interdependence of these two factors, while in the early stages he attaches greater importance to an exogenous scientific discovery that directly changes the technological

basis of the production of a number of enterprises, while later, when the industry achieves maturity characterized by new technology and a new product market, the importance of the demand for new product increases, which directly affects the further expansion of technological innovation by the industry, so that it is accepted by most companies.

The importance of innovation has been underestimated in service activities for a long time. This is changing with the emergence of information and communication technologies, which gives a particular contribution to the field of tourism. Tourism shows that it will increasingly depend on innovations in the future, especially those involving ICT. Market performance of tourism companies in modern global conditions and the launch of new products and services based on innovations must be based on a well-developed strategy of entering the tourist markets.

In that respect, innovations should represent the everyday life of companies in the field of tourism industry, and their business activity must be based on smart investments in new products and tourist services different from others, as tourism trends and tourism demand change rapidly, and competition is becoming more and more sharp and merciless.

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DEVELOPMENT OF TOURISM IN SERBIA IN THE CONTEXT OF AN INTEGRAL ECONOMY

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Abstract

In the present conditions, Serbia is ahead of the choice of development model and economic growth. The object of this paper is to look at the place and role of tourism in general economic development. The aim of the paper is to present the facts that tourism in Serbia still does not take adequate treatment in strategy and development models. Serbia with no doubt has the quality of the basic for the development of tourism. Natural attractions, as well as the established level of accommodations and other facilities refers to the fact that Serbia can develop many types of tourism, especially if it is taken into account the spatial diversity of Serbian natural resources. These resources offer opportunities for practicing a variety of sports and recreational activities (in the winter and summer season), as well as recovery and rehabilitation, and engaging in hunting and fishing and other activities related to staying in a number of destinations (points, areas) in Serbia.

Key Words: *tourism, tourism consumption, economic impact, development.*
JEL: O11, R28, Z32

Introduction

When talking about tourism we can notice that it as an extensive economic activity is not taking desired place in economic development. Many other developing countries (neighbour countries) or ones that went through the process of economic integration (Slovakia, Czech Republic, Hungary), or the ones similar in size like Serbia (Austria, Switzerland) are treating tourism as an important economic role, therefore, they have much better effect based on their investments in this industry. A new economic

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policy should be focused on selective subsidies that are clear set in particular time period in order to attract investors that are able to invest in competitive activities such as tourism and demand more payed workforce in order to revive domestic entrepreneurship. It is necessary that public institutions and the Chamber of Commerce of Serbia to point out to domestic economist or to ones that are considering creating some business on touristic products that are demanded on Serbian market, supporting logistics in the terms of advice and information necessary for certain investment. It is also of great importance to research markets in the region, especially aspects of tourist structure and then to look at the possibilities to compete with the new one touristic product that has never been placed on the particular markets. It is clear that awaking of private initiative should be supported with adequate support of the country. On the other hand, except when talking about innovation that support should not be based on the subsidies, as well as foreign investments that are expected should not be based on this type of financial present but only with strictly defined activities and investments with the limited period of time. Natural basis represents necessary but not sufficient basis for accelerated economic growth.

Serbia is placed in the group of countries with average natural resources, with available physical capital that is below average, technological advancement is also below average level. When having all this in mind it is clear that dynamic and sustainable economic growth is possible to conceive on growing physical capital while investing in human capital, or to be more precise constantly to promote human capital. For the growth of the economy, the necessary condition is that the expenditure structure increases the share of productive expenditures such as public investment and investment in education, research and innovation in relation to current expenditures (salaries, pensions, subsidies, etc).

Then, for the growth of the economy, it is necessary to improve the efficiency of the state in carrying out all functions (judicial, administrative and security, through the more efficient realization of public investments, to ensuring better education and encouraging research and innovation.) Therefore, the question is why tourism, except the mentioning in strategies, plans, policies and promises is not in a realistic framework of economic and regional development, cross-border cooperation and cooperation in the region. The state needs to stimulate tourism with various (non) market measures. In the most developed market economies, the state is very much involved in the economic

process, so it reaches and redistributes up to two thirds of the social product somewhere. The reason is that there are still no areas where private interests and the functioning of the market do not provide socially optimal solutions, so state intervention is necessary (ecology, public goods, large infrastructure, defence and security, energy, regional development, development of individual branches and sectors of special importance, etc.) and development of the tourism industry. It is necessary to look at the effects of public-private investment not only in the infrastructure of general direction (road, energy, telecommunications), but also in the tourist infrastructure specific to each specific destination. Tourist consumption is a key parameter of economic criteria of tourism and the basis of economic impacts of tourism. In addition, one should bear in mind that Serbia is very attractive place for transit and travelling. Bearing this in mind, the question arises, as a basic hypothesis, what is missing in the tourism of Serbia that has a greater importance in economic development?

More efficient use of tourism potentials cannot be achieved only by the mere possession of natural and similar advantages for dealing with tourism but requires certain investments in facilities, infrastructure, human resources, etc. Investment in tourism is an important prerequisite for using the opportunities it provides as an element of development policy. Other hypotheses include several elements of policy that would accelerate the development of tourism and economy, and vice versa. Whether it is attracting and directing FDI, growth on the basis of "cheap money", the application of measures of extensive credit-monetary policy, suppression of the grey economy, fiscal and general taxation policy, etc. The effectiveness of economic policy in the field of tourism development and causation with the development of the overall economy is based on a set of assumptions, which also represent subsidiary hypotheses.

Problems in economic development

In modern conditions not only the new geostrategic position of Serbia, but also in the conditions of integration processes, for membership in the European Union, Serbia is looking for a new model of its economic development. The Serbian economy, for a long time, faces problems of low competitiveness, undefined or, at least, an ambiguously defined industrial policy, and a non-transformed public sector, still underdeveloped transport and telecommunications infrastructures, as well as the positions and roles of the tertiary sector. In doing so, the allocation

of subsidies is not made by activities, but the funds are allocated indiscriminately, where tourism is disadvantaged. The cure to overcome these problems is certainly not subsidies that the state generously gives to investors (from 10,000 euros or more), and perhaps in some cases more than that, by employee, if that was the solution, according to the duration of the therapy in the form of subsidy as a bait for attracting foreign investment, it would already demonstrate its results in strengthening the export performance of the domestic economy and increased labour productivity. Instead, according to the latest World Economic Forum report, Serbia has ranked 133rd among 137 countries analyzed for its export capacity. In addition, this therapy is non-selective and largely non-transparent, which speaks of the existence of the so-called black boxes in the decision-making process for granting subsidies. In a certain way, this indicates that there is no clearly designed development policy with precisely defined investment objectives that could raise the competitive power of the Serbian economy.

Clear criteria are necessary for limited time subsidizing only those activities requiring exclusively sophisticated technology and highly qualified labour, while through systematic fight against gray economy, reduction of parafiscal charges and relaxation of workload, it is necessary to open windows to penetrate domestic private initiative, meaning entrepreneurial spirit, and to preserve attracted foreign investments to remain on the Serbian market. Unless the existing economic policy is dominantly based on the non-selective subsidizing of the economy, Serbia will anchor, mainly as a marketplace of cheap labour with low quality of life and low economic competences. In this case, in addition to possible natural resources, only cheap labour remains an element of the competitiveness of the domestic economy, leaving one society in material and cultural poverty.

Thus, the “brain drain” will remain a legitimate feature in the process of migration from Serbia (according to its competence to retain talents, 2018, Serbia is at 134th place, and by ability to attract professional workforce with more demanding skills Serbia is ranked 132nd in the Global Competitiveness Scoreboard World Economic Forum). On the other hand, Serbia has achieved macroeconomic stability in recent years (inflation is kept at a low level, considerably reduced budget deficit), so monetary and fiscal policy is considered to be very responsible. However, in past several years, Serbia has achieved low economic growth rates (3.5% predicted for 2018), which are insufficient for faster development

neither to "grab the connection" with the EU countries. A model of economic development for developed countries based on macroeconomic stability (focuses on inflation and budget deficit), and their level of development, economic structure and economic priorities are dramatically different compared to underdeveloped countries such as Serbia (developed EU economies do not need or can essentially increase their development, so their focus is on maintaining economic stability). Price stability in underdeveloped countries is mainly an indicator of an economic deadlock rather than a competent monetary policy. That is why Serbia needs a high growth rate in order to "catch the connection" with the countries of the European Union, while the level of inflation and the budget deficit should be in the second phase as long as the infrastructure is improving, while the real incomes and standard of the population are growing. This is extremely important for all service activities and for tourism, especially domestic, which is based on the increase in living standards and the level of freely available income.

For tourist activity, it is crucially important, with the development strategy, that its important place is found in the operational economic policy, which instead of stability (which is in the interest of foreign lenders and foreign investors) should be based on development that among other things is crucial for the expansion of tourism. Serbia should focus its development policy on agriculture, transport and tourism that are everywhere in the world considered as complementary and causal activities. Thanks to its impact on social product and national income, tourism can be a significant factor in overall economic development. Every modern economy is today based on a well-developed service sector. As long as the developed European countries achieve up to 80% of the total added value in the service sector, Serbia only accounts for 65% of its added value in the service sector.

In addition, the composition of the service sector in Serbia is much more unfavourable than in the developed countries (Prica, 2017). All this indicates that the state must interfere, with an efficient economic policy, in the nature of structural changes, so that they cannot be left to the "invisible hand" of the market. "If the growth rate in Serbia was 7 percent, it would double the gross domestic product (GDP) in the next 15 years, and then we would be at the level of Croatia when it entered the European Union" (Djuricin, 2018). Therefore, the very important question: "How does Serbia get out of the trap of the middle level of economic development"? One of the responses lies in the faster and more dynamic

(inclusive) growth and development of all aspects of tourism activity. An analysis of the efficiency of investments by calculating capital and production coefficients has shown that hotel industry and tourism are activities in which the efficiency of investing factors is under average. This is especially true for seasonal hotel industry and winter tourist centres, due to seasonal business and inelasticity of tourist offer (Blagojević, 2015). From the point of view of gross national income (GDP) tourism has many positive and negative effects, and affects the redistribution of income between economic sectors and companies within the economy of one country. Over the past twenty years, the growth rate of tourism has been twice as high as the GDP growth rate, tourism revenues are overshadowing health industry, energy industry or agriculture. In many countries it is among the three leading industries, achieving the largest or moving towards the largest volume of retail trade and the highest employment (Theobald, W.F., 2014). Many economists, as well as experts from other profiles, analyze the various effects of tourism on economic and general social development, among which are the numerous multiplied impacts of tourism on economic development.

Table 1: *Real GDP growth in the countries of Est. Europe*

	2015	2016	2017	2018	2019	2020
	Achieved	Achieved	Achieved	Planed	Planed	Planed
Albania	2,2	3,4	3,8	3,6	3,5	3,5
Belorussia	-3,8	-2,6	1,8	2,1	2,4	2,4
Bosnia and H	3,0	3,1	3,0	3,2	3,4	3,5
Bulgaria	3,6	3,9	3,8	3,9	4,0	3,9
Croatia	2,3	3,2	3,0	2,6	2,8	3,0
Hungary	3,4	2,2	3,9	3,8	3,1	2,9
Kosovo*	4,1	3,4	4,4	4,8	4,8	4,7
Macedonia	3,8	2,4	1,5	3,2	3,9	4,0
Moldovia	-0,4	4,3	3,5	3,8	3,6	3,3
Montenegro	3,4	2,9	4,2	2,8	2,5	2,1
Poland	3,8	2,9	4,5	4,0	3,5	3,1
Romania	3,9	4,8	6,4	4,5	4,1	3,5
Russia	-2,8	-0,2	1,7	1,7	1,8	1,8
Serbia	0,8	2,8	2,0	3,0	3,5	4,0
Ukraine	-9,8	2,3	2,0	3,5	4,0	4,0

Source: *Global Economic Prospects, World Bank, January 2018*

* Serbia does not recognize Kosovo as an independent entity.

Comparing the GDP growth in Serbia with the countries / territories of the Western Balkans (Serbia, Bosnia and Herzegovina, Macedonia, Albania, Montenegro) it is clearly noted that the economic growth of the Serbian economy is below the average of that group of countries. The GDP average growth in 2017 is estimated at 2.7% in the above-mentioned group of countries, while only 2% is in Serbia, according to the sources of the World Bank. Only weaker than Serbia is Macedonia with a growth rate of 1.5%, which was the result of the extremely turbulent political events in that country and the lack of new investments.

Compared to the other countries of Central and Eastern Europe, Serbia is also at the bottom of the scale according to the achieved economic growth in 2017. All these data indicate that the Serbian tourist economy can contribute to faster economic growth and development of the country, provided that it has much more serious treatment than before, and from the declarative to the real strategic, tactical and operational measures in economic policy and realization. In Serbian and foreign literature there are different classifications of the economic effects of tourism on the overall economic development, but the best known is the fact that it emphasizes direct and indirect effects on the economy. According to this division, the most important direct impacts are: the impact on the social product and national income, the impact on the development of economic activities of the tourism industry, the impact on the balance of payments, the impact on the employment, the impact on investments (investment activity and the structure of investments) and the impact on faster development underdeveloped countries and areas. Indirect impact applies to agriculture, industry and construction industry. Touristic spending has an impact on almost all economic and non-commercial activities.

Consumption of foreign tourists has a multiplied impact on the total economy of the country (Unković, Zečević, 2009). On the other hand, other economic sectors in the Serbian economy have, in recent years, started to flutter and cannot be more sensitive to economic growth. Although it is planned to achieve economic growth at the rate of 3% in 2017, this was not the case, due to a downturn in electricity production, and also because of poor agricultural production. The first factor that produced a softer GDP growth rate of 1.9%, according to the estimates of the Republic Statistical Office or 2%, according to the World Bank, is strictly the product of a non-transformed EPS, or lack of investments in electricity capacities. The second factor was the sharp decline in agricultural production. "On the other hand, many hopes that were

directed towards tourism as a muddle of economic growth were disappointed, while a large number of destinations experienced the negative effects of tourism's development on the environment, culture and society, challenging the purposefulness of treating tourism as a development option" (Popescu, 2013). According to the Statistical Office of the Republic of Serbia, it is estimated that in 2017 agriculture has recorded a markedly negative dynamics of physical volume by 10%. The causes of such a marked shortage are result of bad weather conditions, that is, dry weather.

Encouraging the development of the tourism industry

One of the important things in tourism is the incitement of the development of tourism. Since the market does not encompass economic and social interest, the state must interfere in the allocation of the production factors. To make tourism attractive for investment, tourist economy should develop entrepreneurship; introduce innovations and other abstract factors of development, production factors. It is necessary that Serbia introduces a law about non-banking financial institutions (available in most European countries), which would, in a relatively short period of time, enable the placement of nearly 1 billion euros of micro credits into the Serbian economy and contribute to the opening of more than 100,000 new jobs (Project for Better Business Conditions, USAID, thus accelerating the development of micro, small and medium-sized enterprises, which account for 99.5 percent of the total number of companies, which employ 65 percent of employees, but generate only 32 percent of gross domestic product (Arsić, 2017).

The development of small and medium-sized enterprises needs tourism-related measures, so this part of the economy will improve the access to additional sources of financing and small and medium-sized enterprises from tourism will be the drivers of the economic development and export in the form of visits to foreign tourists. These non-banking financial institutions would not jeopardize the stability of the financial system, since the consequences of their high risk in business and possible losses would not be covered by the state but by the owners of funds. On the other hand, contemporary economic theory, as well as declarative choices and even strategies (strategic branches in Serbia: energy, transport, agriculture and tourism) clearly point to the necessity of tourism development in order to speed up its developmental return. However, the practice shows insufficient engagement in the development of tourism,

meaning inadequately understood its importance, role and mission in economic development. Contemporary economic theory in Serbian frameworks, in researching the contribution of tourism to economic development, always starts from increasing tourist spending, because "as a result of this spending, certain economic effects on the economy are made, on both countries and territories from which tourists come, as well as those countries and places that tourists visit" (Unković, Zečević, 2009). Indirectly, tourism consumption influences the development of the material production that is in the role of tourism industry suppliers, while directly influences the sliding of income from other countries, or the overflow of foreign accumulation into tourist destinations and the economy of the visited country.

Therefore, the interest of countries for the accelerated development of foreign tourism and its key advantage in relation to domestic tourism has increased. It is necessary to take into account the acceleration of tourism trends, following two consecutive financial and economic crises. In the world tourism trends in 2016, a record of 1.3 billion international arrivals were achieved, which is for 100 million or for 6.4 percent more than a year earlier, and on the list of countries that recorded the most significant growth of tourist visits, there is Serbia, according to a report from the World Tourism Organization (UNTWO, 2017). In that sense, more efficient and effective promotion of selected types of tourism in Serbia is necessary but about Serbia as an attractive destination. "Modern managers in tourism are expected to become a series of virtues in the process of performing this work: relative independence in decision making, designing and implementing new programs, unusual ideas and innovations, as well as a prepared, convincing performance in relation to the environment.

This further means a capable business tourist diplomat in every respect, which implies permanent education, continuous advancement, acquisition of new knowledge, the creation of one's own image of style "(Petrović, 2010). In the performance of Serbian tourist representation abroad, at fairs and other events, the approach until this date, should be changed.

Treatment of tourism in the European Union

In EU countries, tourism is directly related, among other things, to the exploitation and appropriate development of natural, historical and cultural assets, and to the attractiveness of cities and regions as a place to

live, work and visit. It is also linked to the development, innovation and diversification of products and services offered to tourists for shopping and / or enjoyment. The European Regional Development Fund (ERDF) supports the competitiveness, sustainability and quality of tourism products and / or services at the regional or local level. However, tourism has not been included as a thematic objective of the regulations on European structures and investment funds, since tourism is treated as an asset or business, rather than an objective. On the other hand, the regulations envisage numerous opportunities for adequate, profitable, investments in tourism. For the European Regional Development Fund, tourism continues to play an important role in planned investments, as well as in related investments in the protection, promotion and development of natural and cultural heritage.

Considerable resources are planned from the EFRR and, based on regional specializations in Europe, numerous regions have been identified as priorities in their tourism specialization strategies for innovation in services and innovations of business models in tourism, for which a different type of investment (ERDF) is envisaged. Experts from the European Social Fund propose to direct efforts in the development of competitive market niches and the development of brands, such as tourism for the elderly or ecological tourism, by improving existing value chains in tourism with the goal of entering different and more segments of the tourism market then in the diversification of the tourist destination and activities. The main goal, from this aspect, is to relieve dependence on seasonal variations in tourism (ESF, 2018). These recommendations (the Regional Development Fund and the European Social Fund) had already been adopted by a large number of regions by the end of 2017. In addition, the regions have adopted comprehensive strategies not only for switching to higher added value based on increased investments in various types of tourist activities. It is a question of incorporating numerous innovations in tourism not only in terms of new and / or products and services, but also in the management, finance, marketing, etc. Tourism has an increasing role, especially for less developed European regions, and as a complementary activity. One of the essential elements of the development strategy in tourism is the "sliding of value" into other activities and economic branches. This mobilization applies to other sectors, among others, such as cultural and creative artistic activities, music and sports events, organic food, exotic buildings, and more. In the context of Serbia's accession to European integration, all forms of evaluation of tourist activity and tourist activities should be

considered. The European Parliament, in particular through its Committee on Regional Policy, Transport and Tourism; Committee of the region consulted in the decision-making of the Commission and the Council when it comes to areas that have regional or local level representations; and then EUROSTAT, whose mission is to provide quality statistical information services and compare them at the level of regions and countries.

This data also helps in further understanding of the importance and role of tourism in economic development, but also as guidelines in which direction tourism activity should be developed, whether in relation to specific destinations and regions or concrete forms and guidelines for more active approach. First of all, however, it should be borne in mind that the European Commission's Tourism Department does not allocate financial resources for the implementation of tourism policies, but rather focuses on the creation of tourism policies. Therefore, it deals with the exclusive preparation of policies and is not involved in direct tourism activities, although it had previously been (it is important to keep in mind when Chapter 30 is being considered in the process of joining Serbia to EU membership). Specifically, the financing of tourist activities and manifestations is done through other instruments of the European Union. Tourism projects have the character to help create jobs, have the potential for competitive tourism companies and are integrated into regional or local development strategies, so funding is targeted specifically to programs of this nature.

The European Regional Development Fund finances activities aiming at faster development or accelerated regional development projects being implemented through partnerships in each region (including the public and private sectors as relevant regional actors). The basic task of this fund is to promote economic and social cohesion within the EU through reducing imbalances between regions and social groups. Mostly these are just some of the programs funded by the European Union, supporting economic development, based on investments in tourism and based on the adopted criteria. Certainly, tourism in the EU has a great importance and role, and more than half of all EU citizens are touristically active with the domination of intraregional exchange. The majority of all tourist trips (in the country and abroad) are realized within the region on intraregional trips, where more than 90% of the tourist activity of EU citizens take place in one-day excursions, on short "short breaks" and on traditional holiday trips, how in domestic as well as in international tourism

(European Commission, 2010). These facts travel agents in Serbia should keep in mind.

The impact of tourism on macroeconomic performance

Tourism, especially foreign, affects the balance of payments of all countries, and so Serbia, and this impact is one of the most important economic functions of tourism. This summarized statement of the economic transactions of the residents of some economy with the rest of the world, for a certain period, is influenced by tourism trends. The significance of certain categories in the balance of payments depends on the participation in it of primary, secondary and tertiary activities in the structure of the economy, the achieved level of economic development and especially of the involvement in international flows of goods, services and production factors and financial flows. It is well known that tourism is a very important source of foreign exchange assets, which is why it is classified in favourable export branches, and also in Serbia.

One should bear in mind that for countries that were, above all, distinguished as significant receptive tourist countries in the international receptive tourism market, foreign exchange inflows from tourism represent the most important item of income in the balance of payments and a very important factor of overall economic development (often this type of foreign exchange an inflow called "invisible exports" or "silent exports" because it was not followed by the exit of goods or services across the border). This specific type of exports has many advantages over the classical exports of goods and services (Richard Sharpley and David J. Telfer, 2004):

- In the international trade of certain goods, they cannot be exchanged (natural, cultural and social attractiveness), but can be valorised through tourism by indirectly "selling" on the tourism market in the form of a more complex tourism product;
- Many products have been "exported" by selling them to foreign tourists who have visited the country (e.g. wines, honey, cheeses, craft products,);
- Exports based on sales to foreign tourists result in high profits, based on higher prices and lower costs, as there are no transports or insurance;
- Some perishable products, such as agricultural products sold to tourists in the country, can simply not be eligible for export due to insufficiently developed infrastructure and export flow management.

All these advantages are characterized by tourism as a relatively inexpensive and easy way (sometimes only) earnings of foreign currencies that are then invested in investments and development.

In modern conditions, many countries in the world have a balance of payments deficit, so that the results of international tourism can help alleviate the deficit, if not neutralize, and contribute to the provision of financial resources needed for economic and social development. Therefore, most countries try to stimulate the consumption of foreign tourists through an active tourism policy and contribute to balancing the trade and balance of payments in general. Indicators of tourism development can be viewed through economic, geographical, sociological, psychological, environmentalist, behavioural spheres, and as such tourism "shrinks into all spheres of economic and social life" (Bakić, 2006). This means that the development function of tourism in Serbia needs to be seen from all levels continuously.

Today, unemployment, especially for young people and professionals, is one of the biggest problems that many countries face. Therefore, the development of tourism, as a highly labour-intensive activity, can significantly increase employment, both directly and indirectly. Direct employment refers to employment in activities that are directly related and dependent on tourism (hotels, restaurants, travel agencies, etc.). Indirect employment refers to employment in activities that are indirectly related to tourism (trade, construction, agriculture, etc.). Moreover, in global terms, tourism is the most significant single source of employment, so it is estimated that together with related sectors, the tourism industry provides up to 11% of global employment (WTO, 2017). In addition to a series of data indicating that tourism can significantly contribute to an increase in employment, employee structure often represents a poor side of human resources in tourism. Most of the employees in tourism have not been educated enough and the qualification structure has not reached a level of severity. In addition, most tourism deals are seasonal (related to the tourist season) and are jobs that are often entrusted to students or pensioners who are not part of the working age population. However, almost every 8th workplace in the Union is in some way related to tourism, and usually employing those who otherwise find it more difficult to find jobs, which are mostly women and young people (European Commission, 2010). Thus, tourism has an explicit impact on macroeconomic aggregates and increases the macroeconomic stability of the national economy, while at the same time accelerating local and regional development, increasing employment and increasing living

standards of the population. Numerous research of tourism has pointed to its influence on other (not only comparative) economic branches, economic activities, and on the overall economic development.

Tourism in Serbia should have a greater impact on the faster development of the underdeveloped regions (a good example for this is Lukovska Banja), and especially the border areas (the example of Stara Planina), therefore, besides investing funds into good programs (cluster example), good management is also needed, example Ribarska spa), and could also start agricultural and industrial development. Unlike other branches of the economy, tourism maintains a high level of labour force in hotel industry, catering, retail and public transport. This development strategy has important role when Serbia, on the one hand, faces a population problem and, on the other hand faces with the emigration of a young educated people. Serbian not only economic but also general state policy must intensify the interdependence of demographic and population policy with the development of tourism and its comparative activities.

Review of current trends in Serbian tourism

In 2017, about 8.3 million overnight stays were registered in Serbia, or by 11.8% more than a year earlier. In addition, the number of domestic overnight stays was 5.1 million, or 12.7% more than in 2016, while the number foreign overnights is around 3.2 million, which is an increase of 15.9% compared to the situation of one year ago. This improved the structure of guests in the number of overnight stays through a reduction on the part of domestic guests from 63.6% in 2016 to 61.9% in 2017, that is an increase in foreign visitors from 36.4% in 2016 to 38.1% a year later. This is the result of a more active and thoughtful performance of the Tourist Organization of Serbia, and the introduction of new direct flights from Belgrade to Beijing and New York and the existence of the direct flights to Tel Aviv. A more proactive TOS performance is reflected through exhibitions at fairs, not only worldwide but also regional, and also targeting those markets with significant potential for presence in Serbia, such as Russia, Turkey, Iran, etc. The introduction of new direct flights (such as Tehran from the beginning of 2018) will additionally promote Serbia's tourist potential in new markets, so in 2018 and some other countries (like Iran) could be among the countries that will intensify to strengthen the tourism economy of Serbia.

In relative terms, the most advanced move forward in the number of overnight stays was recorded by guests from Israel, almost 3 times more than in January-December 2016. Also, a significant increase in the number of overnight stays was recorded by tourists from China, 2.2 times, reaching 94.845 overnight stays. In 2018, the positive tendencies of tourism traffic from both these markets, and especially Chinese, should be considered. In addition, we should expect positive tendencies from the Iranian market by introducing direct flights with this country, as well as by strengthening tourism through a larger inflow of guests from the US, based on a direct airline with New York. Otherwise, US citizens made nearly 82.000 overnight stays, or by 18.4% more than in 2016, so this rate of growth should be kept in 2018, which also implies a more proactive approach of the Tourism Organization of Serbia to this market, branding Serbia through positive characters from the past and present, such as Nikola Tesla and Novak Djokovic.

Particular attention should be paid to the Scandinavian countries (Finland, Norway, Denmark and Sweden) whose citizens in Serbia in 2017 made a total of nearly 94,000 overnight stays, which is less than the number of nights from guests coming from Israel and China. For example, the Finns in Serbia have only made 8 thousand overnights, which is unacceptably low. Therefore, it is necessary to create special programs for clientele from these countries. We think that spas could be a good bait for guests from these countries, but Serbia has to make efforts to rehabilitate the spa itself and arrange the transport infrastructure to them, so that tourists from the Nordic countries would be stimulated to visit them in large numbers. In addition, one should work on designing a unique tourism product with Montenegro, so that prior to arrival at the Montenegrin coast or during their stay there, they take a break in the form of excursions in Serbia, at least for two days.

This would create a synergetic effect for both Serbia and Montenegro (MAP, 2018). Domestic tourist demand relies heavily on tourist vouchers, which were close to 92.000 in 2017, a significant advance from 45,000 a year before. On this basis, 700.000 guests from Serbia were provided. Observed by turquoise sites, the largest number of overnight stays in 2017 was recorded in spas, around 2.227.945 or 6.9% more than a year earlier. The number of both domestic and foreign guests increased by 6.9%. This positive shift in the dynamics of tourist traffic in the spa areas should pre-eminently thank the tourist vouchers, which have made increased domestic demand towards these tourist destinations. Since Serbia has no

sea, the main tourism activity of Serbia is considered as spa tourism. From this aspect of the main activity in cooperation with the European Association of Spa, focus should be on: 1) assistance in the introduction of ISO standards and seals of quality EuroSpa, exchange of experiences with European associations - ESPA members and participation in the work of ESPA; 2) Strengthen cooperation with the associations of Romania and Slovenia. The instruments for affirmation of spa tourism in Serbia on the European market are as follows:

- a) Creating awareness about the need to give a common contribution to European climatic sites and spas in the health sector
- b) Identify the importance of preventive medicine for the preservation of health and disease prevention in national legislation, and
- c) services in Special hospitals for rehabilitation and provision of equal conditions for work in health care.

Importance of the development of foreign tourism in Serbia

The significance of tourism as an export branch can be seen from the World Tourism Organization (WTO) and the International Monetary Fund (IMF), according to which international tourism is the world's leading export category (which exceeds even the automotive and chemical industries). Thus, the results of international tourism today represent the most significant individual item in the total value of world exports of goods and services. Similarly, tourism is one of the five leading export categories for 83% of all countries, and the main source of foreign exchange for at least 38% of countries. For many countries, such as Serbia, especially those with a limited industrial sector or only with few opportunities for developing alternative export sectors, tourism is the main source of foreign exchange earnings.

Tourism represents the main source of foreign exchange earnings for one third of developing countries and almost half of the least developed countries (Richard Sharpley and David J. Telfer, 2004). However, as the increased consumption of foreign tourists appears as a positive account of the balance of payments, the increased expenditures of the population for travelling abroad appear as a negative balance of payments ("invisible imports"). The influence of foreign tourism on the balance of payments can be considerably higher if one considers the overall tourism economy with all industries and sectors that are interdependent. This overall contribution to tourism is measured by the tourism satellite account (TSA). Tourism experts believe that this balance definitely confirms the

existence of previously undiscovered tourism effects on the economic development of the country as a whole, which can now be located and measured thanks to it (WTO, 2018).

Tourism is considered to be an industry that has the best conditions for expanding and creating employment, and also for economic growth. However, the role and contribution of tourism to employment, and development, varies significantly according to the extent, character and level of development and importance attached to the tourism industry in a specific country or destination, which could not be said, for example, for the treatment of the tourism industry in Serbia.

Conclusion

Economic life is very complex because the economy is a system with a large number of incoming and outgoing connections. Tourism, as a labour intensive activity, is a particularly complex system that develops and operates in international, national and local contexts and is influenced by a number of interdependent elements on which it depends and on which it affects.

The development of tourism as a competitive activity with added value would be a source of Serbia's economic growth, and its development would contribute to the improvement of the foreign trade balance of Serbia but it would primarily support the “healthy” growth of the rest of the economy. It is necessary to overcome the long-standing attitude and treatment of tourism in Serbia that tourism has only been implemented, the consequent phenomenon of economic development (with adequate legal regulations that could be effectively and effectively applied).

The achieved level of general social and economic development certainly assume the positive impact of tourism on economic development, but it should be kept in mind that the most important factors that trigger the development of tourism (available income, leisure, urbanization, technological revolution, transport, events, experiences, etc.) are the consequence of rapid economic development. Inadequate, in economic policy, tourism has long been regarded only as a result of economic development. However, numerous studies have shown that the development of tourism affects the overall economic development of the country and should be an important factor in economic development.

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TOURIST DEVELOPMENT PARAMETERS OF SERBIA ON THE WORLD TOURIST MARKET

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Abstract

Mass tourism has never been characteristic of Serbia, even though it is the branch of the economy which could help solve many economic problems. It is known that the amount of tourist visits to Serbia is not proportional to its anthropogenic and natural resources. There are all prerequisites for the massive development of tourist activity, but also a large number of obstacles to this development. Serbia has comparative advantages due to diversified tourist offer and proximity to already affirmed offers on the tourism market. In this paper, an analysis of the existing market position of Serbia as a tourist destination on the international tourist market was made, using the parameters from the T & T Competitiveness Index for 2017. The aim of the research is to indicate that Serbia has still not taken an adequate competitive position in relation to other tourist destinations in the region and the world.

Key Words: *quality parameters, development, tourist market, Serbia.*

JEL classification: *L83, Z32*

Introduction

In the last decades Serbia has been going through a very turbulent period and a difficult political and economic crisis, which certainly has negative impact on the entire economy, including tourism. However, before the break-up of former Yugoslavia, which included Serbia, the state of tourism development was at a satisfactory level. After the break-up of the state and war events in the region, Serbia alone does not take a prominent position on the tourist market. It loses a significant part of the space, and therefore of what it has to offer on that market. Today, there are all the

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preconditions for a massive development of tourism in Serbia, but Serbia has not built the image of a recognizable destination in the world (Gajić et al, 2017).

The Republic of Serbia has a very important and favorable geographic, geostrategic and macro-regional position that provides it with a transit and intermediary role in relation to its closer and further environment. Serbia has other advantages: a specific relief and climate, the flora and fauna, rivers and lakes, spas, protected areas of nature, valuable cultural and historical monuments. The problem lies in the insufficient building up of the image as an important segment of the positioning of the destination on the tourist market (Bagozzi et al, 2002).

The image of a tourist destination is of universal importance if a tourist destination wants to be competitive on the local or global market (Kim et al, 2001). In the modern international tourism market, from year to year, there is a growing competition among the main actors of the tourist offer. In order for Serbia to take a better position, it is necessary to offer existing and potential consumers something that is different, better and more attractive than competitors. The authors of the paper, with the help of data from the T & T Competitiveness Index for 2017, tried to point out the current position of Serbia with the quality of tourist services on the world tourist market. In addition to these data, all available literature and secondary documentation were used.

Literature review

Serbia slowly started on the road to branding its tourist offer, but there is still a lot of work left in that area. Branding in tourism is a process that separates a particular destination according to its characteristics, creating a destination identity. At the same time, the greatest success is achieved by emphasizing authenticity, and Serbia has a lot of potential in this. The goal is to create a unique perception about Serbia as a tourist country in the international market, that is, a unique promise of fundamental values that should then be delivered, visible in all segments of tourism business and at all levels: national, regional, local (Dutton et al, 1994, Baggio et al, 2007; Hudson et al, 2008).

Also, it is often neglected that communicators of the tourism brand are of different structures, from the country's foreign policy, sporting success

through culture, celebrities in the diaspora and all other actors that connect to a country (Petrović et al, 2017).

One of the tasks in the future is to transform Serbia into a high-end lifestyle destination. This means that Serbia should have a communication with the market based on the authenticity of nature and cultural and historical heritage, and tourism marketing based on experiences and emotions. They need to be highlighted through marketing Serbia's natural beauty, cultural heritage, relaxed atmosphere and kindness of the hosts, original local specialties, top quality wine (Vujko et al, 2014).

So, the brand should be embedded with values that draw tourists' attention. The power of branding is well documented in tourism and hospitality. Brand attractiveness is a consumer's positive assessment of the brand's identity in relation to how it helps consumers meet their self-definitional needs.

The tourism and hospitality industry has extensively adopted branding strategies to set products and services apart from competitors (Choi et al, 2001; Baggio, 2014). Globalization leads to the need to create a unique brand, countries, regions, destinations and cities (Farell et al, 2014; Cerina et al, 2007). Namely, the ubiquitous process of globalization has resulted in significant changes in tourism trends, tourism consumption, supply and demand, as well as greater differences in the degree of development of tourist regions and destinations.

By branding, tourist destinations tend to create recognition and differentiation in relation to other regions (MCKinnon, 1964; So et al, 2013). It is necessary to create a unique web of offers of tourism products and services that will be recognizable and characteristic of a particular destination, which will differentiate that destination from other competitors, and contribute to a more successful development management. Under positioning and branding, it means a systematic process of analyzing and making decisions in order to find the most suitable and profitable position of a particular product, service, destination, object and other, in the consumer's awareness of the competition (Nam et al, 2001; Urde et al, 2013; Zrantonello et al, 2013).

At the core of the positioning process, at the same time, analysis of consumers and competitors is contained. The brand makes it easy to make a decision to purchase a particular product or service quality (Lozano et

al, 2008). First of all, it means identification, convenience, optimization, characterization, continuity, hedonism and product ethics, or the combination of these different factors that give the product or service identity and make it different from other products or services. Today, cities, regions and countries are seeking to bring their services closer to consumers and users in such a way that they differentiate themselves from their competitors with their brand.

The brand represents the sum of all tangible and intangible product characteristics. From all of the above said, it can be concluded that the brand is the name and symbol that identifies: the source of the relationship and the relationship between the producer and the buyer, the source of promise to the buyer and the uniqueness of a product or service and a set of all positive or negative experiences that customers had the opportunity to have with some product or service.

In this way, it is easier for a tourist destination to find channels to sell its products to a greater number of tourists, to find the best workforce and to attract a greater number of investments. This makes the destination easier to position on the global and national level. It can be said that by branding the destination and creating a successful destination brand, it prevents the loss of its attractiveness even in the times of crisis. Today, many destinations in the world have the advantage of being recognized globally by their specific characteristics, but it is certainly necessary to invest in branding to increase their competitiveness on the world market.

Although a tourist destination may offer very good tourist products and unforgettable experiences to its visitors, if it is not able to make the potential tourists aware of the fact that its offer is better and more attractive compared to other destinations, it will not be able to persuade potential tourists to visit it. The goal of every business is to create the stability of the need to improve products and services in order to achieve competitiveness, job survival (enterprises) and jobs. This is achieved by quality service. The assessment of the quality of the services provided is certainly the best criterion for maintaining the position on the market.

The strategy of positioning tourist destinations is aimed at aligning their position with the needs of the target market. Tourist spending is triggered by many industries for the purpose of providing tourist services. The particular economic value of tourism is precisely in connecting the economy. As a result, many countries are turning tourism into

development priorities. When it comes to tourism in Serbia, it is possible to have high multiplicative effects on income and employment. It is the economy of preserved natural values.

Analysis of Serbia's position on the tourism market in the World and Region

The Republic of Serbia has an excellent geographical and strategic position in the region, which can be seen on the map.

Map 1: Position of Republic of Serbia in Europe



Source: www.serbia.maps.com

The table shows the realized tourist traffic for the period from 2011 to 2015. It can be noticed that there is an increase in the number of tourist arrivals and overnight stays, but it is still not an expansive phenomenon,

which would contribute to the overall development of the economy and a better position on the market.

In this part of the paper, there are tables showing data that point to the position of Serbia on the world tourist market. A total of 134 countries were taken for a comparative analysis, and a total of 13 parameters were determined, which determine the quality of the service, and at the same time the possible brand.

Table 1: *The number of tourist arrivals realized (2011-2015).*

Year	Total	Domestic	Foreign
2011	2068610	1130443	764167
2012	2079643	1269676	809967
2013	2192435	1270667	921768
2014	2192269	1163536	1028732
2015	2437165	1304944	1132221

Source: *Statistical Office of the Republic of Serbia*

Table 2: *Realized number of overnights (2011-2015)*

Year	Total	Domestic	Foreign
2011	6644738	5001684	1643054
2012	6484702	4688485	1796271
2013	6567460	4579067	1988393
2014	6086275	3925221	2161054
2015	6651852	4242172	2409680

Source: *Statistical Yearbook of the Republic of Serbia*

Table 3: *Accommodation facilities in Serbia*

Year	Rooms	Beds
2011	50755	127664
2012	46020	113385
2013	43657	107256
2014	43603	102940
2015	45396	106102

Source: *Statistical Yearbook of the Republic of Serbia*

Table 4 shows the position of Serbia from 2008 to 2015. The variance is noticeable, and it is noticeable that the index is the lowest in 2015, when Serbia ranks 95th in the world (out of 141 countries surveyed) and 35th in Europe (out of the 37 countries surveyed).

Table 4: *Competitiveness of Serbia (2008-2015)*

Items	2008.	2009.	2011.	2013.	2015.
<i>Index value</i>	3,76	3,71	3,85	3,78	3,34
<i>World rank</i>	78/130	88/133	82/133	89/140	95/141
<i>European rank</i>	37/42	38/42	38/42	40/42	35/37

Source: *The Travel & Tourism Competitiveness report, 2017*

Table 5: *The position of Serbian tourism in the world tourism market and the ratings for research subjects*

	World Rank /134	Score
Business Environment	95	3.38
Safety	72	5.41
Health and Hygiene	42	6.04
Human Resources and Labour Market	82	4.43
Prioritization of Travel and Tourism	116	3.60
International Openness	106	2.41
Price Competitiveness	76	4.82
Environmental Sustainability	61	4.18
Transport Infrastructure	84	2.35
Ground and Port Infrastructure	94	2.77
Tourist Service Infrastructure	76	3.92
Natural Resources	130	2.01
Cultural Resources	71	1.65

Source: *The Travel & Tourism Competitiveness report, 2017*

The quality of evaluated services can be seen in table 5. Of 134 countries surveyed, Serbia takes the most unsatisfactory positions. The exception is the estimated value of hygiene that places Serbia at 42nd place in the world.

If there is a large number of cultural and natural values, there is an assessment of the quality of these services, but they are still insufficiently presented on the market. Although the prejudices about the bad situation in Serbia still persist, security is not so badly assessed. Unfortunately, the changes in the last decade have brought some negative effects.

We have already mentioned that this region has never been characterized by mass tourism, but its inherent values put it in a high position of correlating increasing trends of individual foreign and domestic demand. Tourism, as a branch of economic activity, is becoming more and more relevant factor in the global economy. Other branches of economy can be

directly or indirectly influenced by it. This is why it is somewhat difficult to precisely define the real contribution in social and economic development.

The revenue increases every year and it shares the destiny of the whole Serbian economy. But the inadequate valorization of natural and anthropogenic values and sources, bad economic structure and infrastructure, hinders the growth. The best way of defining tourism is to understand it as a part of the national economy which supplies tourists who are visiting places outside their permanent residence area.

This branch, undoubtedly, contributes to national economic development and eliminating the negative image about Serbia. In 1999, the revenue was 17.9 million dollars; in 2002. about 77 million dollars. The period between the 80's and the 90's is not relevant in determining the conditions of tourist industry because of numerous political events which were a real obstacle for this type of activity.

The successful long-term tourism development of Serbia and its adequate position in the selected target markets are influenced above all by the following three key factors: objective interpretation of the central elements of the offer in the field of resources and attractions, or defined strategic potentials for success in tourism; analysis and assessment of the value of current and expected trends in global tourism and assessment of realistic opportunities for market penetration and development of Serbia; competition analysis, which implies structural and process knowledge of the situation in a real competitive circle.

Table 6 gives an insight into the position of Serbian tourism in the region. It is noticed that the position is not at an enviable level. Namely, most of Slovenia and Croatia get the best estimates for most of the services. When it comes to business environment, Serbia occupies the 112th position in the world and scores 4.02. In this category, Slovenia and Macedonia were best rated. Security and safety are estimated at 5.41, followed by Slovenia and Croatia. Price competitiveness and tourism infrastructure as well as cultural resources take a good position.

Tables 7 and 8 give an overview of Serbian tourism in Eastern Europe and the Balkans. Certain services are divided into categories and are given estimates for them. Item 1 - T&T policy and enabling conditions: 1a Prioritization of Travel and Tourism, 1b International Openness, 1c Price

Competitiveness, 1d Environmental Sustainability. Item 2 - Infrastructure: 2a Air Transport Infrastructure, 2b Ground and Port Infrastructure. Item 3 - Natural and Cultural resources: 3a Tourist Service Infrastructure, 3b Natural Resources, 3c Cultural Resources.

Table 6: *The position of Serbian tourism in the region*

	Serbia	Slovenia	Bosnia and Herzegovina	Montenegro	Croatia	Macedonia
Business Environment	112/4.02	80/4.33	127/3.55	77/4.36	114/4.01	40/4.82
Safety and Security	72/5.41	17/6.20	76/5.37	75/5.41	24/6.09	56/5.57
Health and Hygiene	42/6.04	43/6.03	58/5.66	52/5.80	19/6.38	44/5.99
Human Resources and Labour Market	82/4.43	38/4.91	100/4.17	79/4.46	85/4.39	83/4.42
Prioritization of Travel and Tourism	116/3.60	47/4.83	111/3.68	62/4.64	77/4.50	85/4.34
International Openness	106/2.41	54/3.72	108/2.39	105/2.44	26/4.16	93/2.64
Price Competitiveness	76/4.82	92/4.63	110/4.33	77/4.82	100/4.45	44/5.20
Environmental Sustainability	61/4.18	10/5.07	94/3.89	49/4.33	21/4.73	105/3.74
Air Transport Infrastructure	84/2.35	76/2.46	123/1.76	54/3.01	52/3.00	93/2.18
Ground and Port Infrastructure	94/2.77	20/4.76	106/2.48	65/3.30	46/3.89	62/3.30
Tourist Service Infrastructure	76/3.92	25/5.40	78/3.89	28/5.36	5/6.24	72/3.99
Natural Resources	130/2.01	42/4.50	134/1.81	90/2.58	20/4.50	125/2.14
Cultural Resources	71/1.65	92/1.46	102/1.37	132/1.11	39/2.77	105/1.35

Source: *The Travel & Tourism Competitiveness report, 2017.*

Table 7: *The position of Serbia in Eastern Europe and the Balkans*

Country	Item 1				Item 2			Item3	
	1a	1b	1c	1d	2a	2b	2c	3a	3b
Slovenia	4.8	3.7	4.6	5.1	2.5	4.8	5.4	3.8	1.5
Bulgaria	4.3	3.9	5.3	5.0	2.4	3.1	5.8	3.8	2.1
Poland	4.1	4.1	5.5	4.6	2.6	4.3	4.2	3.0	2.8
Hungary	4.9	4.2	4.7	4.7	3.0	4.4	4.4	2.6	2.3
Slovak R.	4.1	3.9	5.0	4.8	1.7	4.2	4.3	3.4	1.5
Romania	3.8	3.9	4.7	4.4	2.4	2.8	4.4	3.0	2.3
Montenegro	4.6	2.4	4.8	4.3	3.0	3.2	5.4	2.6	1.1
Macedonia	4.3	2.6	5.2	3.7	2.2	3.3	4.0	2.1	1.4
Serbia	3.6	2.4	4.8	4.2	2.4	2.8	3.9	2.0	1.7

Albania	4.6	2.4	4.7	4.1	2.0	3.1	3.9	2.2	1.1
Bosnia and Herzegovina	3.7	2.4	4.3	3.9	1.8	2.5	3.9	1.8	1.4
Moldova	3.4	2.1	5.4	4.1	2.0	2.5	2.8	1.6	1.2
Average	4.2	3.2	4.9	4.4	2.3	3.4	4.4	2.7	1.7

Source: *The Travel & Tourism Competitiveness report, 2017.*

Item 4 - enabling environment: Business environment, Safety and security, Health and Hygiene, Human resources.

Table 8: *The position of Serbia in Eastern Europe and the Balkans*

Country	Global rank	Business environment	Safety and security	Health and hygiene	Human resource
Slovenia	41	4.3	6.2	6.0	4.9
Bulgaria	45	4.5	5.1	6.6	4.7
Poland	46	4.5	5.7	6.2	4.9
Hungary	49	4.2	5.7	6.6	4.7
Slovak R.	59	4.0	5.6	6.5	4.7
Romania	68	4.4	5.8	6.1	4.4
Montenegro	72	4.4	5.4	5.8	4.5
Macedonia	89	4.8	5.6	6.0	4.4
Serbia	95	4.0	5.4	6.0	4.4
Albania	98	4.1	5.7	5.2	4.9
Bosnia and Herzegovina	113	3.5	5.4	5.7	4.2
Moldova	117	3.8	5.4	6.1	4.3
Average		4.2	5.6	6.1	4.6

Source: *The Travel & Tourism Competitiveness report, 2017.*

As the main trends in international tourism that can be of importance for the development of tourism in Serbia, we can mention: development in a safer environment; the impact of technology on tourism development; a trend towards shorter breaks; more demanding and more informed tourists; increase of participation for elderly people in the total tourist demand, etc.

Measures that can contribute to the improvement of the tourist offer in Serbia are related to: introduction of a full quality system in all tourist institutions and companies, acceleration of the privatization process, establishment of a clear development strategy, tourism and tourism policy that will stimulate entrepreneurship, stimulate work, creativity and motivation of tourist staff. The use of all natural potentials and cultural

heritage, enriching the tourist offer with various products and services that will make tourism in Serbia recognizable and attractive.

A special value is a contribution to balanced regional development. Nothing like tourism is capable of contributing to the acceleration of the development of less developed areas. Tourism is export at home. Goods and services are not shipped abroad. According to them, tourists come from abroad. There is a particular value and special economic importance of tourism for the development of less developed ones.

The economic functions of tourism constitute a complete subsystem of the economic system. Stronger tourism functions are fundamental to a sustainable economic system. At the same time, they encourage other subsystems by making them sustainable: agriculture, crafts, transport, culture, food and beverage industry.

A special development aspect of tourism is reflected in the external effects that tourism has on a range of activities in the economy and society. Tourism has a high impact on the following economic sectors: agriculture, food and beverage production, construction, real estate, road transport, air transport, telecommunications, catering, hotel industry, entertainment industry, sports events, education (secondary and university), employment, balance of payments, investments and living standards.

There is a somewhat lower impact of tourism on the following economic sectors: electricity, auto industry, railways, retail chain trade, banking services, insurance services, other financial services, marketing agencies, culture and art, development of small and medium enterprises.

In this context, tourism is imposed as an unavoidable complex with unused growing potential. Due to the high participation of the gray economy and unsettled statistics of the tourism sector, there is a problem of objective presentation of today's macroeconomic effects of tourism on the economy of the Republic of Serbia. According to the existing statistics, the tourism sector participates with 2.5% in the national gross product and from 5-6% in the total employment in the Republic of Serbia. Goals of the development of mass tourism in Serbia: stimulating economic growth, employment and quality of life of inhabitants through the development of foreign tourism; ensuring the development of their own positive international image; providing long-term protection and

integrated management of natural and cultural resources, which is in the interest of sustainable tourism development; provision of international quality standards for the protection of tourist consumers in accordance with modern European practice.

Bearing all things in mind, the key words for defining the general brand of the Republic of Serbia should be: Serbian culture; people tend to party; Serbian art and literature; the hospitality of people of an open heart; passion and pride; a blend of traditional and modern.

Conclusion

Serbian tourism potentials have not been sufficiently valued until now, because tourism has never been a serious topic of development policy of the Republic of Serbia. Today, the Republic of Serbia has only comparative advantages in tourism, because it has a diverse structure of tourist offer, it is located near traditional and new tourist markets, has a long history and general recognition, preserved natural resources, relatively good communication and possesses great human potential.

For many years the Republic of Serbia has been in a difficult political and economic situation, which certainly affects the overall economic development and survival on the market. When it comes to tourism, it is certain that Serbia is still to be recognizable in the world, having in mind the quality of the branded brand. However, there are increasing challenges to achieve a better position and place Serbian products among foreign competitors.

Since only the integration into world tourism trends can achieve a strategy of sustainable tourism development, the issue of the competitiveness of the tourism industry is one of the most important issues among the economic policy makers. Since this is a very complex concept, there has never been a generally accepted theory or the definition of national competitiveness. Simply put, the competitiveness of the national economy is reflected in its ability to respond to the demands of the international tourist market in terms of the quantity and quality of tourism products and services.

There is much that Serbia has to offer, but so far the right way to get out of the crisis and invest more funds in the promotion of Serbian tourism has not been found. The paper presents the position of Serbia on the

international market and in the region. It is noted that this position is not at an enviable level, and that the services with their quality do not come first in the rankings which comprise a total of 134 countries in the region and the world.

In order to accelerate the process of tourist development it is necessary to have a better organization in all areas and sectors (equipment, quality, and service, overall organization of tourist and hotel establishments). Tourism has become an important source of income for many regions. It is thought that international tourism can be compared to the international trade. The main reasons for such a trend were not only due to external environment, but also due to internal factors such as organization and government politics which failed to include tourism as a branch of economy which can be capable to pull the country out of difficult economic situation.

It should be considered that the overall effects of tourism are significantly larger because those results are expressed as a statistical data of lodging, restaurant and hotel industry. The aforementioned activities also include travel, retail, which, thanks to the tourist industry, increase their revenue and beneficial export effects. The indispensable role of the state and its institutions is also reflected in the establishment of adequate and stable legal regulations and normative regulation of numerous relationships between different subjects in the field of tourism business, in order to provide a more favorable environment for domestic and foreign investors. Priority in tourism development should be given to those types of tourism and those tourism products through which the most likely tourist potentials of Serbia can be valued.

The problem of determining the level of tourism competitiveness, as well as the competitiveness of the national economy and the ways of its increase has been especially acute since the global financial and economic crisis and significant changes that have taken place in the dynamics of the global economy and the economic development of many countries, Serbia among them, which affect significantly the world economic trends.

Improving the tourist competitiveness of Serbia is one of the priorities of its economy, as this is crucial for achieving dynamic economic and tourism growth rates and sustainable development. Increasing the level of tourism competitiveness is most directly achieved by encouraging entrepreneurship and innovation of tourist companies, raising the level of knowledge and accelerated technological development, which increases

the economic and technical possibilities. At the same time, it is necessary to improve the general factors of tourism competitiveness such as: the macroeconomic environment, the quality of the rule of law and the economic and tourism policies, and the quality of legislation that creates a business tourism environment, which implies the implementation of radical reforms.

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INTERCULTURAL COMMUNICATION AND UNDERSTANDING - WHY AND HOW TO ATTRACT TOURISTS FROM CHINA?

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Abstract

Having in mind the steady and rapid growth of the tourism sector and number of tourists in the world, it is especially important for Serbia to invest in this sector and to adapt its offer to the different demands of tourists coming from the local and global environment. A large number of Chinese people and middle-class growth in China are certainly some of the reasons why Chinese tourists in the world are gaining increasing importance. The benefits of those tourists have been felt by all countries that have managed to attract them, such as Japan, Thailand, Singapore, Australia, America and several destinations in Europe, including Spain, Great Britain, Italy and France. Although in Serbia the number of tourists from China is not large, this number is growing significantly year after year. One of the reasons is a visa-free regime, but that should not have to be the only reason. Serbia must seriously engage in a race for tourists from China.

Key Words: *tourism, training, China, EU, tourism sector.*

JEL classification: *J24, L15, M54, Z32*

Introduction

We live in a period characterized by globalization. The impact of technology on our lives and businesses is significant. Multinational companies bring new cultural forms and strengthen intercultural communication. Cheaper transportation allows us to go to distant parts of the world, but also to get others to come to us. New possibilities significantly affect the tourism sector as well.

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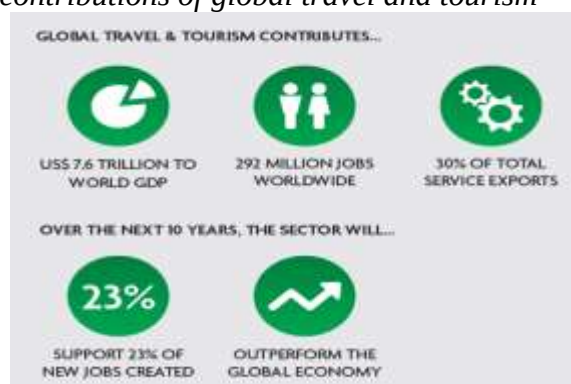
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There are various reasons why people travel. According to UNWTO, travel for holidays, recreation and other forms of leisure accounted 53% or 657 million of all international tourist arrivals in 2016. Some 13% of all international tourists traveled for business and professional purposes, and another 27% travelled for other reasons such as visiting friends and relatives (VFR), religious reasons and pilgrimages, health treatment, etc. The purpose of visit for the remaining 7% of arrivals was not specified (UNWTO Tourism Highlights, 2017).

However, tourist trips are important due to the increasing income of the sector and significant benefits for the country. Benefits are reflected in the growth of tourism revenues, but also in the increase in the number of jobs in tourism and related sectors.

According to World Travel & Tourism Council, “Travel & Tourism’s direct contribution to GDP is expected to grow at an average of 3.9% per year over the next ten years. By 2027, Travel & Tourism is expected to support more than 380 million jobs globally, which equates to 1 in 9 of all jobs in the world and the sector is expected to contribute around 23% of total global net job creation over the next decade. Meanwhile, total Travel & Tourism GDP is expected to account for 11.4% of global GDP and global visitor exports are expected to account for 7.1% of total global exports” (p. 4).

Figure 1: *The contributions of global travel and tourism*



Source: *World Travel & Tourism Council*

In Press Release, from 15 Jan 18, UNWTO highlighted that “international tourist arrivals in Europe reached 671 million in 2017, a remarkable 8% increase according to 2016. Growth was driven by the extraordinary

results in Southern and Mediterranean Europe (+13%). Western Europe (+7%), Northern Europe and Central and Eastern Europe (both +5%) also recorded robust growth”.

Special importance is given to tourists from China in recent years in the world. The large number of Chinese people and growth of the middle class in China contributed to this trend. The World Tourism Organization predicts that China will become the largest travel destination and the fourth largest source country by 2020. In that year, there will be 137.10 million international travelers to the country, taking up 8.6% of the global share, and 100 million outbound Chinese visitors, 6.2% of the worldwide outbound visitors (Travel China Guide, 2017a).

Making ready for guests from China, whose significant number is expected in 2018, as a result of an initiative launched from a partnership between the EU and China, training of hotel staff and tourist workers began in Europe. This is done in order to better understand the requirements and expectations of guests from China. It is also important to train tour operators, who need to develop new products to provide an authentic experience and attract these tourists to destinations.

Taking into account the above-mentioned certain preparations and analyzes are necessary to be done by Serbia as well.

Why is it important to attract Chinese tourists?

China tourism industry experienced great development in recent years due to the substantial increase in people's personal income and the further implementation of the Reform and Opening-up Policy.

According to the statistics of the China National Tourism Administration, 62.03 million outbound trips were made in the first half of 2017, which is an increase of 5% compared with the same period in 2016 and ranked the first among all countries in the world. It is predicated that the outbound tourism number will keep increasing. Notably, the Chinese outbound tourism market still has great potential, since 90% of Chinese citizens still have not applied for passports for outbound tours (Travel china guide, 2017b).

It is interesting to know that as reported in the UNWTO World Tourism Barometer: with a 12% increase in spending, China continued to lead

international outbound tourism, followed by the United States, Germany, the United Kingdom and France as top five spenders.

The countries that are able to attract Chinese tourists will have the benefits such as economic growth, job creation and opportunities for development because Chinese people continue to have a strong desire to travel. This is why the enormous Chinese outbound market has drawn the attention of the world.

Also, passport numbers could be a key statistic in predicting overseas tourism “Right now about 120 million people have their passport,” said Jane Sun, chief executive officer of Ctrip (one of the major travel agencies in China), in an interview in Davos, Switzerland, where she was attending the World Economic Forum. “By 2020 that number will be likely doubled so the market will grow tremendously in the next couple of years” (China travel news, 2017).

Countries that Chinese tourists have found attractive

The growth in outbound travel from China benefited many destinations in Asia and the Pacific, most notably Japan, the Republic of Korea and Thailand, but also long-haul destinations such as the United States and several in Europe (UNWTO, Press Release 2017).

According to Travel China Guide the hottest destinations include South Korea, Japan, Thailand, France, Italy, Switzerland, Germany, USA, Singapore and Maldives, while the top outbound tourism destinations in 2017 were: Thailand, Japan, Singapore, South Korea, Malaysia, United States, Indonesia, Vietnam, Philippines and Australia.

Results of the International Visitor Survey in Australia, released 12 Dec 2017 (Tourism Research Australia, 2017), showed that among the top five markets, China had the strongest growth of 12%, with visitors reaching 1.2 million in 2017; while growth in spend was led by Asian markets, with India, Thailand, China, Hong Kong, Malaysia and Japan. Chinese tourists' spending has exceeded \$10 billion. More than eight million international visitors spent a record \$41.2 billion which means that quarter of that spending was by Chinese tourists. According to Tourism Australia, the increase can be partly attributed to the increase of direct flights between China and Australia.

Turkey is seeking to attract as many as one million Chinese tourists in 2018, as China has declared next year Turkey Tourism Year. There are around 70 Turkish tour guides who speak Chinese in Turkey but that is not enough. This is why Turkish tour guides, returned to the classroom. They are learning more about the Chinese people, their lifestyle, eating habits and culture through the courses. The cultural association, in cooperation with the Turkish Union of Tourist Guides, launched the Chinese course in Istanbul and Cappadocia. A total of 48 tour guides are attending the course, while the association is planning to open more in the Mediterranean province of Antalya, the western coastal city of Izmir as well as the capital city of Ankara in the very near future (ECNS, 2017).

In 2016 there was a decline in Chinese travellers visiting Europe due to safety concerns. In 2017 there were growth in about 10 percent over 2016 while 2018 will be the EU-China Tourism Year, with the goals of increasing travel from China to Europe, promote lesser known destinations, improve travel and tourism experiences etc. The initiative is being supported by the European Commission and the European Tourism Association.

According to the "Chinese Tourists to Europe Trend Report 2017" the number of Chinese tourists in Europe in first quarter of 2017 was increased by 103 percent over 2016 year. Eastern Europe and Northern Europe saw the fastest growth. Rome, London, Frankfurt, Paris and Barcelona were the most popular city destinations among Chinese visitors, but Vienna, Prague, Warsaw, Amsterdam and Helsinki also saw rising numbers. Among the favorite European destinations for Chinese tourists in the first quarter of 2017 were Italy, Germany and Britain (Gbtimes, 2017).

In 2017 rapid growth seeing more 'novel', often smaller destinations such as Bosnia and Herzegovina, Estonia and Iceland. In the cases of Morocco and Serbia, according to chinatravelnews.com, the countries' arrivals increases are being driven by visa-free policies for Chinese people, which were the reason to find them on the map as tourist destinations for the Chinese for the first time (China travel news, 2017).

Italy is expecting 2 million Chinese travelers in 2018, but as Giancarlo Dall'Ara, president of Chinese Friendly Italy said "they are not just going for shopping and guided tours, they are looking for experiences. They want to live like the locals: tasting the wines and the local products

typically found in smaller cities and secluded villages” (Iselle, 2017). Their website is a major source of important information and they try to help hotels and tour operators in Italy to be more attractive to Chinese travelers. He said that Amalfi, Verona, Ferrara, the Liguria Region, Sicily are some of the new destinations Chinese tour operators are becoming aware of, alongside the usual destinations like Rome, Florence, Venice and Milan.

Italy has always been loved by Chinese people: long history, art cities, good food and last, but not least, luxury shopping, have been attracting people from all over China. But as Giancarlo Dall'Ara said "Chinese tourists arriving to Italy are now younger and more social than before. They come from big cities and have many interests and passions. They choose our country after they have done researches and they know what they are looking for. They travel with friends and families and not as part of big groups anymore. They have been abroad already. They are different from what we were used to see in the past” (Iselle, 2017). They are looking for an environmentally friendly and culturally rich holiday, so in order to attract more people from China - Italy should be more "Chinese". It should have a long term marketing strategies. Considering that 2018 will be the EU-China Tourism Year, Italy see this as an opportunity succeed in becoming China's favorite travel destination.

But some insights suggest that Serbia could play an important role in attracting tourists from China. Christopher A. Hartwell and Katarzyna W. Sidlo from Center for Social and Economic Research (CASE) in research report *"Balancing the European gateway open"*, wrote that visa liberalization between the China and Serbia, from November 2016, when China approved Serbia's proposal to abolish the need for visas between the two countries for short-term stays (under 30 days), may help to increase tourism in the Balkans from China. They mentioned that additionally, "as the agreement if first one of this kind between China and a European country, it does underscore the importance that China places on Serbia as a gateway to the European continent" (Hartwell & Sidlo, 2018).

Some characteristics of Chinese travelers

The two main segments of Chinese travellers are tour travellers and independent travellers: (Pfundt & Schuller, 2017)

- To attract tour travellers from China it would be necessary to set up a network with Chinese tour companies, to understand who they are and how to get listed by them. Ctrip and Huayuan International Travel are two major travel agencies in China.
- To attract independent travellers, it would be necessary to become visible for Chinese travelers by providing information about company (service) via various communication channels in China (webpages – internet and mobile internet users, social media-Wechat, Baidu, Youku etc.).

According to Kow (2017) and some further researches, some of the characteristics of Chinese tourists are the following:

1. Chinese travellers want to experience authenticity.

Travelling became a lifestyle of more and more Chinese travelers. The Chinese market shows more interest in "living as local residents." This means tour and activity operators need to start developing more sophisticated offerings. To attract millennial travellers it is important to offer a mix of adventure and relaxation.

2. Spending habits of Chinese travellers are slowing down.

In the previous period Chinese travellers shopped a lot during their trips abroad due to significant price differences, better product quality and design but now Chinese travellers are becoming more interested in spending money on local food, wine and other unique cultural experiences, rather than on things. One of the reasons for slowing down could be the rising costs in housing and education as well. It is not enough just to develop new products to satisfy the Chinese market and to attract them to destinations, how much each visitor spends is also important.

3. There is a growth of independent Chinese travellers.

More travellers want to go independently avoiding massive bus tours that bring Chinese travellers to "top-sights" and shopping malls. They want to explore a destination in small groups, with family or friends.

4. Family travels to Chinese tourists are becoming important.

More and more families are going on self-organized trips. From one side there are young and affluent professionals living abroad who are flying their relatives out to spend the holidays; while on the other side there are travellers older than 55 years who are taking their families on holidays abroad. During Chinese New Year 2016, 56% of young luxury travelers

traveled abroad, 90% of those traveling was with family or friends (Hallanan, 2017).

5. Chinese travellers (70% of Chinese) search for information online.

They use search engines or social media. Bloggers have a big impact and help inform consumers about destinations, so destinations can cooperate with bloggers as well. According to The State Council Information Office of the People`s Republic of China, China has 731 million Internet users as of December 2016, 53.2% of Chinese population has access to Internet and 659 million Chinese accesses Internet via mobile phones. Internet can help Chinese travellers to plan, book and share their experience.

6. Chinese travellers like “Chinese friendly” surrounding.

“Taking this into consideration famous hotel chain Hilton developed a specific hospitality program customized for Chinese tourists, Hilton "Huanying" ("welcome") and Emirates Airline increased their luggage allowance because they recognized when Chinese travelers go abroad, they come home with more than when they left (due to they won tremendous market share of the Chinese travellers)” (Cvetkovski at al., 2016). For young couples because they will have to take care of both their parents and their children, they want to choose places connected with direct flights and with family friendly accommodations and activities.

For hotels and resorts looking to attract Chinese family travelers, there are several things to keep in mind. They need to have a Chinese menu or just do have some Chinese breakfast options available. It is important to provide families adjacent rooms with connecting doors or a suite with multiple bedrooms and it is important to provide wide variety of activities for all ages, as well. Chinese travelers often prefer local cuisine and new food experiences, but children as well as elderly Chinese travelers are more conservative with their food choices. Lacking of Chinese service and lacking Chinese-language TV programs or menus were some of the most unsatisfying factors of Chinese travellers. “Mutual respect and understanding will help enable the tourists to have good time, meet new people and meet all those goals that are motivation for travel” (Langović Milićević, Cvetkovski, 2016, p. 475).

7. Chinese tourists mainly travel during three periods of the year: Chinese New Year (January/February), summer holidays (July/August) and Chinese public holidays (beginning of October).

In the past, Chinese families stayed home during the New Year holiday but now they use the long holiday to travel both domestically and abroad.

With 6.15 million Chinese people traveling abroad during the holiday in 2017, Chinese New Year has become a golden opportunity for tourism providers who can meet the needs of multi-generational travelers (Hallanan, 2017).

8. During the Chinese New Year, packages and promotions are important. During the winter, especially Chinese New Year many people will look for warmer locations and Australia and the United States are very popular choices. In recent years, countries such as the United Arab Emirates, Morocco, lately Serbia, as well, have received a growing number of Chinese travelers due to relaxed visa requirements.

Destinations all over the globe are trying to capitalize on Chinese New Year, offering specially designed packages and discounts (Hallanan, 2017): The Chinese New Year (2016) Travel San Francisco ran a campaign through Chinese online travel agency Ctrip. They inspired consumers to visit by live streaming interesting neighborhoods, cafes, and sites throughout the city. World-famous hotels including the Burj Al Arab in Dubai offered Chinese travelers exclusive holiday rates. For the 2017 New Year, as part of the Beverly Hills Chinese New Year celebration, several hotels such as The Beverly Hilton, Luxe Rodeo Drive Hotel, Montage Beverly Hills, The Peninsula Beverly Hills and Waldorf Astoria Beverly Hills offered special packages throughout the month of February which included discounted rates and customized amenities such as a hot water kettle with Chinese tea and in-room Chinese breakfast dining options.

9. For Chinese travellers skiing is becoming more popular as Beijing was selected as host city of the 2022 Winter Olympics. Chinese government is encouraging more of its citizens to get involved in winter sports. This is opportunity for some European and North American countries to attract more winter sports fans.

In the future, as number of traveler increases, the Chinese market will become more segmented market, with lot diversity in type of tourists and their travel habits. It will up to destinations, tour or activity operators to decide who they want to attract.

It is important do not stereotype the Chinese market. Translate marketing materials into Mandarin and hire a Mandarin-speaking guides would be a good move for sure.

Chinese tourists in Serbia

The number of arrivals and overnights of foreign tourists in Serbia is constantly increasing.

The largest number of foreign tourists who visited the Republic of Serbia in 2016 were tourists from Bosnia and Herzegovina (101thous. arrivals, 223thous. nights), Montenegro (77thous. arrivals, 196thous. nights), Bulgaria (88thous. arrivals, 146thous. nights), Croatia (76thous. arrivals, 142thousand. nights) and Turkey (84thous. arrivals, 142thous. nights) (Statistical Yearbook of the Republic of Serbia 2017). A similar trend continued in 2017. According to Statistical office of the Republic of Serbia - catering and tourism statistics, the most number of overnight stays in 2017, from foreign countries, were again realized by tourists from Bosnia and Herzegovina (234,758 nights), followed by tourists from Montenegro (198,119 nights), Turkey, Croatia, Russia, etc. We can see that the large majority of international travel takes place within travellers' own regions - it is intraregional tourism.

In the period January-December 2017, the trend of growth in the number of tourists continued, so that 12% (3,085,866 tourists) more tourists stayed in Serbia compared to the same period in 2016. Of the total number of tourists, domestic tourists amounted to 1,588,693, or 8% more than in 2016, and foreign 1,497,173 tourists, which is by almost 17% more (Statistical office of the Republic of Serbia, catering and tourism statistics, number 18).

According to the Statistical office of the Republic of Serbia - catering and tourism statistics, in the past year, overnight stays were 11% higher than in 2016, of which domestic tourists accounted for 7% more and foreign 16% more. Domestic tourists were recorded the highest number of overnight stays in spas (mostly in Vrnjačka Banja), and in mountain resorts (Zlatibor, Kopaonik), while most foreign guests were staying in Belgrade, Novi Sad, Zlatibor, Kopaonik, Vrnjačka Banja.

Figure 2: *Tourists' arrivals and nights 2012-2016*

Figure 2.1. Tourists' Arrivals and Nights, 2012–2016

TOURISTS' ARRIVALS AND NIGHTS, 2012–2016

Република Србија / Republic of Serbia

укупно Total	Београдски регион Beograd- ski region	Регион Војводине Region Vojvodine	Регион Шумадије и Западне Србије Region Šumadije i Zapadne Srbije	Регион Јужне и Источне Србије Region Južne i Istočne Srbije	Регион Косово и Метохија Region Kosovo i Metohija	укупно Total	Београдски регион Beograd- ski region	Регион Војводине Region Vojvodine	Регион Шумадије и Западне Србије Region Šumadije i Zapadne Srbije	Регион Јужне и Источне Србије Region Južne i Istočne Srbije	Регион Косово и Метохија Region Kosovo i Metohija	
допласци / Arrivals						ноћења / Nights						
Укупно / Total												
2012	2079643	660674	296360	768903	353706	...	6484702	1431384	758981	2978903	1315434	...
2013	2192435	718943	347138	791545	334809	...	6567460	1489801	928606	3042876	1106177	...
2014	2192268	753742	371490	737507	329529	...	6086275	1535341	929604	2625382	995948	...
2015	2437165	807607	413332	854448	361778	...	6651852	1686017	994314	2904523	1066998	...
2016	2753591	913150	446492	996565	397384	...	7533739	1867150	1123923	3414123	1128543	...
Домаћи / Domestic												
2012	1269676	189375	173465	631763	275073	...	4688485	493531	462672	2568791	1163491	...
2013	1270667	182006	195281	641707	251673	...	4579067	453526	554777	2613333	957431	...
2014	1163536	155977	202908	571638	233013	...	3925221	393156	548866	2177877	805322	...
2015	1304944	157245	227291	667498	252910	...	4242172	400323	583399	2402765	855685	...
2016	1472165	176087	243439	777881	274758	...	4794741	406674	660016	2825256	902795	...
Страни / Foreign												
2012	809967	471299	122895	137140	78633	...	1796217	937853	296309	410112	151943	...
2013	921768	536937	151857	149838	83136	...	1988393	1036275	373829	429543	148746	...
2014	1028732	597765	168582	165889	96516	...	2161054	1142185	380738	447505	190626	...
2015	1132221	650362	186041	186950	108868	...	2409680	1285694	410915	501758	211313	...
2016	1281426	737063	203053	218684	122626	...	2738998	1460476	463907	588867	225748	...

Source: *Statistical Yearbook of the Republic of Serbia 2017*

Although the number of tourists in Serbia (the number of arrivals as well as the number of overnight stays) has been steadily increasing, the number of Chinese tourists in Serbia by 2012 was not significant. In 2012, only 4,812 Chinese tourists visited Serbia. However, since 2012 the number of arrivals of these tourists has been steadily increasing between 120% and 170% per year. In 2017 this growth was as high as 240%, compared to 2016. Last year, 51,691 Chinese tourists visited Serbia. That is, compared to 2012 an increase of 1074%. Obviously, Serbia is attractive to Chinese tourists, but there is a need to find ways to increase that number further, taking into account the number of Chinese tourists in the world and their spending.

According to UNWTO Tourism Highlights for 2017, China continues to lead global outbound travel, following ten years of double-digit growth in spending, after rising to the top of the ranking in 2012. Expenditure by Chinese travellers grew by 12% in 2016 to reach US\$ 261 billion. The number of outbound travellers rose by 6% to reach 135 million in 2016.

Figure 3: *Tourists' arrivals by country of origin, 2012-2016*

	2012	2013	2014	2015	2016	
Доласци / Arrivals						
УКУПНО	2079643	2192435	2192268	2437165	2753591	TOTAL
Домаћи туристи	1269676	1270667	1163536	1304944	1472165	Domestic
Страни туристи	809967	921768	1028732	1132221	1281426	Foreign
Из:						Coming from:
Аустрије	25216	24740	25408	26268	29726	Austria
Аустралије	8772	10713	10668	11830	11902	Australia
Белгије	7090	6984	7799	7886	8775	Belgium
Босне и Херцеговине	62276	68117	74785	87397	100579	Bosnia and Herzegovina
Бразила	...	...	...	1652	1915	Brazil
Бугарске	35243	43430	51424	70891	88089	Bulgaria
Канаде	5140	6073	6183	7045	7687	Canada
Швајцарске и Лихтенштајна	11273	13192	18119	20149	23067	Switzerland and Liechtenstein
Чешке Републике	10042	12924	11828	11500	12190	Czech Republic
Немачке	50896	55468	59797	60886	63935	Germany
Данске	5471	5714	6369	6050	6780	Denmark
Шпаније	6584	6758	8052	8585	10212	Spain
Финске	2223	2672	3066	3393	3301	Finland
Француске	20219	21747	24281	25654	26364	France
Велике Британије	20291	21855	23447	25310	28092	Great Britain
Грчке	26900	37025	43417	43869	61749	Greece
Хрватске	47229	53394	63779	65886	75732	Croatia
Мађарске	20315	24528	24399	27421	30978	Hungary
Ирске	2049	2128	2447	2364	3232	Ireland
Израела	3957	4217	8878	8897	15129	Israel
Исланда	539	466	495	593	717	Iceland
Италије	50580	43376	45883	44314	47430	Italy
Јапана	5251	5130	5327	5196	5245	Japan
Јужне Кореје	...	...	...	10370	7662	South Korea
Кине	4812	5783	9592	14238	18409	China
Кипра	...	...	...	2862	5843	Cyprus
Луксембурга	485	416	437	403	521	Luxembourg
Црне Горе	54703	67658	61684	70861	77396	Montenegro
Македоније	35083	35575	39621	43404	55263	Macedonia
Холандије	14027	14846	15693	16206	17716	Netherlands
Норвешке	6765	7152	6006	6193	6244	Norway
Новог Зеланда	974	1272	1155	1559	1337	New Zealand
Осталих европских земаља	22190	29696	41300	29923	28286	Other European countries
Осталих ваневропских земаља	22558	37790	44692	46353	41708	Other non-European countries
Пољске	23323	30003	39004	41214	34631	Poland
Португалије	1967	2005	2775	2799	2922	Portugal
Румуније	32042	35495	36959	44225	53053	Romania
Руске Федерације	31628	43070	50571	41623	43916	Russian Federation
Шведске	12186	13945	15487	16512	18798	Sweden
Словеније	55723	57498	64389	65754	74096	Slovenia
Словачке	6579	8272	9148	10164	10812	Slovakia
Турске	20865	32437	45490	64191	83676	Turkey
Украјине	...	...	...	7220	9141	Ukraine
Сједињених Америчких Држава	16501	18204	18878	23111	27170	United States of America

Source: *Statistical Yearbook of the Republic of Serbia 2017*

Figure 4: *Tourists' nights by country of origin, 2012-2016*

	2012	2013	2014	2015	2016	
Ноћења / Nights						
УКУПНО	6484702	6567460	6086275	6651852	7533739	TOTAL
Домаћи туристи	4688485	4579067	3925221	4242172	4794741	Domestic
Страни туристи	1796217	1988393	2161054	2409680	2738998	Foreign
Из:						Coming from:
Аустрије	47900	45038	47004	52141	59100	Austria
Аустралије	19717	23792	24475	27730	26569	Australia
Белгије	15146	14245	15797	15397	18096	Belgium
Босне и Херцеговине	148784	155868	163695	192176	222888	Bosnia and Herzegovina
Бразила	...	...	...	4821	5684	Brazil
Бугарске	76622	74232	88953	119937	146196	Bulgaria
Канаде	12387	15023	15509	19756	18386	Canada
Швајцарске и Лихтенштајна	25354	29160	40140	46644	52951	Switzerland and Liechtenstein
Чешке Републике	21598	33562	24365	22437	26374	Czech Republic
Немачке	103325	107840	114997	122590	128897	Germany
Данске	15286	15213	16365	14155	17448	Denmark
Шпаније	17335	17799	18974	21887	25584	Spain
Финске	5262	6115	8719	9117	8414	Finland
Француске	45698	47166	53053	56570	57158	France
Велике Британије	51991	53161	56238	59660	65216	Great Britain
Грчке	52509	67262	76600	80370	122062	Greece
Хрватске	91645	100483	116921	121381	141783	Croatia
Мађарске	42289	52822	41533	47436	63271	Hungary
Ирске	5362	5292	6678	5805	8322	Ireland
Израела	9070	10169	19502	21823	42385	Israel
Исланда	1782	1420	1621	1503	1965	Iceland
Италије	148147	105985	103573	103509	109965	Italy
Јапана	14754	13146	13201	12344	12586	Japan
Јужне Кореје	...	...	...	13890	9043	South Korea
Кине	13665	14047	30749	32779	42986	China
Кипра	...	...	...	8311	18160	Cyprus
Луксембурга	1096	942	971	808	1259	Luxembourg
Црне Горе	132083	137520	137084	171234	195970	Montenegro
Македоније	68087	71079	77328	85053	107371	Macedonia
Холандије	32315	31107	32865	33549	36608	Netherlands
Норвешке	22515	20499	16741	17166	17048	Norway
Новог Зеланда	1859	2392	2229	2823	3184	New Zealand
Осталих европских земаља	46637	61989	81908	64851	60781	Other European countries
Осталих ваневропских земаља	65274	137154	116908	134257	122300	Other non-European countries
Пољске	40350	46346	63506	65338	58670	Poland
Португалије	5509	5284	6869	7193	8139	Portugal
Румуније	62916	67983	76982	94571	114921	Romania
Руске Федерације	91517	120899	153811	129110	131323	Russian Federation
Шведске	29443	32209	35588	41251	46373	Sweden
Словеније	115718	121997	112237	115449	131827	Slovenia
Словачке	14115	17193	16511	20957	21989	Slovakia
Турске	35839	55017	81710	115038	141608	Turkey
Украјине	...	...	...	14749	18136	Ukraine
Сједињених Америчких Држава	45346	49943	49144	62114	69002	United States of America

Source: *Statistical Yearbook of the Republic of Serbia 2017 and Catering and tourism statistics, Statistical Office of the Republic of Serbia*

Figure 5: *Increase in number of Chinese tourists in Serbia*

Year	Arrivals	An increase over the previous year
2012	(4,812 arrivals)	-
2013	(5,783 arrivals)	an increase of 120%
2014	(9,592 arrivals)	an increase of 165%
2015	(14,238 arrivals)	an increase of 148%
2016	(18,409 arrivals)	an increase of 129%
2017	(51,691 arrivals)	an increase of 280%

Source: *Statistical Yearbook of the Republic of Serbia 2017*

The Minister of Trade, Tourism and Telecommunications, Rasim Ljajić, in 2017 said that Chinese tourists during the trip usually visit at least two, and usually three countries, and the best-selling arrangement in China is the one that offers a package of visits to Italy, France and Switzerland. So in order to attract more tourists, we need to offer regional tourism products. He said “As an independent tourist destination, in terms of attracting a large number of Chinese tourists, Serbia does not really have a great chance, it is necessary to bring together potentials and Serbia, with Montenegro already offers package tour "Put Valtera (Valter`s road)" to Chinese tourists, with Bosnia and Herzegovina Serbia also talks about joint tourism products, with Hungary already has set up a clear plan of action towards the Chinese market (Mondo portal, 2017).

Hotel business operations are also faced with a number of changes, the advantage of which should be used by management. “A change may act as a source of innovative activities. By changing demands of service consumers and the nature of competition, arises a need for a change in the competitive strategy” (Langović Milićević, Ognjanović, 2017, p.28).

Jelena Despotović, an associate at the Confucius Institute in Belgrade, told in an interview for the magazine “Tursitički Svet” that hotels with Chinese tourists should be adjusted to their needs and habits. Guests from China insist that in a hotel room, there is two glasses, a bottle of water and possibly tea bags and a water cooker, as the Chinese have the habit of drinking a glass of hot water or tea before bedtime. Never place them in room number 4, because this figure in Chinese is pronounced the same as the word death. On the other hand, the positive symbolism is connected with number 8 - the happiest number, or numbers 9 and 6. "It is important to them that the accommodation is clean and tidy, that the rooms are spacious, and that in the bathroom, besides clean towels, hotel slippers,

baths and shampoos, there are toothpaste and a toothbrush. That is some standard in all Chinese hotels" (Turistički svet, 2017).

It is interesting that Chinese tourists are beginning to stay longer in our country and to visit the Serbia only, which has been unusual for them so far. Chinese tourists like nature, traditions and our hospitality. Given the earlier ties between China and Yugoslavia, older generations like to listen to stories about Tito and Yugoslavia, while new generations are interested in Novak Đoković and nightlife in Belgrade.

Conclusion

“Considering what tourists mostly visit in Serbia, it is obvious that Serbia could develop in the first place city tourism (City Breaks). Most of the tourists visit Belgrade primarily because of the various events (e.g. Belgrade Beer Fest) and good fun. Novi Sad became recognizable by Exit (EXIT) and Leskovac by Leskovac Barbecue. In Serbia, people are prone to party, hospitable but also energetic, proud and open, which leads to the fact that foreign tourists in Serbia feel comfortable. This could only be an initial step in the development of other tourist products of Serbia. Mountains and lakes are currently a poorly developed tourist product but a product of great potential as well as rural tourism” (Cvetkovski et al., 2014, p.69)

Chinese tourists like to travel through Serbia. Although the biggest visits are primarily related to cities, especially Belgrade, they are interested in mountain resorts and Vojvodina's farms. “The world of symbols, visual and mental images, as a sign, stamp or ambiguous reality, is related to the most receptive human sense – eyesight” (Cvetkovska Ocokoljić, Cvetkovski, 2012, p. 1903). However, these tourists are increasingly showing the desire for participation and inclusion of all senses in order to fully experience the destination and the life of the local population.

The whole Europe is working to attract Chinese tourists. This is the path that Serbia should go to. To tailor a tourist product according to the needs of Chinese tourists while retaining authenticity is the key to success. The country has a certain role, then tourist organizations, tour operators, hotels and others. When talking about the quality of the service, the service providers, employees, are especially important. “Employees value the feeling that their involvement contributes substantially to the success of business, as well as the ability of managers to recognize this and be

interested in their personal circumstances” (Langović Milićević et al., p. 298).

Obviously, in attracting domestic tourists as well as those from around the world (the same is in attracting Chinese tourists) certain roles has the country, tourist organizations, travel agencies, hotel operators, restaurants, culture organizations, etc. because the tourist product is complex and the tourist experience is multi-layered. It is determined by many elements, as well as the expectations with which tourists come.

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THE SITUATION AND PERSPECTIVES OF THE DEVELOPMENT OF TOURISM OF THE PODUNAVLJE DISTRICT

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Abstract

Unlike the classic commodity market where supply is demand driven, tourism trends are the opposite - tourist demand is directed towards tourist offer, which leads to targeted travel to specific destinations. Therefore, an important factor for the development of tourism is the natural, material and motivational potential of the investigated area, which is directly related to the expected economic effects. The aim of this paper is to explore, analyze and propose measures for the development of tourism in one region using theoretical analysis, statistical methods, modeling methods and logical conclusion.

Key Words: development potentials, touristic traffic, prospectives for development

JEL classification: Z32

Introduction

Countries in transition have economies that are generally collapsed or reduced to the lowest possible extent. Due to this fact, tourism has advanced from an activity of a tertiary to primary importance in many countries, as it is the case in the Republic of Serbia. In our and other countries, the greatest developmental chances lie in tourism, because they have natural, geographical, historical and other potentials and competitiveness can be achieved here. Serbia abounds in the comparative advantages needed for the development of tourism and related activities, and this opportunity should be used. This is also indicated by the

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statistical data that say that the Republic of Serbia's revenues from tourism increase each year. In this paper, the elements and information relevant to the development of tourism in the Danube Region were examined. The significance of the development strategy choices, with particular reference to the optimal - applicable development strategy were pointed out. At the end, suggestions that can lead to a faster and better development of tourist activity, which can and should be more intensively developed in this region, are given.

Transit position and role of the district

Podunavlje district consists of three municipalities: Smederevo, Smederevska Palanka and Velika Plana. The advantage of its position is the fact that they are situated on the Danube coast, including parts of Pomoravlje as well as parts of the low Sumadija. Although sparsely small, this district is one of the most populated areas in relation to the number of inhabitants in one settlement.

Within the district, the most important municipality, which is also the seat of the district, is Smederevo. The Smederevo municipality has a total area of 481.5 km², while Smederevska Palanka spreads over the area of 422 km². The Podunavlje district is located in the area, which is one of the most important infrastructural hubs in the Republic. Three main roads of European significance go through this region: the Danube waterway, the Budapest-Belgrade – Niš - Athens highway and the railroad along the length of the same route as the highway.

The Danube river, as an important potential for development in every respect, is 587.5 km long through Serbia. Owing to the river, the district is connected with many centers in Eastern, Central and Western Europe by a waterway. The region's transit importance is gaining in quality, since this area is part of the Danube's confluences with Velika Morava and Tisa, which is the most attractive part of the Danube coast in Serbia. Significant spatial advantage of the district is also that it borders the Belgrade region, which is at the same time the largest and most important area in the whole Republic (a million city on the surface of 3,222 km²).

Therefore, the Podunavlje District is located in the zone of interaction between economic, traffic, trade and other elements in the Republic.

All of this creates a good basis for the development of many economic and other activities, but more than anything, it provides vast opportunities for tourism development.

Tourism is an activity of tertiary importance and a very complex activity, which, in the last century, went through multiple stages. The most significant qualitative or quantitative changes have taken place in the last 30 years, when the development and growth of this sector has virtually experienced a revival. (Vojnović & Grujić, 2017, p. 341)

Natural development potentials

For economists, a natural resource is linked to its potential to produce useful goods and services for a man. If these goods or services can meet tourism needs, then these resources represent the natural basis for tourism development. The use of resources depends on the production conditions and the ability of the economy to use it, not its physical properties. (Vojnović et al., 2012, p. 54)

The climate of this area is moderate-continental, essentially determined by the geographical position of the region. Openness of the terrain caused the dependence of certain climatic elements on the air masses from different directions. The biggest influence of air currents is the movement from the north of the steppe-continental climate in southern Banat. Air masses from the east, which particularly affect the climate in the winter period, also have an important impact on the climate. The influence of southern currents is less prominent. Rainfall is characteristic throughout the year. The rainfall schedule confirms that a moderate continental climate prevails. The rainfall is present, as mentioned, throughout the year but mostly in spring and winter. February is the month with the least rainfall. (Jovičić et al, 1981, p. 121)

The air temperature is also an important precondition for the development of tourism. The average annual air temperature is about 11-12⁰C. The height of this air temperature is present 140-160 days during the year. The air temperature lower than 0 degrees is represented during 70-80 days a year. The average temperature is around 25⁰C for 50 days a year. (Municipality of Smederevska Palanka, 2006)

As for the winds, the western, the northern, and the northwestern are the most frequent. In winter, the most common wind is the northern and

northwestern, known as *košava*. *Košava* brings dry and cold weather, and is conditioned by the break-up of air masses from Ukraine and the Carpathians. In the summer the most frequent movement route is the one that brings sunny and dry weather.

The western wind occurs throughout the year and always brings rainfall. The southern wind is just as insignificant as its impact. The mean cloudiness during the year is 5-6 / 10 of the sky coverage. Summer cloudiness is 3-4 / 10 of the sky coverage, which indicates that the summer is quite sunny. Average sunshine annually exceeds 2,000 hours, and July is the sunniest month.

The Podunavlje Region's hydrography is very rich. Special richness is reflected in the quantity and representation of rivers, groundwater and reservoirs.

The largest European river Danube runs through the district. The abundance of groundwater is mostly present in parts of the Municipality of Smederevska Palanka, which is a consequence of the geological construction of the terrain.

Characteristic of geological material is the existence of water-resistant clays, at relatively small depths, which prevent deeper debris of water. The abundance of underground waters has caused the emergence of a large number of wells on all parts of the terrain. The special quality of hydrography is the mineral water well on Kiseljak, located on the territory of the southeast part of Smederevska Palanka. The well consists of several springs of cold mineral water, where it is prepared for further sale on the market. There are also two wells of thermo-mineral water. One was obtained by drilling the ground at 940 meters, with a temperature of 56 ° C and abundance of 10 l/s, while the other was obtained at a depth of 650 meters with a water temperature of 42 ° C and abundance of 4 l/s. The special advantage of hot water is that it can be used for health purposes, thus providing the opportunity for the development of spa tourism. (Municipality of Smederevska Palanka, 2006)

Cultural – historical tourist motifs

The area of present-day Serbia was the Roman province of UPPER MESIA where the first Slavic tribes moved in the 6th century. Hence the first mention of the Serbs in this area date back from the year of 822. The

earliest written traces of the roads in these parts date back from 424 BC by the Romans, which connected the Balkan Peninsula with Asia Minor, especially Singidunum with Byzantium. The then famous main roads were VIA MILITARIS and Constantinople road. Many events from the past of this region have left traces of various civilizations and cultures, which can be used to a large extent as tourist motifs, and can be one of the essential elements necessary for the development of tourism.

The most representative monument of the District is the Smederevo fortress. It consists of the Small Town, which was built in 1430, and the Grand City, which was later completed. The Small Town was built at the very confluence of the Jezava and Danube rivers, with the basis of an irregular triangle, and a watercourse that separates it from the Great City. On the crosslike tower there is a unique inscription in the construction work, which describes the building of the city. The most interesting part of the Small Town is the Danube wall which, with its four windows carved in stone, with Gothic and Romanesque archs - biforas - belongs to the most representative buildings of Serbian medieval architecture. Near the gate is Donjon tower, with walls thicker than 4 meters. (Special editions - book 39, 1992)

The construction of the Great City required a lot of effort and forced labour of the entire population. All the torture caused by the building of the fortress the people attributed to Djurdje's wife Jerina who was of Greek origin and whom they called *the damn Jerina*.

After the fall of the Smederevo fortress, in 1459, the Turks entered the city and made their own settlement, as evidenced by the remnants of the Turkish bath – Hamam, found in later archaeological researches. Also, the remains of the church were found at the corner of the Danube and Jezava Plateau. Today, the Little City is restored, and as in the time of Serbian Despotate represents the pearl of the medieval architecture. This type of fortress is unique in Europe.

On Plavinac, a few kilometers away from the city, there is the Obrenovics' Summer House. In 1831, Miloš Obrenović raised vineyards on 36 ha, built a cellar and a house, later decorated by his son Milan. The Obrenovic family used it as a summer residence. Furniture and other items were eventually taken away from the Summer House, especially during the Second World War, when the command of the German army was situated there. About 15 exhibits have been preserved from that

period. The Summer House is now owned by the Republic of Serbia. It is only open for visitors when allowed by the Serbian Protocol.

The Koporin Monastery is a medieval monastery in the municipality of Velika Plana and is the endowment of the Despot Stefan Lazarević from the 15th century. The style of construction is Morava school. The most important works of this monastery are: Judas kiss, Baptism and Sorrow. Today it is a women's monastery, with a spacious residence in a style typical of Šumadija built for this purpose.

The Stone Bridge was built in 1730 at the time of the Austrian occupation. The Bridge, made of stone which, as the legend has it, was taken from the monastery of Prince Lazar, is located on Vidova voda in the village of Vodice, next to Smederevska Palanka. The Bridge has four full arches and one half-arch, it is 43 meters long and 5 meters wide. This Bridge is one of the oldest and is still in active use. The Bridge is located in the Old Bazaar in Smederevska Palanka and under the protection of the state.

The Danube Region has been organizing several tourist events for many years. The most famous are:

- Touristic-economic manifestation *Smederevska jesen (Autumn in Smederevo)* is the most famous manifestation of the District. It is held every year at the end of September with a presentation of agricultural and economic achievements of the region along the ceremonial procession of medieval knights, plenty of fruits, grapes and wine, with a rich cultural and artistic program.
- *Dani azanjske pogače (Days of Azanja Bread)*, has already gained the character of a tourist event that gathers a large number of people from all over the country each year. In addition to the competition, a rich cultural and artistic program is held, and the event is officially recorded in the Tourist Association of Serbia calendar.
- *Krstovdanski vašar (Fair on the Day of Baptismal)*, in one place gathers a large number of craftsmen, traders and caterers. The Fair is held every year at the end of September and visited by between 100,000 and 200,000 people.
- *Nušićevi dani (Days of Branislav Nušić)*, a cultural event dedicated to Branislav Nusic's work, is held every year in April.
- *Smederevsko kulturno leto (Cultural Summer in Smederevo)*, held in the Fortress, the capital of Despot Djuradj Brankovic in the Small Town.

- *The International Poetry Festival - Smederevo Poetry Autumn* - is held every year in mid-October.
- *Gold Danube kettle*, competition in the preparation of fish soup.
- *Golden Hands of Smederevo Women*, Competition in folk creation.

Accommodation capacities and tourist turnover

The Podunavlje District has accommodation facilities, as a part of the material base for tourism in the following structure:

Accommodation facilities

Table 1: *Objects for accommodation by type and capacity*

No	Name and type of object	Category	Number of rooms	Number of beds
1.	Hotel "Smederevo"	IV	102	159
2.	Hotel "Plana"	III	108	202
3.	Motel "Jerina"	II	32	70
4.	Motel "Plana"	II	30	51+12
5.	Motel "Stari hrast"	II	48	96
6.	Motel "Krnjevo"	III	28	58
7.	Motel "Kolari"	III	29	49
8.	Pansion "Godomin"	III	12	24+6
9.	Objekat "Jezero"		8	16

Source: *Federal Bureau of Statistics Belgrade, Department in Smederevo (2016)*

Sorted by type of accommodation:

Table 2: *Types of facilities for accommodation with capacities*

No	Type of object	Number of rooms	Number of beds
1.	Hotels	210	361
2.	Motels	167	336
3.	Pansions	12	30
4.	In total:	389	727

Source: *Federal Bureau of Statistics Belgrade, Department in Smederevo (2016)*

Tourist turnover

Tourist turnover in the District measured on the basis of the number of visitors and realized overnight stays is shown in the following table.

Table 3: *Tourism turnover of domestic and foreign tourists for 2016. by municipalities*

	Tourists			Overnight stays of tourists			Average of overnight stays	
	Total	Domestic	Foreign	Total	Domestic	Foreign	Domestic	Foreign
Podunavlje District	11558	6741	4817	18605	8961	9644	1,3	2,0
Velika Plana	7840	5177	2663	12079	5839	6240	1,1	2,8
Smederevo	3554	1400	2154	5989	2585	3404	1,8	1,6
Smed. Palanka	164	164	-	537	537	-	3,3	-

Source: *Federal Bureau of Statistics Belgrade, Department in Smederevo (2016)*

Likewise, an indicator that can be relevant for assessing the quality of the tourist offer is the length of stay per visitor. From the presented data it is evident that there is no organized tourist offer, as the duration of visitors' stays indicates that the users valued the services in transit.

Table 4: *Use of accommodation capacities by years expressed in percentages*

	Capacity	Realized	%
Podunavlje District	271195	30163	8,99
Velika Plana	178485	19919	8,96
Smederevo	86870	9539	9,1
Smed. Palanka	5840	701	8,3

Source: *Calculation by the author*

Note: Aberrations are possible because we are not sure that all accommodation facilities still perform this function.

If we know that economic science has established that about 60% of occupation capacity is required to meet the basic economic principles of business (pro-activity, cost-effectiveness and profitability), it can be concluded that the achieved tourism turnover is not nearly as good to satisfy this requirement. Table 4 shows that the capacity utilization is far below the required level. In this case, it does not exceed 9%, which is

several times below the required level. Everything indicates that there is no organized tourist accommodation.

Significant locations for the development of tourism in the area

The Danube is a significant economic and tourist potential of the District's center. By activating commodity and passenger traffic on the Danube River, Smederevo, as the center of the Danube Region, can become attractive for tourists and business partners.

Smederevska Ada and Dunavac are an integral part of the Danube, which, with a mixture of forest and water environment, represents ecologically preserved nature, ideal for the development of a tourist destination.

According to the development program of the Tourist Organization of the Smederevo Municipality, the construction of an artificial lake is planned on the Danube between Ada and Kovin coast, with all accompanying facilities (arrangement of the beach, renting of boats, jumps, locker rooms, construction of catering facilities, etc.).

This resort, according to the orderliness and beauty of the natural environment, occupies the second place in the category of sports and recreational centers in the Republic (the first place belongs to "Štrand" in Novi Sad). The location possesses: a campground with running water, showers, swimming pool, water slide, sports fields, trim trail and catering facilities.

Significant location as well as a cultural and historical monument is the fortress of Despot Djurdje Brankovic, built in the 15th century. It is also a unique flatland fortress in Europe. The fortress is the central place for the traditional manifestation "Smederevska Jesen".

On the left bank of the Jasenica river, at the outskirts of Smederevska Palanka, there are springs of hot and cold mineral water. After the springs of mineral sparkling water, this complex was named "Kiseljak". From the very discovery of mineral water, Kiseljak became the center of the inhabitants of this place. Today, this area is a health and recreational center where spa and swimming pools with warm mineral water can be used.

The artificial lake Kudrec is situated northeast of Smederevska Palanka at a distance of 2.5 km. The lake was formed by making a dam on the same

named stream, soil dam and water accumulation in the part of the watercourse. The lakeshores, symmetrical and slightly inclined, represent an extraordinary natural attraction and are characteristic of the site along the water mass.

"Mikulja" is a forest area of about 300 ha, and is 2 km away from Smederevska Palanka. The tradition of using this space by the population has been quite long. However, insufficient infrastructure construction is a major problem to be solved. The complex has a restaurant, which belongs to the hunting association, as well as a number of sports fields.

Perspectives of development

Tourism policy is a series of planned actions in the activities of tourism, with the aim to be undertaken at a certain time and in a certain space by the bearer of this policy. The aim of this policy is to disrupt the unwanted factors, as well as those that have a deviation of development of the economy. (Vojnović et al., 2013, p. 135)

The existing motifs on the territory of the District, rural lifestyle, customs, hospitality and monumental architecture, thanks to the vicinity of Belgrade and the highway, can be developed to become one of the top European tourist attractions. Taking into account the motif-related and economic possibilities, in order to start the tourism of this region, development directions can be formulated as follows. The activation of the tourist area implies the development of all natural sites, which can be of benefit, and whose features significantly contribute to completing the tourist offer.

In the phase of overall changes in economic relations, as well as environmental demands, the holders of economic and organizational functions find themselves facing great temptations. Companies must restructure, which requires the inevitable and new organizational structure and changes within themselves. (Vojnović et al., 2013, p. 126)

As in other places in our country, in this District as well, rural tourism has not had a long tradition, and its development and use of existing possibilities lack a more widely conceived and organized concept. The natural and economic characteristics of the villages of this area provide ideal opportunities for the development of tourism in several locations and smaller or larger rural areas. The rural households of the District are

concentrated in compact settlements. All villages have spacious rural courtyards and large residential areas, which allows for the development of different types of touristic movements in the countryside. Water supply is also at an enviable level.

The District has a number of villages where more intensive tourism development can be achieved. The villages are rich in ethnic heritage and tradition in the form of various encounters and customs, which can also be considered as a significant tourist motive.

Village entrepreneurship is particularly stimulating for the development of tourism. The development of tourism entrepreneurship in the country presents enormous potential for increasing the economic power of rural areas and provides real chances for increasing the employment of the village population who as a rule are less likely to find jobs. Only the introduction of diversity into a rural environment acts as a stimulating factor (not just agricultural activities) and creates the interest of village population to stay in those areas. Village entrepreneurship in the function of tourism can be valorized according to the following activities: hunting activities, catering, handmade craftwork, renting accommodation capacities for the needs of tourists, processing fruit and vegetables, carving and making tourist souvenirs, activating natural and cultural-historical potentials and a series of similar activities.

The development of entrepreneurship in tourism is possible in almost all areas and spheres of life, because we know that tourism pervades all social pores, so it is necessary to have a vision and be persistent in its realization. The special importance of entrepreneurship in the development of economic activities is evident in the possibility of launching activities in less developed areas, which are in many ways suitable for the realization of tourist activities.

The development of entrepreneurship in tourism requires to:

- provide support to entrepreneurial attempts in the form of advice and certain expert knowledge,
- help in evaluating potentials and opportunities,
- provide support in the form of intellectual and other infrastructure,
- create an entrepreneurial climate,
- establish legal regulations in order to stimulate the development of activities and the like.

The development of spa recreational tourism is primarily supported by the richness of the thermal mineral waters of the region. The use of these springs constitutes the backbone of the tourist valorization of the District. Thermal waters and cold mineral waters can be used in many ways, which depends largely on better organization and improvement of the degree of exploitation.

Due to the fact that staying in spa areas is becoming an increasingly attractive type of tourism, it is necessary to start with the realization of spa recreation activities. Interest in the capacities of "Kiseljak" is considerable. A particular interest is expressed for the use of physical medicine, which even at this moment has a regional character. The spa complex has a bath and medical equipment, as well as an indoor pool, which is filled with thermo-mineral water. However, all equipment as well as the facility itself are in a rather poor condition, so in addition to the introduction of a new organization it is necessary to adapt the existing capacities. More importantly, in the territory of the District, an increased demand for spa services and its capacity can be developed. Likewise, within the spa complex, it is necessary to enable the provision of intensive and continuous use of services, without significant seasonal deviations, or throughout the year.

The Physical Medicine Service is an independent unit of the City hospital in Smederevska Palanka. Formerly, it was an integral part of the Department of Surgery, while later it became an independent service when doctors - physiatrists were employed. The Physical Medicine Service consists of: a gymnastics hall - a kinesiotherapy hall, a thermal therapy room, an electro and photo therapy room, a doctor's office.

This Service was founded by an agreement on the level of the Podunavlje District, by physiatrists, when it was decided to build a center for physiatry in Smederevska Palanka. Such a decision was not accidentally made because it was concluded that Smederevska Palanka has all the necessary conditions for establishing such a service. The total area of the building is about 680 m², and is located next to the depot of the hotel "Kiseljak". In order for this Service to get real significance, it is necessary to provide enough accommodation units for receiving potential patients.

Lowland crops, hilly orchards and pasture lands, usually rich in river flows of smaller rivers and their tributaries, represent rich terrain for hunting and fishing. The tourist offer can be directed either to hunting and

fishing as a standalone touristic motif, or as a part of the activities upon arrival of the tourists, which would enrich the services during the stay. The main role should be played by hunting and fishing associations through hunting grounds maintenance and their enrichment. The advantage in the growth of this kind of tourism is that associations have facilities for accommodation and food in the nature. In these facilities, it is possible to organize hunting in the typical hunting conditions for several days.

Defining an optimal strategy for the sustainable development of tourism

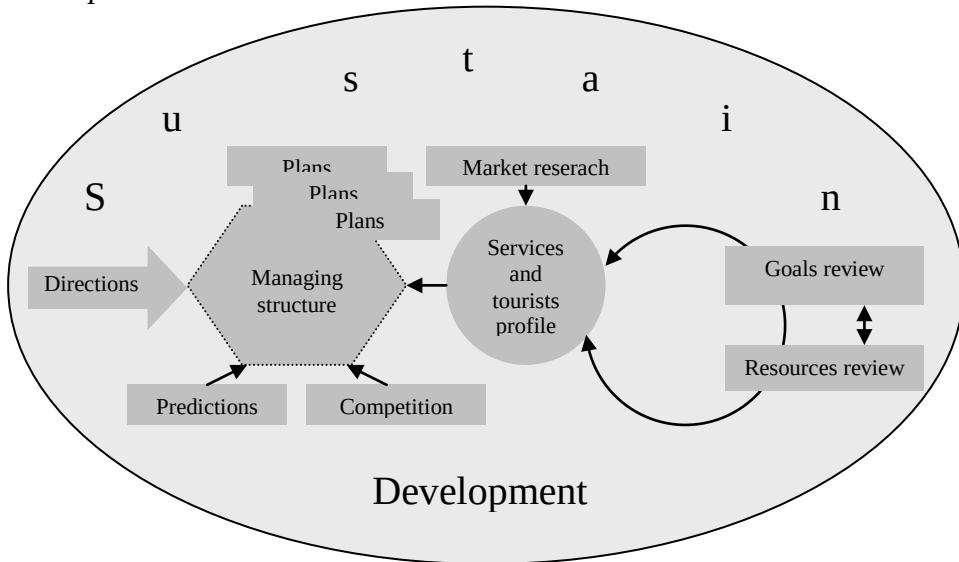
Economic structures of a regional character become globalized and depend on the international division of labor and technological and developmental structure. Previous experience shows that a national economy can only count on global competitiveness when it builds high-quality and competitive positions in the national and regional structure. (Vojnović et al., 2013, p. 78)

The 21st century Agenda was adopted in 1992 at the UN Conference and is directly related to sustainable development. The Conference emphasized the sustainable development of tourism, or ecotourism in a healthy environment. The gathering was attended by 182 representatives from the same number of countries. The conclusions and decisions were made on the following:

- training, education and social awareness,
- planning sustainable development at all levels,
- the participation of all relevant entities,
- partnership of all factors influential on sustainable development,
- creation of new tourist services,
- reduction of waste of all kinds,
- involvement of employees in environmental issues,
- sustainable development projections.

On the basis of the recommended elements it is possible to define certain strategies of further development. When making strategic decisions, it is necessary to make use of a large number of essential information in order to make it more specific and applicable. *Figure 5* presents the information for strategic decisions in the context of sustainable development.

Figure 1: *Information for strategic decisions with respect to sustainable development*



Source: Vojnović, 2012, p.115

The optimal strategy for the sustainable development of tourism is to use two options: ***the time needed to achieve the goals of the tourist organization and the intensity of development activities***, for moderate and qualitative development of the business activity. When choosing a strategy, there may be two extremes that are equally dangerous to sustainable development: (Vojnović, 2004, p 82)

- The first is to comprehensively pursue the ultimate goal of making a profit, without respect for ecology, with severe environmental disturbances,
- The second is that the development of the companies is narrowly defined and reduced in order to preserve the environment, because there is no clear strategy for the system to develop with the exploitation of the nature under sustainable circumstances.

The optimal strategy is not the best possible strategy, but the one that brings the highest possible profit, while respecting the principles of sustainable development.

Finding and defining the optimal strategy for sustainable development implies a series of activities of which the following are more important (Riznić & Vojnović, 2010, p 74)

- a clear distinction between all relevant development factors, including ecological, and their classification according to the important for enterprise development,
- classifying developmental factors by impacts, positive and negative for overall development,
- a versatile approach to multi-variant economic development in order to optimize the strategy and select the best,
- establishing basic methods for maximizing the economic development of the companies, while respecting sustainable development.

It is important to keep in mind three things: (Vojnović, et al., 2012, p. 222)

1. what kind of enterprise an optimal strategy for sustainable development is sought for,
2. for which period a sustainable strategy is established and
3. by which criterion it is possible to achieve a sustainability strategy.

With this inevitable assumption, the choice of the best (optimal) strategy must be based on **a convergent or supportive method**. The supportive method is the most optimal guarantee to respect eco-interests, protect the natural space, and at the same time make profit. By applying the convergent method, the interest of all factors, without which it is not possible to define the final development strategy, is maximized. Business tourism systems, by choosing an optimal development strategy, achieve the best practically possible results with respect to environmental parameters. Development strategies, in order to be optimal, should also be taken for the optimal deadline. The timing of the choice of optimal strategies is directly related to the development goals.

The division by time, for which the optimal strategy is adopted according to the types of changes which they include

The short term is the time period in which it occurs:

- practical application of existing knowledge and existing resources,
- economic development without significant changes in the structure and functioning of the system,
- uniform technical reconstruction on the basis of known technical achievements and
- further development of the prior designed management system.

The middle term includes:

- using new results of relevant sciences,
- economic development with changes in the structure and functioning of the system,
- acceleration of technical progress and its application; and
- improving the management system by applying new scientific achievements in this field.

The long term is the time period that involves:

- using the results that fundamental sciences achieved,
- transition to a new and, as a rule, higher economic system,
- new forms of production (new technology and new tourism product) on the basis of larger discoveries of natural sciences and
- introduction of new management methods based on completely new concepts.

A very long deadline covers the following:

- using the results of the new system of science and
- a brand new, large system.

Economic development can be extensive and intense. In any case, it is not possible to have an absolutely exclusive type of development, but still there is a defining one. Less developed countries have a largely extensive development model. It is a model, "**development in breadth**", while intensive is "**qualitative development**".

From this postulate outcome logical development strategies based on uniformity and moderation. The uniformity and moderation of the choice of strategy makes the basis for choosing the optimal strategy for sustainable development. Then we need to take into account several determining factors in order to make the correct choice of the strategy. These factors are partial in nature, because they are decisive in one segment, and together give a unique quality to the chosen strategy.

These factors are called partial optima and they are: (Vojnović et al., 2012, p. 124)

- optimum of priority,
- optimum of organization,
- optimum of freedom of choice and
- optimum of independence in relation to the environment.

Each of these optima is in charge of finding the best - optimal solution between some opposites, for example, between established business goals and protection of the natural environment, because absolutism in practice is never possible in one direction.

Conclusion

It can be concluded that tourism in this region deserves better development. All the potentials that the region has at its disposal enable more intensive development, but the data indicates that it is far below the required level. Obviously, he misses the organization, accommodation potential, and personnel structure. Prerequisites in every respect exist and should be intensified. In this direction proposals are given that can improve the quality of tourism development to a higher level. Without a good analysis of the environment and its own potential, it is not possible to determine the necessary strategy for the development of tourism. Regional factors play an important role in this venture.

In the context of tourism development of the Podunavlje tourist region, it is necessary to:

- Establish a team of experts at the level of the Podunavlje District for envisioning and monitoring the development of tourism in the Region.
- Request support and open a discussion on the development of a tourism economy (there is a possibility of forming an appropriate organizational unit in the municipalities).
- Stimulate agreements and find solutions to the organization and staff as the main promoters of development.
- Strengthen tourism organizations with knowledgeable economists in order to achieve good economic effects.
- Determine how to finance experts and services in charge of initiating development.

The co-operation of individual participants in the development of tourist activity is of great importance for the determination and realization of development activities.

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THE ROLE OF MICE INDUSTRY IN TOURISM DEVELOPMENT

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Abstract

Business travel is an important sector of tourism which includes tourists who attend congresses, conferences, exhibitions, incentive travels, events and business corporate travels.

Many countries have realized the significance of this part of tourism development and thus influence on its organization, promotion and realization. Business travel includes meetings, incentive travels, congresses, conventions and exhibitions. Because of that, both domestic and foreign literature more increasingly use the acronym MICE for these types of travel. This part of the tourist market is an extremely important part of business, especially when it comes to the extension of the tourist season, which increases the attractiveness of the tourist destination and the economic effects achieved by the development of this part of the tourist market.

Key Words: *tourism, meetings, congresses, conventions*

JEL classification: *M31, L83, Z18*

Introduction

Congresses are in continuous expansion in the world. They are getting more sophisticated and they require more arranged spaces with a more complex organization. According to the International Congress & Convention Association (ICCA), 57 per cent of the congress meetings are held in Europe, 21 per cent in the region of Asia, Australasia/Pacific, while 11 per cent are held in the USA and Canada. Average length of the congress is 3.9 days, average consumption per delegate is about 2,000 dollars, while average registration fee is 526 dollars. Nowadays delegates

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stay shorter than a few years ago, when the average retention was measured with more than four days, but the total number of participants in congress meetings is increasing. Economic effects of the business tourism are measurable, both financially and naturally – expressed by number and quantity. For example, international conference with participation of 1,000 delegates can generate 1 million Euros of income. It is recorded that, during 2016, Belgrade hosted around 500 national and international meetings with 35,000 delegates and the income from the overall organization was about 30 million Euros.

The aim of this paper is to analyze the present state of the business tourism market in the world and in the Republic of Serbia from the aspects of manifestations, and business meetings, as well as their promotions, with the aim of making conclusions about the positive influence which business tourism can have on the whole economic development. World Tourism Organization (UNWTO) in the official definition of tourism suggests that people who travel for business or professional reasons are also considered as tourists. As well as in other tourism forms, the organization of the very event, i.e. a business meeting, is important in business tourism, too. The correct guidelines include a good scenario, activity, planned material and technical means, transport, accommodation and nutrition of participants, as well as organization of free time, which enables the inclusion of other complementary tourist's motives with the goal of better marketing of the tourist destination. Precisely, because of the mentioned positive effects of this type of touristic movements, the authors of this paper observe the size and significance of this form of touristic movement as well as its impact on the current and future development of the tourist destinations. The task of this paper is to present a selection of collected data by analyzing the existing written sources, which present current state of MICE industry, as well as to compare data, in order to better understand the situation that can greatly improve ideas for future investments in business tourist infrastructure.

The importance of MICE industry for the development of tourism

MICE stands for Meetings, Incentives, Conferences or Congresses or Conventions and Exhibitions. This form of traveling is closely related to the term of business travel. Business tourism includes all aspects of the experience of travelers staying at least one night out of the places of permanent residence (Swarbrooke & Horner, 2001). MICE as the

business travel can have the characteristics of every other form of a travel. World Tourism Organization (UNWTO) in the official definition of tourism suggests that people who travel for business or professional reasons are also considered as tourists (Štetić, 2011).

The definition of International Congress & Convention Association (ICCA) is relatively more complete and, according to it, business tourism is “a series of activities aimed at providing space and services to millions of delegates on the meetings, congresses, exhibitions, business events and incentive travels”. Bearing all this in mind, one comprehensive and complete definition of business tourism can be given in which there are business reasons and participation in meetings, congresses, conventions, conference exhibitions and incentive travels, where business travelers use whole set of tourist`s services and basic tourism products within tourist destinations (Štetić, Cvijanović & Šimičević, 2014). Many countries have realized the importance of developing this part of tourism and they take influence on its organization, promotion and presentation. Historical roots of meetings are in the distant past and they could be traced through the history of a mankind. Those were sports or religious meetings under the auspices of church and so on. Among the famous is the first Nikei Council convened by Emperor Constantine the Great in 325 BC with 318 participants. When it comes to the development of international meetings many people consider it was the first Assembly of doctors which was held in Rome on 10th March in 1681. The second was the Congress of Vienna held from September 1814 to June 1815. Today, many meetings are taking place across the globe. By 2010, the world had 1,104 halls with over 5,000 square meters indoors (Štetić, 2011). According to the data of ICCA, which makes analyzes of business travel and congresses in the world, countries like Hungary, Czech, Slovenia, Croatia and Serbia have recorded significant growth and oscillations. In 2007, Serbia took 69th place on the ranking list according to the number of held international events by various associations. Already in 2010, Serbia took 43rd position, in 2013 it was 42nd, but in 2015 Serbia was on 47th place in the list. Belgrade was ranked as 168th in 2007, but it climbed to 44th place in 2013, while in 2015, it was on 52nd place and shared it with Riga (www.iccaworld.org). Business tourism caters for the high quality, high cost and, therefore, high yield end of the market. The greater spending power of business tourists means increased economic benefits for the host destination and a greater return on its investment in infrastructure and marketing. Besides the indirect and multiplicative effects of the foreign tourism, direct influence on human resources through their engagement

and utilization is increased (Trišić & Gajić, 2013). Conferences and business travel take place throughout the year. Spring and autumn are the peak seasons of the year for conferences. The all-year-round nature of conference and business tourism also leads to the creation and retention of permanent jobs, as opposed to the seasonal, temporary jobs which is a frequent characteristic of the leisure tourism sector. Traveling for business reasons can rise touristic activities of the destinations in the four ways: 1. extension of staying for business tourists, this usually means showing delegates the most attractive, scenic parts of the destination in the hope that, by creating a memorable experience for them, many will stay longer (extenders); 2. business tourists often bring their partners and families for a holiday or short break who are also part of the touristic activities on the destination (guests); 3. business tourists take part in touristic activities which are the integral part of whole events and are the part of making a network of social programs; a business visitor who leaves with a good impression of the conference, trade fair or incentive destination becomes an unpaid ambassador for that place (Davidson & Cope, 2003). Economic effects of the business tourism are measurable, either financially and naturally – expressed by number and quantity. For example, international conference with participation of 1,000 delegates can generate 1 million Euros of income. It is recorded that, during 2016, Belgrade hosted around 500 national and international meetings with 35,000 delegates and the income from the overall organization was about 30 million Euros. The same situation was measured in the last decade. This means that the congress tourism records significant incomes (Mihajlović & Stošić-Mihajlović, 2017).

Meetings

A meeting is an event where the primary activity of the attendees is participation in educational sessions and meetings or discussions, socializing, or attending other organized events. There is no exhibit (exhibition) component to this event. There are usually only 50 participants. Sometimes they last up to 45 days, so they require a hotel, a stay and a conference center. There are two types of business meetings: *meetings of associations*, where the information is discussed among the participants of the same or different professions and *meetings of corporations and conferences*, typically of 1 or 2 days of duration with a formal program that has been promoted in advance. *Corporate event* is considered as luxury entertainment which companies give to their most important customers in order to create a good image in the society or in

the business world (Štetić, 2011). It is hosted entertainment at major sporting events, concerts, and other high profile functions, or participation in sporting or outdoor pursuits-type activities. Though not common, some professional and trade associations may organize golf days or other sporting events for their members.

Table 1: *Differences between corporations and associations*

Corporation	Association
Profitable organization	Non-profitable organization
Industry and service sector	Industry, service sector and humanitarian organizations
Relatively short period of time for planning events (few weeks or months)	Longer period of time for planning the main conferences (few years)
A wider range of events and gatherings which can be organized	A narrow range of events and gatherings which can be organized
Number of participants usually less than 200	Few hundreds of participants but for bigger associations up to few thousands of participants
Events are mostly organized at hotels, congress centers and unusual places	Events are mostly organized at hotels, congress centers and universities
Corporation bears travel expenses and participation fee	The participant pays travel expenses and participation fee
Meetings are organized throughout the year	Main meetings are organized in spring and autumn, sometimes in summer
Typically one- or two-day meetings	Main conferences mostly three to four days long
Accommodation of participants at hotels (three and more stars)	Different accommodation objects are used depending on the type of association and solvency of the participants
Meetings are rarely attended by attendees' partner	Meetings are often attended by attendees' partner

Source: Rogers, T., (2008): *Conferences and Conventions: A Global Industry*, Butterworth-Heinemann, Oxford.

Incentives travel

The Society of Incentive Travel Executives (SITE), defines incentive travel as a global management tool that uses an exceptional travel experience to motivate and/or recognize participants for increased levels of performance in support of organizational goals (Swarbrooke & Horner, 2001). Incentive travel, for example, may consist entirely of leisure, sport and entertainment. But, even for conference delegates, visitors to trade fairs and individual business travelers, excursions to local restaurants and places of entertainment, or sightseeing tours, can be a way of relaxing at the end of the working day. Socializing in this way can be an important part of the business tourism experience for groups, as it gives delegates or colleagues the opportunity to unwind together and get to know each other on a less formal basis. Most incentive travels are won by individuals (or teams) who have sold, within a given period, the most units of whatever it is their companies make, whether these are tractors, insurance policies, pharmaceutical products or any other type of manufactured goods or services. For this reason, most of those who travel on incentive trips are members of their companies sales forces. Incentive travel is more effective than money at encouraging non-winners to try harder to win the next competition run by their company. The incentive travel winners absence from work and their subsequent return, full of stories of what they have seen and done on their travels make this a highly visible prize, as opposed to money, which is far less likely to be discussed with colleagues. Non-winners can be motivated to work harder to win next time when they hear their colleagues recount their incentive travels full of new experiences (Holloway, Humphreys & Davidson, 2009). The Meetings Market Report 2005, carried out by Meetings & Conventions magazine in the USA, indicated that the corporate sector spent c.US\$32 billion on over one million meetings attended by almost 80 million participants. 28 per cent of the respondents to the survey said they organized incentives, an increase of almost 8 per cent over figures from 2003. Incentive travel programs increasingly have an educational element for the participants. This can involve visits to factories and businesses in the same industry sector as that of the award winners, team-building programs and a conference-type session with an award presentation ceremony and announcements of corporate plans, designed to encourage the incentive winners to reach future performance targets. Other trends in incentive travel programs noted by Carolyn Dow, Director SITE European office, in a presentation to the UK Business Tourism Partnership Research Group (June 2001) were:

- smaller groups;
- shorter lead times;
- shorter qualification periods;
- more 'exotic' locations;
- active not passive programs, e.g. award winners engaging in outdoor pursuits activities rather than lounging by the hotel pool;
- many incentives now include a meeting – this is a way of delegates avoiding the need to be taxed on the benefit of the incentive trip.

However, it also makes good business sense to build a more formal work-related element into the incentive program (Rogers, 2008).

Congresses, conferences and conventions

All three types of experts meetings or travels are determined by the motive and exchange of business information. There are usually meetings of few different professions of people. Convention is adopted term for meeting in the USA, while, in Europe, the term conference is in use.

Conference is a participatory meeting designed for discussion, fact finding, problem solving and consultation. No tradition, continuity or periodicity is required to convene a conference. Although not generally limited in time, conferences are usually of short duration with specific objectives. Conferences are generally on a smaller scale than congresses (Pivac et al., 2016). An event used by any organization to meet and exchange views, convey a message, open a debate or give publicity to some area of opinion on a specific issue and it lasts up to 3 days (Štetić, 2011). The conferences of the United Nations have the greatest publicity and importance. One of them is a Conference of the UN about Sustainable Development, also known as Summit in Rio or The World Summit³. It had the international character on the highest level. It was held in Rio de Janeiro from 3rd June to 14th June in 1992. There were 118 Presidents or Prime Ministers from 178 countries. Documents which have been brought still have the global usage and represent the highest law that regulates some activities of different economies, countries and tourism has been also concerned. They are:

- “*Rio Declaration*“ about Environment and prevention of pollution;
- “*Agenda 21*“ which refers to a sustainable tourism in the world;

³ Summit is a meeting of heads of state or government on the highest level. It is organized with the aim of resolving certain international issues.

- “*Conventions about climate changes*” and other acts.
- Launch events for our contemporary conference were:
- The Conference of the UN about climate and fatal climate changes, held on 12th December in 2015 in Paris where the Paris Agreement on the Protection of the Planet Earth was reached;
- The Conference of the United States General Assembly, held on 22nd April, 2016 in New York in the cast of signing the Paris Agreement. After many years of environmental analysis in the world, Leonardo di Caprio, a famous actor and fighter for environmental protection had direct participation in the plenum, which gave a huge publicity to that conference in the world (www.un.org/climatechange/).

Convention is an event where the primary activity of the attendees is to attend educational sessions, participate in meetings or discussions, socialize, or attend other organized events. There is a secondary exhibit (exhibition) component. They can gather up to 4,000 participants (Pivac et al., 2016). Certain legal acts are usually adopted on these events or “conventions“, which have wide application and find its respect. They are: International Convention about Human Rights, International Convention for Environmental Protection, International Convention about Tourism and many other.

Congress is the regular coming together of large groups of individuals, generally to discuss a particular subject. A congress often lasts several days and has several simultaneous sessions. The length of time between congresses is usually established in advance of the implementation stage, and can be either perennial or annual. Most international or world congresses are of the former type while national congresses are more frequently held annually. Everything above mentioned forms the definition for congressional tourism.

Congressional tourism is a set of phenomena and relationships, which arise from the prime focus of marketing activity by venues and destinations, because decisions about where the events take place are open to influence (Štetić, 2007). The organizers of the event may have great flexibility in deciding where it is to be held, and are able to use their own judgment or discretion over the location choice. These events can be commercial or non-commercial and they last up to one week, but usually about few days, with simultaneous sections and they are organized on annual or perennial level. They are all to do with bringing people together, face-to-face, to exchange ideas and information, to discuss and

in some cases negotiate, to build friendships and closer business relationships, to encourage better performance by individuals and organizations. Each representative would have been accompanied by a substantial delegation of support staff and partners, requiring accommodation, social programs, lavish corporate entertainment, ground handling, not to mention state-of-the-art conference facilities. National congresses are more common than international and world-wide congresses. Congress tourism represents an excellent opportunity for developing long-term business, because it has been shown in practice that many foreign professional associations and companies plan their symposiums and congresses several years ahead. Because of this, it happens that some hotels are booked even a year in advance, which represents a completely different business philosophy from ours, which is mainly prone to improvisation (Bešić & Bogetić). Congressional tourism is a unique phenomenon as it is defined by the consumer or the visitor. Visitors buy goods and services both tourism and non-tourism alike. From a measurement standpoint, the key is associated with their purchases to the total supply of these goods and services within a country. According to the World Tourism Organization (UNWTO) about 30 per cent of international touristic movements belong to congresses. The number of congresses, counseling, conferences and meetings increases in all countries from year to year (Dragićević et al., 2009). Congressional activity is an exclusive sort of tourism, so the requirements are higher than in conventional tourism, because all the expenses are covered by the institutions. First, most business tourists take more trips in a year than the average leisure tourist does, thus making more demands on transport infrastructure and destination services. Congress tourists tend to be very demanding and want high quality facilities, even in towns and cities in developing countries. While both of these are difficult to reconcile with the concept of sustainable tourism, the positive side of congress tourism is the fact that they tend to be higher spending than leisure tourists. The analysis of the current situation in the world points to the most important features of congress tourism.

- They take place throughout the year in the cities ensuring permanent employment and permanent income, except during the summer holidays, when City-break tourism has no function in urban environment;
- Revives touristic sector and all kinds of activities they support play an important role in enhancing the overall quality of life in a community. This, in turn, ensures that 'careers' rather than simply 'jobs' can be offered to new entrants, which affects the economy.

- Destination becomes independent in relation to the tourist season, summer or winter, so there is an added benefit when organizing a congress;
- The greater spending power of business tourists means increased economic benefits for the host destination and a greater return on its investment in infrastructure and marketing;
- From investing in destinations for business tourists (hotels, restaurants, transport and communication, cultural and natural parts). This usually means showing delegates the most attractive, scenic parts of the destination in the hope that, by creating a memorable experience for them, many will return;
- Those organizing a congress will always be very keen to make sure that it is as successful as possible. One of the ways in which this can be achieved is by giving delegates and participants a pleasant, positive experience of the destination in which the event is being held.

Congresses beside educational and social aspects include and combine with numerous natural and cultural contents before, during or after the congress. Realization of all these business tourism forms, in particular, can involve a substantial leisure element. Incentive travel, for example, as a reward, may consist entirely of leisure, sport and entertainment. But, even for conference delegates, visitors to trade fairs and individual business travelers, excursions to local restaurants and places of entertainment, or sightseeing tours, can be a way of relaxing at the end of the working day. Socializing in this way can be an important part of the business tourism experience for groups, as it gives delegates or colleagues the opportunity to unwind together and get to know each other on a less formal basis. Congresses are important from the aspect of promoting national and tourist values of the host country, peace in the world and etc. (Štetić, 2007). Beside positive, congress and business tourism have fewer negative impacts on the environment than mass leisure tourism. It is concerned with smaller numbers, but much higher spends. It is characterized by the use of mass transfers and public transport within a destination that can cause traffic jam, increase crowding on parking places, restaurants, shops and other public places. These are usually present within the mountain and coastal destinations (Šušić & Mojić, 2014). With the proper planning, organization of a congress is possible to minimize any disruption and inconvenience to the local resident population. It is very much harder to manage, in the same way, the impact of individual leisure travelers on a destination. Congresses are considered as a basic form of city tourism though lately significant results are

achieved in the organization of all business meetings in the mountain and coastal destinations.

Organization and realization of a congress

According to the estimates of some authors over 1% of total touristic movements belongs to participants of congresses. According to the elements of which congress offer is compiled, we differ (Štetić, 2007) congress offer (in a wider sense) which covers all services of economic and non-economic activities intended to meet needs of congress tourists. Those organizing a congress will always be very keen to make sure that it is as successful as possible. One of the ways in which this can be achieved is by including touristic attraction, natural beauties, climate, ethno-social elements (folklore, culture, food, original traditional music, traditional handicrafts, customs etc.), cultural heritage and other values. The proper example of organizing a congress is a place with adequate facilities offering a delegate a pleasant, positive experience of the destination in which the event is being held. This usually means showing delegates the most attractive, scenic parts of the destination with additional activities. There are basic elements for presenting a congress offer: congress rooms: congress center, congress building and a congress hall within a hotel or a fair space; technical devices or equipment; accommodation where the congress is held, in a city or nearby; traffic facilities - air, rail and road traffic. As for coastal congress towns (Bar, Athens, Bari, Rotterdam), passenger shipping might be important as well as congress bureau with trained and qualified staff for giving information and organizing congresses. Today, the congresses have been organized by various of institutions. Some of them are tourist organizations which are composed of departments for organization of congresses, Congress Bureau (in Serbia Congress Bureau of Belgrade and Congress Bureau of Serbia) and professional congress organization within hotels and congress centers. Such an organization operates within the Sava Congress Center in Belgrade. In one conducted survey among 124 tourists of different age and professions, 58.06% of examiners, information about events search in within tourist organizations and agencies, which shows that national organizations are significant in promotion and organizing all events in Republic of Serbia (Trišić, 2017). Quality congress with achieved results of work is well planned a lot of time in advance. That period is from one to several years. Top international congress countries and cities in 2015 and in 2016 are shown in:

Table 2: *Countries with the highest number of congresses in 2015 and 2016 in the world*

rank	country		city	
1	USA	930	Singapore	736
2	South Korea	891	Brussels	665
3	Belgium	737	Seoul	494
4	Singapore	736	Paris	362
5	Japan	634	Vienna	308
6	France	590	Tokyo	249
7	Italy	480	Bangkok	242
8	German	472	Berlin	215
9	Spain	385	Barcelona	187
10	Austria	383	Geneva	172
2016				
rank	country		city	
1	South Korea	997	Brussels	906
2	Belgium	953	Singapore	888
3	Singapore	888	Seoul	526
4	USA	702	Paris	342
5	France / Japan	523	Vienna	304
6	Spain	423	Tokyo	225
7	Austria	404	Bangkok	211
8	German	390	Berlin	197
9	Netherlands	332	Barcelona	182
10	Thailand	279	Geneva	162

Source: *UIA (2016, 2017): International Meetings Statistics Report.*

The given data impose the conclusion that the USA was the leading country in 2015, but in 2016 South Korea was on the top place. That could be connected with the high political meetings and current situations in certain regions where South Korea is the leader. In Belgian city of Brussels in 2016 there were 906 congress meetings. The reason for that is because Brussels is the seat of the Council of the European Union (Council of Ministers) and the seat of the European Commission. In 2016, it is followed by Singapore, Seoul, Paris and other cities. According to ICCA (International Congress and Convention Association), 57% of congress manifestations happen in Europe, 21% in the region of Asia, Pacific and Australia, while 11% are held in the USA and Canada. The average congress duration is 3.9 days, the average consumption per delegate is about US\$2,000, while the average registration fee is US\$526.

Nowadays, delegates stay shorter than the few years ago, when the average retention was measured more than four days. Today, the total number of participants in congress meetings have been increased (Šušić & Mojić, 2014).

Fair events

Fairs represent special promotional events where the supply and demand are met, at the right place, at the right time, in order to make possible exchange or in order to make a purchase contract (Cvijanović, 2016).

The purpose of the fairs is to encourage sales, promote new products, maintain the already-existing or make new contacts among experts and to enable the exchange of ideas and information among exhibitors, experts and visitors (Pivac et al., 2016). According to the same source, the fairs can be divided into three categories: consumer, commercial and private. The fairs carry their own labels in the way of trading: B2B (Business-to-Business) means that companies do business activities (contracting and trade) among themselves; B2C (Business-to-Consumer) implies that companies sell goods to ultimate consumers through sale softwares or personally. For example fairs of tourism where tourists can become owners of the arrangements; B2C trade can be realized with the software for selling goods or services. The example of this is on-line trading, e.g. Amazon; C2B (Consumer-to-Business) is the way of e-trade which implies that buyer makes a project and company makes a bid. The buyer chooses a company; C2C (Consumer-to-Consumer) is the way of trade where buyer sells to buyer. It is done through advertisements, forums or selling sites, where individuals buy and sell their stuff. The most famous is “eBay“, i.e. “Kupujem-Prodajem“, “Limundo“ and “Kupindo“ in Serbia; B2G (Business-to-Government) is the way of e-trade between the company and the government. The biggest tourism fair is held in Berlin which dates from 1966 under the name of Internationale Tourismus Börse (ITB). It covers all aspects of traveling: tourism of certain countries, tour operators, booking systems, IT and communication systems, air traffic, hotels and hospitality industries and other contents. It is designed as B2B. The event brings together prominent people from the tourism industry to network, negotiate and do business. ITB hosted 10,000 exhibitors and 196,000 visitors of which 120,000 are trade. It covers the showground of 150,000 square metres (Jovanović, 2015). It takes place at the beginning of March. It is also important to mention International tourism fair in Milano “BIT Milano“– Borsa Internazionale del Turismo. It started in 1980. It is held every year in April. In the 2017 there were over 2,000

exhibitors and 60,000 visitors (<http://bit.fieramilano.it/?lang=en>, 2017). New strategy of BIT fair is the division of the market into segments according to forms of tourism and not in geographical forms. There are segments of tourist products which combine cultural tourism, wine gastronomic tourism, luxury tourism, MICE tourism and other forms of special interests (Jovanović, 2015). Also well known tourist fairs in Europe are the ones which are held in London (WTM – World Travel Market) and in Moscow (MIIT – Международная Туристическая Выставка) (Cvijanović, 2016). Among the well known fairs in the Republic of Serbia from the business aspects are: International Construction Fair in Belgrade, International Agriculture Fair in Novi Sad, International Book Fair, Wine Fair “Beowine“, Catering Equipment Fair “HORECA“ as a part of tourist fair, International Nautics, Hunting and Fishing Fair, International Car Show, International Motorcycles Fair, International Horticulture Fair “Beoplant fair“ and many others. During these events there are significant consumption of exhibitors and visitors. It is important to note that nowadays fairs are organized as a group visit by elementary schools, secondary schools and faculties. Therefore, fairs intensively have complementary character of touristic travels.

Exhibitions

Exhibitions are business tourism segments which are the prime focuses of marketing activity by venues and destinations, because decisions about where the events take place are open to influence. They organize public presentations and display a selection of trade items. In practice, exhibitions usually occur within museums, galleries and exhibition halls, and World fairs. They include many things such as art in major museums and smaller galleries, interpretive exhibitions, natural history museums and history museums, and also varieties such as more commercially focused exhibitions and trade fairs. Commercial exhibitions, generally called trade fairs, trade shows or expos, are usually organized so that organizations in a specific interest or industry can showcase and demonstrate their latest products, service, study activities of rivals and examine recent trends and opportunities. Some trade fairs are open to the public, while others can only be attended by company representatives (members of the trade) and members of the press. They gather a large number of visitors and they are also part of business tourism. The important thing is the multiplier effect that is achieved by holding exhibitions. These effects imply on the realization of total wealth in destination, region or the whole country. The multiplier of direct and

indirect consumption is 7. This means that each dollar paid to the organizer for the ticket or exhibition fee is multiplied from 7 to 10 times. The information is given about the funds that are spent in the region at the time of the exhibition (Štetić, 2011). Professional exhibitions are used for many business strategies such as: product launches, attendance as an exhibitor at trade and consumer shows organized by specialist exhibition organizers or trade associations. Also attendance as a corporate visitor ('buyer') at the trade shows. Trade shows are temporary events in different recurring intervals where new products and services are presented. The number of trade fairs is steadily increasing worldwide. Exhibition may include the organization of an exhibition to run alongside its own conference; also participation in other industry trade shows as an exhibitor. Trade associations are also primary exhibition organizers. The first international exhibition EXPO was held in London 1851 by Prince Albert, the husband of Queen Victoria. There were 14,000 exhibitors and more than 6 million of visitors and it is considered a pioneer of great world exhibition. According to the data of UFI (The Global Association of the Exhibition Industry) 31,000 of exhibitions are realized annually in the world on 124 million of square meters indoors where exhibited 4.4 million of companies with 260 million of visitors. According to the same source, in 2010 there were achieved US\$53.17 billion, of which in Europe were US\$18.18 billion (UFI) Exhibitions and trade shows are generally targeted at an industry or particular audience. Exhibiting at a trade show can be a great way to advertise to a target market and create brand awareness. This provides with a perfect platform to promote the product or service to visitors who may have little or no knowledge of the products and services. Depending on the type of business, product and market testing can be carried out at trade shows and exhibitions to gain industry or general opinion about the offering. Being involved in a trade show or exhibition it can provide opportunities to branch out to business-to-business trading and create a customer database from the visitors to the stand. Exhibitions are the unique events and they can last up to few months, rarely a month. They differ from fairs and in the way of doing business: at fairs goods are bought and sold, while during the exhibition most often no sale is made (Štetić, 2011).

Conclusion

This paper presents various data which refer to business tourism in some regions and economic sectors of different countries. Business travel is now a truly global industry, with over two hundred countries vying for a

share of the lucrative international conferences and meetings which brings additional benefits on the all economy levels. It revives the destination through new jobs and there is a multiplied effect of money capital as well as the fact that the realization of the business meetings extends the tourist season. Also the positive side of business tourism is the fact that business travelers tend to be higher spending than leisure tourists, because all their costs are paid in advance. Travelling in order to attend a meeting of some kind is one of the most widespread forms of business tourism. Meetings take many forms and vary enormously in size and purpose, but the meetings that stimulate business tourism are primarily those organized with an objective linked to the attendees' professional activity. They spend more money than leisure tourists. According to the World Tourism Organization (UNWTO) about 30 per cent of international touristic movements belong to congresses. The number of congresses, conferences and meetings are increased from year to year. The reason is that with the business program activities this trip includes: transport of participants, transfer from airport to hotel or resort, accommodation and food, additional services in hotels, various program activities, excursions, events, animations etc. In total, it forms a special tourist product intended for users in business tourism. Year after year, the number of meetings, incentives travel, congresses and conferences growing in all countries. Significant categories of business travel can be classified as: social meetings, various meetings on military level, educational meetings and religious meetings. Many world cities are becoming recognizable by business tourism. There are many conference centers in these cities. Their city centre locations, sheer vastness and often iconic designs mean that these buildings are certainly the most visible indication that any city is active in hosting large meetings. When these conference dollar bills are spent by visitors to the city, this means that 'new' spending is coming into local businesses such as shops, restaurants, entertainment centers and taxis. Furthermore, when a proportion of the delegates originate from abroad, their spending represents a boost in foreign exchange earnings for the destination. Many conference centers have become important symbols of the cities in which they are located. It is Hong Kong, New York, London, Paris, Brussels etc. Long before the first conference centers were built, meetings were regularly taking place in rooms designed for the purpose in inns and hotels and, to this day, they remain the preferred type of venue for most of the world's meetings. Whether hotels are situated in city centers, suburban locations, airports or rural areas, most depend to a significant extent on the income they earn from renting out their meetings rooms and the conference-related spending on catering and (for

residential events) accommodation. Many hotel chains have branded their meetings facilities to ensure that customers using them are assured consistent standards of facilities and quality, wherever in the world a particular hotel may be located. It is already evident from the above that the planning of meetings today can be a highly complex task. The destination and the venue must be chosen, the attendees' travel and, if necessary, visa requirements must be taken care of and their accommodation arranged, plus topics and speakers for the event must be selected. Some conferences, such as those of associations, must be marketed to prospective attendees and registration payments processed. At the actual event, someone must organize appropriate security measures, particularly if VIP attendees or speakers are involved, and someone must liaise with and manage the providers of audio-visual and catering services, all analyzed in this paper, can be the subject of future research.

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CITY BRANDING STRATEGY AS A CONDITION FOR ACTIVATING DEVELOPMENT POTENTIALS

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Abstract

City branding strategy is one of the most important conditions for activating development potentials, primarily in the city area, but also in a broader context. The purpose of a city branding strategy is to develop a unique image of a city as an attractive and competitive place. The aim of this paper is to emphasize the role and significance of a brand strategy in the process of city development, that is, in creating, attracting and retaining the best organisations, professionals, investors, events, tourists and media attention. The paper presents the results of the empirical research carried out in the town of Vranje, Serbia, using a specially designed questionnaire. The responses were collected in October and November 2017 from 195 inhabitants and 194 visitors of this town. The results of the research clearly indicated what should be key elements for branding Vranje in the future.

Key Words: *city brand strategy, brand elements, city branding*

JEL classification: M31, Z32

Introduction

Cities have always been brands (Anholt, 2003). Throughout history, almost every city ruler has sought to make his city special and attractive. These efforts are also present in modern times. Cities are still competing to attract and retain the best organisations, professionals and investors and thus improve their position on the location market. 'In today's globalised and networked world, every place is competing with other places for its share of consumers, tourists, entrepreneurs, investors, capital, respect and attention. Cities as generators of economic development are increasingly

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in the focus of the international race for the funds, talents and fame' (Prophet Consultancy, 2006.). In order for cities to be successful in this race, it is necessary to be successful in branding, that is, highlighting their own brand. Location (place) branding represents a wider framework for city branding. Simon Anholt, one of the leading experts in this field, defines place branding as 'a sum of people's perceptions of a city, country or region' (Anholt, 2005, p. 297). Place branding has become the basic concept for promoting local competitiveness. The purpose of branding is to develop the image of a place as an attractive and competitive location within the desired target group, in order to further influence individual and institutional decisions that will have beneficial effects on the city, region or state. The aim of this paper is to point out the significance and role of the brand strategy in activating the development potential of cities. The first part of the paper is devoted to theoretical concepts of city branding, brand strategy and key brand elements. The second part of the paper presents the results of the empirical research carried out in the town of Vranje, Serbia, with the aim of gathering data that can identify the key factors of this town's brand in the future. Key research questions are: (1) What should the town of Vranje become in the upcoming period, and (2) What should the town of Vranje be proud of?

The concept and importance of city branding

Places and regions can gain and retain a competitive advantage and increase their significance through branding. Place branding implies finding ways to integrate culture, history, economic and social development, infrastructure, architecture, and other components into a unique identity that would then be offered for 'sale' (Zhang & Zhao, 2009).

This is what sustains a community, attracts and retains people, organisations, events, visitors and institutions that are necessary for a place development.

Branding represents an aspect of strategic approach to city management, with the aim to achieve economic, social and political goals. The condition for successful branding is to respect the historical identity of the place in combination with global and local content (Kaluderović, 2011). City branding should be perceived as a long-term investment rather than an expense. The positive effects of city branding can surpass the value of invested resources by far.

The powerful city brand offers many advantages:

- Involves citizens, that is, encourages them to think differently about their city;
- Raises self-esteem and pride in the city;
- Attracts talents and staff;
- Attracts new investments;
- Attracts tourists;
- Maintains the existing and creates new business, social, cultural and emotional relationships in terms of encouraging the development of the local economy;
- Changes the negative image of the city;
- Contributes to improving the quality of life in the city.

Just like a well-known company, a famous city, region or state will easily find ways of selling their products and services, find the best workforce, a greater number of visitors, tourists, investors and events. The city brand is what marks and interprets the overall quality and character of a place and enables its description, interpretation and connection with certain features, characteristics, values and emotions. This is a way of promoting the city on several levels, from physical to emotional, or psychological (Paliaga, 2007).

Cities learned about branding from corporations (Hankinson, 2007; Kavaratzis, 2009; Saraniemi & Ahonen, 2009). There are significant similarities between corporate brands and city brands. Corporate branding is not focused on a single product or service, but influences the culture of a corporation (beliefs, values, attitudes, corporate behaviour, its vision, mission and primary goals). Similarly, city branding does not focus on an individual symbol that represents the city, but creates a wider image and represents the city as a whole. Also, location and product branding have often been compared in literature. Some authors believe that city branding and location branding are very similar (Paliaga, 2007). On the other hand, some think that there are significant differences between location branding and product branding. First of all, products can be modified in ways that specific locations cannot. For example, products can be changed, withdrawn from the market, re-manufactured, or replaced with improved products. Such alternatives cannot be quickly applied to location branding. City image problems are often caused by structural issues, and solving them implies a long-term commitment. Secondly, the development of location brands requires analytical and interpretive

approaches that are usually not applied on product branding. Thirdly, location brand building activities are much more complex than those for product brand. Fourthly, location brand managers can significantly differ from product brand manager (Cozmiuc, 2011). It is clear that opinions in theory and practice of city branding differ. In any case, it is possible to establish a compromise between these opposing attitudes. It is certain that modern city branding is based on experience in company, product and service branding. However, over time, in theory and practice of city branding, new and specific patterns have appeared. Various marketing activities have been connected and crossed in order to properly explain what the city brand is and what it offers (Dejanović & Ljubojević, 2015). In that sense, modern marketing is focused on branding.

Every place is a complex system, and the essence of efficient branding is simplicity, which is not easily achieved. Facts about a city should be realistically and objectively considered. Therefore, it is important that experts who participate in such projects are not from the place in question. Not only to empower the team professionally, but also to avoid subjectivity and set realistic foundation for branding. Approaches such as 'we can do it ourselves', 'we know best' and 'nobody knows our city better than us' can be very harmful. Also, it should be emphasized that excessive embellishment is very dangerous, as it creates an unrealistic idea of the city. Reality always wins the illusion, so this kind of brand investment would be futile. The damage will cause long-term consequences, as unfulfilled expectations will have a negative effect on internal and external public (Mihevc, 2015).

Visible and invisible elements of the city brand strategy

The city brand implies a sum of elements that can be visible and/or invisible (Cleave et al., 2016). Depending on their choice and combination, a unique city brand is created. The main visible elements of a city brand are:

- City name;
- City logo;
- City slogan.

A brand name is one of the most important criteria for its identification and differentiation on the market. The significance of the name is best illustrated by the Latin saying "Omen est nomen" - name is destiny. The name is a part of the brand that can be pronounced. The word "logo" has

Greek origin and means an imprint. This term originally referred to print making using wooden or stone plates and cylinders. Later, it was included in the dictionary of graphic and printing crafts to denote molds for letters. With the advancement of technology in this field, wooden molds were stopped being used, but the term logo remained. It kept the same meaning and was related to the definition of an appropriate graphic, printing form (choice of type, shape, font size, numbers, punctuation marks, images, symbols). Today, this term is most often used to indicate the graphic form in the organisation (Nikolić et al., 2015). In practice, three types of logos are used: (1) Textual; (2) Graphic; and (3) Combined.

A slogan is a short message (statement) that reflects the mission, vision, or basic strategy and brand objectives. It contains only a few words that are, as a rule, underlined with the brand name to strengthen brand recognition (Dejanović et al., 2014). It is, in fact, a verbal message that reflects the essence of the brand. The process of communication is very important in creating and improving the relationship between the public and the brand and, therefore, the slogan should be carefully designed in order to meet several basic criteria:

- Clarity;
- Complexity;
- Simplicity;
- Originality;
- Attractiveness;
- Relevance;
- Persuasiveness.

Different approaches are used when creating advertising slogans: (1) Cognitive; (2) Affective; and (3) Behavioural. The main characteristics of these approaches are presented in Table 1.

Table 1: *Basic approaches to the formulation of slogans*

Approach	Direction of the message	Wanted reaction	Characteristics of the message
Cognitive	Reason	Think	Facts, information
Affective	Emotions	Feel	Desires, associations, fantasies
Behavioural	Behaviour	Do	Recommendations – buy, taste, visit, contact!

Source: *Adapted from Nikolić, Stanković, Dejanović (2015)*

Invisible elements include everything that the brand represents, but is not in the domain of sensory perception. Unlike the visible elements, that are on the surface and form the external image, invisible elements are the internal energy of the brand. The invisible elements include tradition, ethics, emotionally charged elements, basic values which the city believes in and seeks to affirm. In the professional literature, the composition of the visible and invisible elements of the brand is represented as an iceberg (Brand Iceberg). Only the tip of the iceberg is visible, because it is above the surface of the water. This part represents only 15% -20% of the iceberg. However, the majority is invisible, because it is under water. The fact that it is invisible does not mean that it does not exist. Thus, the overall dimensions of the iceberg can be determined only if both parts are considered. The brand structure can be shown in the same way. Visible elements attract attention, but the full purpose of the brand cannot be achieved without invisible elements (Ljubojević & Dejanović, 2017). This approach (Brand Iceberg) has different modifications. For example, some authors understand the relationship between the visible and invisible elements of the brand in a philosophical way, as the relationship between form and essence. Visible elements are viewed as a form, and invisible as the essence of the brand (Table 2).

Table 2: *Visible and invisible brand elements*

Visible brand elements	Invisible brand elements
Form	Essence
Words/picture	Actions/behaviour
Expectations	Experience

Source: *Adapted from Ljubojević, Dejanović (2017)*

In the first stages of brand development, priority was given to visible elements. Brand owners wanted to draw attention and, therefore, they used visible elements in advertising campaigns. These elements can be relatively easily managed and used to achieve short-term goals. However, the strengthening of competition and the development of consumer awareness have caused radical changes in the market. In modern conditions, it is no longer enough to attract attention, but it is necessary to build a reputation and use it to gain the trust of consumers, i.e. service users. Trust creates loyalty, and loyalty has a positive impact on sustainable development and brings a long-term profit. That is not possible without managing the invisible elements of the brand.

The importance of invisible elements is emphasised in the modern concept of the brand. In addition to that, their consistency and connection with the visible elements is highlighted. It has been proven that visual constants, well-designed advertising campaigns and attractive promises must have a solid and reliable basis that is composed of invisible elements. Without this basis and support, the brand will be very unstable. The strength of the brand stems from its homogeneity, or consistency. This practically means that any 'crack' in its structure diminishes chances for success.

When it comes to city branding, the invisible elements of the brand are reflected in the intangible heritage of people living in it (mythology, legends, stories, memories, customs, rituals, events, habits). That is a way of life in a city, the moment when the city awakes, the way people in the city go to work (on foot, by bicycles, buses, trams, metro), how they communicate, how they spend their free time and how they have fun. Similarly, as any company that operates in today's dynamic and unpredictable business environment must be focused on employees as they are its most important resources (Petković & Lukić, 2013; Lazarević & Lukić, 2015), the inhabitants have a big role in city branding (Hendrik et al., 2016). Many authors and practitioners say that one of the most common mistakes in the city branding process is the fact that the population of that city is not included, because the inhabitants are not only an integral part of the city, but also its ambassadors (Herezniak, 2017). On the other hand, some city slogans underline that their inhabitants are the central part of the brand (slogan 'People Make Glasgow') - their wits, creativity, intelligence, behaviour, hospitality, cordiality (BBC, 2013).

A strategic approach to city branding

Creating and implementing the brand strategy is the primary task (starting basis) of brand management. The strategy of city brand management should be a vital part of the development strategy of each city.

An effective brand strategy is focused on change - from the existing towards the desired state. This is a necessary condition for the development of the city in a dynamic and competitive environment. Different approaches to defining the brand strategy can be found in literature and consulting practice.

Holt (2003) defined four basic steps for brand strategy development:

- Setting brand targets;
- Mapping the existing brand culture;
- An analysis of competition and environmental conditions in order to identify brand opportunity;
- Designing a strategy - paving the way towards the target brand culture.

The order of these phases does not correspond to the appropriate strategic process. The usual procedure is to first examine the internal and external factors (analysis), then define the goals and strategy (selection), and then proceed with the realization of the strategy, or the construction of the desired brand culture (change).

Keller (2007) views the strategic brand management process as building, measuring, or managing the values of the brand. Accordingly, this process includes four stages:

- Identifying and establishing a brand position;
- Planning and implementing marketing programmes related to brand development;
- Measuring and interpreting brand performance;
- Growing and maintaining brand values.

The first step starts with a clear understanding of what a brand is, what it represents and how it can be positioned in relation to the competition. This requires a precise definition of key brand associations - the characteristics and values that best describe the brand. In addition, at this stage it is necessary to consider the brand promise. This is a way to define the 'heart and soul' of the brand, which is the basis for building an effective brand strategy.

The second step involves planning and implementation of marketing programmes in which the brand is integrated. Basically, this phase represents the process of communication and creation (improvement) of the relationship between the brand and consumers, i.e., service users. The visible and invisible elements of a brand carry important information and the communication is focused on creating and strengthening the desired brand associations, highlighting the values incorporated in the brand, and provoking appropriate responses from target groups.

In the third phase, it is necessary to assess and interpret the achieved results as realistically as possible. This is achieved by establishing a brand equity measurement system capable of showing brand performance from the perspective of consumers, but also from the perspective of the organisation (city). The primary goal of this system is to provide timely, accurate and meaningful information for decision-making process.

Finally, in the fourth stage, activities are focused on the growth and preservation of brand values. It is necessary for these activities to be coordinated and constantly re-examined according to the dynamics and nature of internal and external changes.

Branding is viewed as art and science that identifies and meets human, physical and emotional needs by grasping attention, imagination and emotion (Mootee, 2005). This author believes that the brand strategy should include the following parts:

- Brand vision;
- Brand promise;
- Brand identity;
- Projection of the brand position;
- Brand architecture.

Also, this author points out that brand strategy needs to be coordinated with the organisation strategy and well planned, that is, used in tactical and operational plans, in order to be successful. Finally, it is important to control (measure) the achieved results and take the corrective action in order to maintain and improve the brand vitality in the long run.

Deborah Roedder (2006) presented her model of strategic brand management (BLIP - Building, Leveraging, Identifying, Protecting) that includes four basic elements: (1) Building the brand; (2) Leveraging the brand; (3) Identifying the brand; and (4) Protecting the brand. Protecting the brand is especially highlighted as an important element of strategy. That does not imply only legal protection, but also taking measures and activities that will protect the essence and reputation of the brand.

There are many elaborated algorithms and models for defining the brand strategy, based on the previous notes in academic circles and in consulting practice. However, most of these models imply that the brand strategy includes (Nikolić et al., 2015):

- Brand mission;
- Brand vision;
- Brand identity;
- Projection of brand position;
- Brand architecture;
- Brand communication;
- Brand metric.

Certainly, the content and form of the city brand strategy is not uniform. Some cities that have great ambitions in tourism have incorporated their brand strategy into tourism development strategies³. For example, this case is relatively common in Croatia. At the end of 2017, the city of Korcula, which is located in the northeastern part of the island with the same name, presented a new tourism development strategy for the next ten years. The brand strategy of the city of Korcula consists of: (1) mental maps, or city pictures; (2) brand personality; (3) key brand identity elements and (4) brand promise (Quadrans Consulting, 2017). The first part of this brand strategy, that describes the mental image of Korcula in seven dimensions (natural beauty, tradition and past, culture, values, emotions, experiences, relaxation and enjoyment) is particularly interesting. The intention to show the city in this way should result in the creation of an idyllic image of this small island, that is, the Mediterranean city of a rich past and culture that offers extraordinary opportunities for a pleasant stay and vacation.

The concept of the research

In order to obtain the information necessary for the process of formulating the city brand strategy, an empirical research was carried out in Vranje using a specially designed questionnaire that was answered by inhabitants and visitors of this town. In addition to demographic questions, the questionnaire consisted of questions related to the way in which the respondents see the town of Vranje in the future. The questions were designed in a way that, based on the respondents' answers, the specificities of this city (the factor of differentiation) can be identified, which will serve as a guide for the development of city brand. Key

³ It should be emphasised that city branding is not the same as the promotion of tourism. Although these two concepts have many common elements, there are also significant differences between them. City branding is a much wider concept, so tourism promotion is not enough for city branding.

research questions were: (1) What should the town of Vranje become in the upcoming period, and (2) What should the town of Vranje be proud of? The questionnaire was available in paper and electronic versions, both in Serbian and in English, and the process of completing the questionnaire and collecting data lasted in October and November 2017. During that period, a total of 195 inhabitants and 194 visitors of Vranje responded to the questionnaire. All collected data were processed using Statistical Program for Social Sciences, known as **SPSS**.

Key Sample Characteristics

Key demographic characteristics of respondents who participated in the research - their gender, age and educational structure, are shown below. Table 3 shows the gender structure of the respondents. Out of the total number of inhabitants of the town of Vranje who participated in the survey, 51.3% were female and 48.7% were male. Out of 194 visitors of Vranje who participated in the survey, two respondents did not give a responsible answer regarding their gender. Out of 192 respondents who answered this question, 52.6% were female and 46.4% male.

Table 3: *Gender structure of the respondents*

	Inhabitants		Visitors	
	Frequency	Percentage	Frequency	Percentage
Female	100	51.3	102	52.6
Male	95	48.7	90	46.4
Missing Answers	0	0.0	2	1.0
Total	195	100.0	194	100.0

Source: *Authors*

Results related to the age structure of the respondents who participated in the research are shown in Table 4. The majority of inhabitants of the town of Vranje who participated in the survey age between 36 and 45 (26.7%), followed by those who age between 26 and 35 (22.1%). The smallest number of respondents age between 46 and 55, and then there are those between 18 and 25 years of age (15.9% and 16.9%, respectively).

The largest number of visitors of Vranje who participated in the survey were between 36 and 45 years of age (28.4%), then those between 46 and 55 (20.6%). The smallest number of residents were the respondents

between 18 and 25 years of age and those older than 55 (16% and 17%, respectively).

Table 4: *Age structure of the respondents*

	Inhabitants		Visitors	
	Frequency	Percentage	Frequency	Percentage
From 18 to 25 years	33	16.9	31	16.0
From 26 to 35 years	43	22.1	35	18.0
From 36 to 45 years	52	26.7	55	28.4
From 46 to 55 years	31	15.9	40	20.6
Above 55 years	36	18.5	33	17.0
Total	195	100.0	194	100.0

Source: *Authors*

The educational structure of the respondents who participated in the research is shown in Table 5. The largest number of inhabitants of the town of Vranje who participated in the research has completed Bachelor's and Master's degree studies (55.9%) while 29.7% graduated from high school. The smallest number of respondents are those who have primary school and PhD studies (1% and 2.6%, respectively).

The largest number of visitors in Vranje has completed Bachelor's and Master's degree studies (39.2%), followed by those with high school (32.5%). The smallest number of respondents have primary school and PhD studies (3.6% for both groups).

Table 5: *Educational structure of the respondents*

	Inhabitants		Visitors	
	Frequency	Percentage	Frequency	Percentage
Primary School	2	1.0	7	3.6
High School	58	29.7	63	32.5
College	21	10.8	41	21.1
Bachelor and master studies	109	55.9	76	39.2
PhD studies	5	2.6	7	3.6
Total	195	100.0	194	100.0

Source: *Authors*

Research results

Respondents who participated in the research had to answer the question what, in their opinion, the town of Vranje should become in the upcoming period. The results are presented in Table 6.

Out of the total number of inhabitants who answered this question, 41% of the them think that the town of Vranje should become an industrial city in the following period, 23.6% of the inhabitants see Vranje as a tourist town, 16.9% of inhabitants see Vranje as a university town, while 11.8% of inhabitants see Vranje as a town of culture in the following period. The largest number of visitors responded that Vranje should become a tourist city (36.6%), followed by those who see it as an industrial city (23.2%) and a city of culture (16.5%).

Table 6: *Respondents' answers to the question how they see the town of Vranje in the upcoming period*

	Inhabitants		Visitors	
	Frequency	Percentage	Frequency	Percentage
Industrial city	80	41.0	45	23.2
Tourist city	46	23.6	71	36.6
University city	33	16.9	18	9.3
City of culture	23	11.8	32	16.5
City of sport	5	2.6	10	5.2
Shopping city	3	1.5	16	8.2
City of love	1	0.5	0	0.0
City of culture and tradition	1	0.5	0	0.0
Missing Answers	3	1.0	2	1.0
Total	195	100.0	194	100.0

Source: *Authors*

When asked what the town of Vranje should be proud of, respondents had the opportunity to give multiple answers - up to three answers. Results are presented in Table 7. The largest number of inhabitants of Vranje responded that Vranje should be proud of its history and tradition (66.15%), followed by music (34.36%) and gastronomy (29.74%). Also, a certain number of inhabitants think that Vranje should be proud of its economic potentials (24.62%), the virtues of people living in Vranje (17.44%) and old crafts (16.41%).

The largest number of visitors think that Vranje should be proud of its history and tradition (72.68%), followed by music (53.09%) and gastronomy (38.66%). Also, a certain number of visitors believe that Vranje should be proud of the old crafts (27.32%) and the virtues of people living in Vranje (25.77%).

Table 7: *Respondents' answers to the question what Vranje should be proud of*

	Inhabitants		Visitors	
	Frequency	Percentage	Frequency	Percentage
History and tradition	129	66.1	141	72.7
Music	67	34.4	103	53.1
Gastronomy (food and drink)	58	29.7	75	38.7
Economic potentials	48	24.6	40	20.6
The virtues of its people	34	17.4	50	25.8
Old crafts	32	16.4	53	27.3
Ecology (healthy environment)	7	3.6	11	5.7
Sport	1	0.5	0	0.0

Source: *Authors*

Conclusion

City branding represents a means of achieving competitive advantage and activating the city development potential. This process is very complex due to a large number of stakeholders, whose requirements need to be harmonised and fulfilled. In this sense, city brand should be suitable for residents, visitors, but also for business people or investors. The common requirements of all target groups can serve as the basis for defining the city brand strategy, as well as for the projection of long-term development goals.

The brand strategy, as a rule, includes the following parts: (1) brand vision; (2) brand promise; (3) brand identity; (4) projection of brand position; (5) brand architecture; (6) brand communication and (7) brand measuring system. All elements are very important, but in theory and practice of city branding, the construction of brand architecture is particularly challenging. Cities are parts of a wider territory (region, state)

and it is certain that this framework significantly determines the position of the city brand. It can be said that the state brand or region brand represents a wider framework for determining the city brand. On the other hand, the city brand is an 'umbrella' for brands that are developed in this smaller area. Therefore, state, region and cities represent a large 'family' of brands that shares many common characteristics and values. However, at lower levels of branding, brands must have a certain degree of autonomy, as they should have enough 'space' to show their particularities.

In order for the brand strategy to be successfully realised, it is necessary that all stakeholders participate in its designing and implementation. This is a way to ensure the affirmation and harmonisation of different interests in the process of city branding. Due to that, the city brand gets a wider purpose, but also a stronger support. In addition to this, it is important to determine the organisational or institutional framework in which the brand strategy is created and realised. The project principle is applied in most cities. Project management is mainly entrusted to the city council, committee or board that consist of the most responsible city leaders. At a lower level, teams consisting of experts from different fields are formed (architects, urban planners, designers, historians, sociologists, marketing experts, etc.). Their task is the realisation of individual activities in the design and implementation of brand strategy. Apart from them, the so-called 'brand ambassadors', mostly celebrities, who need to adequately present the brand to a wider audience, are included in the project. Consultants, or specialised agencies that deal with city branding, have an important part in such projects. Also, the role of non-governmental organisations (citizen associations), whose main goal is to identify and protect interests of minority groups in the branding process, should not be ignored.

In this paper was conducted an empirical research in the town of Vranje, Serbia, in order to find out how inhabitants and visitors see the brand of this town in the future. In the survey, which lasted during October and November 2017, 195 inhabitants and 194 visitors of the town of Vranje participated. The results of the research have shown that the largest number of inhabitants of Vranje sees this town as an industrial town in the future, as opposed to visitors who see this city as a tourist town. On the other hand, inhabitants and visitors in most cases answered that the town of Vranje should be proud of its history and tradition, as well as music. In

this way, we got clear signals regarding which elements should be the basis of the brand strategy of Vranje.

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HOTELS INVOLVEMENT IN PROMOTIONAL ACTIVITIES OF BELGRADE AS A TOURIST DESTINATION

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Abstract

The involvement of hotels in promotional activities of the tourist destination of Belgrade is analysed based on the questionnaire addressed to 44 hotels. They confirmed cooperation with Tourist Organisation of Belgrade (TOB), but that cooperation is not satisfactory for them. Only 37% of respondents have help from TOB in promotional activities of hotel, while hotels involved in promotional activities organised by TOB only sometimes do. Relatively small percent (22%) have received free promotional materials from TOB. Also, 50 and 40% of respondents consider that Tourist Organization of Serbia and the relevant ministry, respectively, promote Belgrade as a tourist destination in an inadequate way. Nevertheless, all respondents expressed their readiness to participate in the joint promotion of Belgrade tourist offer, but so far only some of them have been involved occasionally in the preparation of promotional material or the development of programs, and that only 12% of the hotels were contacted for participation on fairs.

Key Words: *Belgrade, hotel, promotional activities, tourist destination.*
JEL classification: L83

Introduction

The expansion and growth of tourism after the Second World War have taught this business branch one of the fastest growing ones. At the transition between the 19th and 20th centuries, tourism has progressed rapidly thanks to the development of transport, tourist infrastructure and various service activities. The rapid development of tourism is especially noticeable after the year 1950. At that time, only 25.28 million tourists

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took part in international travelling, which generated a turnover of \$ 2.1 billion (Šimičević, 2005). From that period, touristic activities increased and reach nearly 700 million tourists in 2000, with a turnover of about 500 billion dollars (Šimičević, 2005). It is expected that by 2020, the number of tourists in international tourism will reach 1.6 billion tourists annually (Šimičević, 2005). Along with the increase in quantity in terms of an enormous increase in the number of tourists in a relatively short period, there has been a geographical expansion of tourism. Namely, according to the World Tourism Organization (WTO), in 1950, only 15 leading tourist destinations were the place of travel for 97% of foreign tourist arrivals (Kazachka, 2005). Since then, a large number of new tourist destinations have been developed around the world. In mean time tourism developed as highly complex, multisectoral industry where no single organization provides or has control over the entire tourism activities. Due to that successful delivery of the wider tourism product is dependent on close working relationship, interdependencies and interactions between numerous stakeholders, enabling the tourism organization to provide a seamless experience for its customers (Fyall & Garrod, 2005). With tourism being increasingly recognized as a key economic opportunity around the world competition among countries and regions for a share of global tourism expenditure is increasing by the day. Potential tourists are faced with a wide range of holiday and business travel choices. Therefore, promotional activities on different levels are necessary in order to attract tourist to target destination.

Promotion of the tourist destination in the right and best possible way is one of the major marketing activities, because only successful promotion can attract potential travelers to visit the destination. Therefore, promotional activities play a big role in the marketing of a destination and represent important part of the marketing mix (Jakovljević, 2009). Promotion can be defined in different ways. For example, Novak (2011) defined promotion as the process of communication between the company and the environment (consumers) in order to create positive attitudes about products and services that lead to their favor in the process of buying the market. Also, Pereira and Almeida (2014) defined marketing and promotion in hotel industry as a set of actions for internal and external communication that can be put into practice by allowing hotel companies diversified forward messages with the aim of showing and raising awareness of the company, its products and services with ultimate goal of causing consumers desire.

Meler (1999) divided promotional activities into two large groups: (1) primary (basic) promotional activities and (2) secondary (borderline) promotional activities. The first group include advertising, sales promotion, personal selling, public relations and publicity, while second group include design, packaging, consumer services, “word of mouth” advertising. Various promotional activities such as personal sales, direct marketing, propaganda, sales promotion, organization of business exhibitions, events and visits to acquaintances, services of a collegiate and tourist information points can be used to promote the destination (Jegdić & Marković, 2011). However, internet marketing is becoming one of the most important components of destination marketing, where websites have the following roles: 1) general propaganda, 2) promotion of products / services, 3) promotion of products with information on prices, 4) mail notifications, 5) e-mail bookings, 6) direct sales and billing, 7) giving information, etc. (Jegdić, 2010). Very popular internet portal is Tripadvisor which designed only for tourism (Božić & Janičević, 2016, Mašić & Kosar, 2016) and which have all characteristics of social networks (Stojković, 2013). Except that, social networks have an increasingly important role in promotional activities (Buhalis & Law, 2008, Litvin et al., 2008, Mišković et al., 2015). For example, different information about restaurants could be finding on social networks like Facebook, Twitter, Instagram, Forskver, Linkedin and Trip Advisor (Božić & Zubanov, 2018).

Tourist destination Belgrade is one of the most popular tourist destinations in Serbia. It is capital city of Serbia, which area is 3,234 km² and number of citizen is 1,679,895 (based on latest census) (Republički zavod za statistiku, 2016). The largest number of foreign tourists have arrived from Croatia, Greece and Slovenia (36%), then from Bosnia and Herzegovina, Italy, Bulgaria, Hungary, Romania and Montenegro, but also from overseas countries, the USA and Indonesia, while other countries had less than 3% (Canada, Holland, Norway, The United Kingdom, France, Taiwan, South Korea, Cuba, Australia, Spain, Germany, Austria, Armenia, Sweden, Belgium, Poland, Macedonia, Algeria and Turkey) (Marković, 2016). Authors Armenski et al. (2009) investigated the image of Serbia in the perception of foreign visitors. Based on their answers to question what they liked the best during their stay in Belgrade as the best estimated are: the hospitality of the local population (40.5%), historical monuments (29.5%), nightlife (12.5%), national specialties (6.5%) and natural beauty (6%). As the main imperfections of the tourist offer of Belgrade mentioned: inability to pay

in foreign currencies, lack of currency exchange offices and a small number of souvenir shops.

The planning, research and promotion of a specific destination are usually resolved by national tourism organisations at the national level or by smaller organisations at local and regional levels (Moutinho, 2005). In Serbia, the tourist organizations of different levels of the organization (the Tourist Organization of Serbia, the Tourist Organization of the Autonomous Province Vojvodina and the tourist organizations of the local self-government unit) responsible for managing and developing tourism destinations as indicated by the Law on Tourism (Službeni glasnik RS, br. 36/2009, 88/2010, 99/2011- dr. zakon, 93/2012 I 84/2015). However, these organizations are not committed to these activities as Destination Management Organization (DMO) and do not deal with the harmonization of often conflicting interests between the public and the private sector (Popescu, 2009). Due to that representatives of the tourist industry from Belgrade consider that there are numerous indicators and a real need to create a DMO (Đurović, 2010, Stajčić et al., 2016). Therefore, they emphasize that it is necessary to balance the interests of all economic entities to the end and to reach agreement on the vision of tourism at the level of all stakeholders in order to facilitate the way of tourism management in Belgrade. Also, Đurović (2010) points out that some of the basic preconditions that would be necessary to fulfill for potential transformation of the Tourist Organization of Belgrade into DMO, raising awareness as well as understanding the public sector and spreading the social and economic significance of tourism for Belgrade as an already affirmed destination. In accordance with this idea is also a draft of the Development Strategy of the city of Belgrade, where as one of the priority projects mentioned creation of DMO, which in this draft entitled as "Organization for the management of a tourist destination " (Stajčić et al., 2016). However, the lack of a regulatory framework is what is currently the main obstacle to undertaking actions in terms of potential cooperation with state organizations in the sphere of tourism, despite the interest of the private sector. In that sense, it is necessary to emphasize that the public sector should be the driver of this idea and, in this connection, the provision of a legal framework that would enable it should be in the first place.

In the development and management of tourism, all interested actors should be involved: local and state administration, non-governmental organizations, tourist organizations, tourist facilities and all other actors.

Although the tourist does not come to the destination because of the hotel, the hotel is an important element of the tourist service, as well as an important factor in creating a quality experience and experience during the trip (Pijevac & Đurović, 2017). Therefore, hotels as the main facilities for accommodation of tourists should actively participate in promotion of destination. Due to that, the aim of this paper was to analyze involvement of hotels in these activities of tourist destination Belgrade.

Methodology of research

Data about hotels involvement in promotional activities of tourist destination Belgrade were collected by distributing questionnaires to the selected sample of hotels. Questionnaires were sent to hotel managers in 44 randomly selected hotels located in Belgrade. Hotels were selected from website of web portal TripAdvisor, whereby categories from one to five stars were included (4 five star hotels and 10 hotels per category for other categories). Printed questionnaires delivered in printed version directly to the hotels address during autumn 2017 and spring of 2018. Questionnaires were filled by responsible managers of 30 hotels (1 from five star hotels, 8 from four star hotels, 9 from three star hotels, 8 from two star hotels and 4 from one star hotel). Eleven questions were designed and all participants were asked the same questions in the same order and in the same manner.

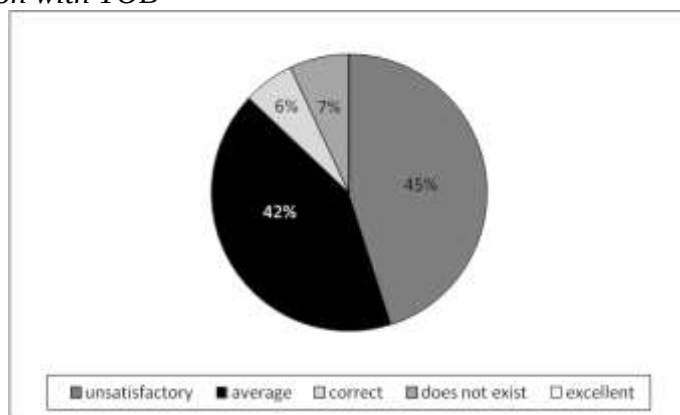
Manager's perceptions for each question were measured according to feedback received from survey questionnaire. Questionnaire included questions to estimate 1) cooperation between hotel and Tourist Organisation of Belgrade (TOB), 2) involvement of TOB in promotional activities of hotels, 3) involvement of hotels in promotional activities organised by TOB, 4) availability of free promotional materials from TOB to hotels, 5) involvement of Tourist Organization of Serbia (TOS) and the relevant ministry in promotion of Belgrade as a tourist destination and 6) readiness of hotels to participate in the promotion of Belgrade tourist offer, preparation of promotional materials or the development of promotional programs. The results are presented descriptively.

Results of research and discussion

The competition among the destinations and all tourism enterprises in those destinations increases more and more. Due to that promotional activities gain prominent importance for all participants in tourism.

Although hotels use various promotional activities to attract visitors, many studies shown that a small number of large-scale hotels have an independent public relations department, whereby responsibilities and duties of the public relations departments are carried out by the front office department instead of having a separate body (Acar et al., 2012). In Belgrade, the main organizations engaged in promotional activities in tourism are Tourist Organisation of Belgrade (TOB) and Tourist Organization of Serbia (TOS). But, investigation presented in this paper indicates that cooperation between hotels which fulfill questionnaire and those organizations is not satisfactory. Namely, views of respondents about coopeparation with TOB were very different indicating existence of some kind of cooperation, while even 7% argue that cooperation does not exist. Generally, it seems that quality of cooperation is not satisfactory. No one respondent choose category "excellent", 45% of respondents said that cooperation is unsatisfactory and the same percent (42%) estimate cooperation as average cooperation, while only 6% think that cooperation is correct (Figure 1). Similar, representatives of tourism industry were interviewed by Stajčić et al. (2016) and results were shown that 35% of respondent did not have any kind of cooperation with TOB, 25% had unsatisfactory cooperation, while 40% had positive comments about cooperation with TOB.

Figure 1: *Respondents' viewpoints on the existence and quality of cooperation with TOB*



Source: *Authors' research*

As indicated previously the tourist organizations of different levels of the organization are responsible for promotional activities of tourist destination. Also, it was pointed out that all interested actors should be

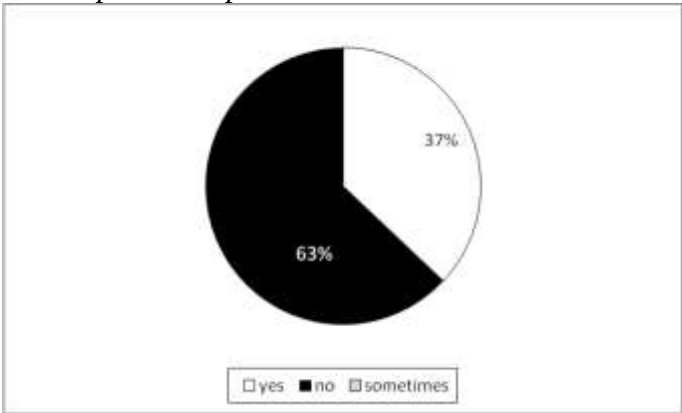
involved in promotional activities. Therefore, hotels should be involved in promotional activities to attract visitors and should have communication strategy with potential clients. Jakovljević (2012) considers that the most important role in promotion is advertising (as one-way communication) and public relations (as a two-way communication). Ma & Mohsen (2016) grouped promotional activities into two groups: monetary promotions and non-monetary promotions. But, traditional promotional activities are: personal sales, direct marketing, advertising, sales promotion, organization of business exhibitions, manifestations and events, visits, call centers activities and tourist information points (Jegdić & Marković, 2011). Although today, the use of the Internet and, in particular, social networks has an increasingly important role in promotional activities (Buhalis & Law, 2008, Litvin et al., 2008, Mišković et al., 2015) printing, radio, TV, specialized advertising magazines and magazines are still widely used tools for promotion.

However, internet marketing is becoming one of the most important components in modern hotel industry. The most powerful and most effective Internet marketing activities (internet marketing through the hotel website, internet marketing via e-mail and internet marketing through social networks) can improve sales and attract new customers (Batinić, 2015).

In marketing designed based on use social networks consumers lose a passive role and can choose the place, time, and content they are interested in (Zubanov & Radenković Šošić, 2015). Although the use of social networks for marketing purposes seems to work for free, for the successful conduct of marketing campaigns it is necessary to engage experts who are qualified to perform this job in a satisfactory way, which is not free (Božić & Zubanov, 2017).

Also, due to dynamic and rapid two-way communication, negative business approaches quickly reach the public, which can jeopardize the long-standing positive reputation of the hotel (Skoko & Mihovilović, 2014). Regarding that hotels have no the same level of knowledge and experience in promotional activities, cooperation with tourist organization and their help in own promotional activities of hotels could be very useful. But, although 93% respondents indicated existence of cooperation with TOB (Figure 1), only 37% confirmed they had help from this organisation in realisation of their own promotional activities, while 63% did not (Figure 2).

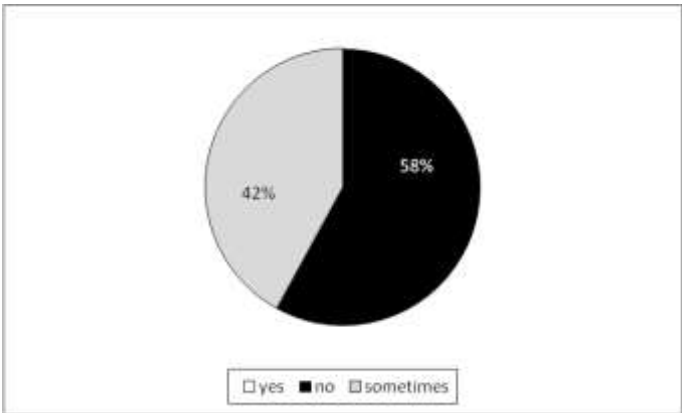
Figure 2: *TOB help to hotel promotional activities*



Source: *Authors' research*

Different manifestations and events gather participants who in a limited space exhibit their offer and those who are interested in getting acquainted with this offer. That events organised by tourist organisation can be good chance for hotels to promote their offer. Also, hotels included in that events could give special offers for participants on event. Some hotels (42%) included in this research were only sometimes participated in organisation of city manifestations and events, while 58% respondents claim that there is no cooperation in that area (Figure 3).

Figure 3: *Inclusion of hotels in organisation of city manifestations and events*

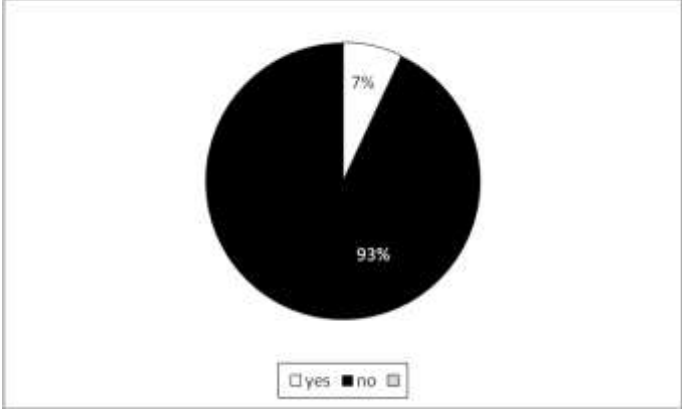


Source: *Authors' research*

Except other promotional tools, promotional literature (posters, travel brochure) could have important roil in attraction of tourists. It is common

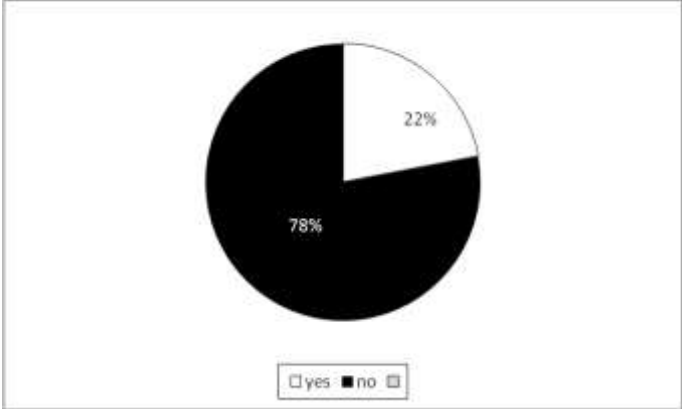
practice that promotional publications are being prepared by tourism organizations, but these activities may include hotels in order to improve their own promotion. Similarly like in other activities, analysed hotels were very few (only 7%) involved in preparation of tourist publications by TOB, while 93% respondents gave negative answer on that question (Figure 4).

Figure 4: *Inclusion of hotels in preparation of tourist publications by TOB*



Source: *Authors' research*

Figure 5: *Delivering of free promotional printed and electronic material from TOB to hotels*



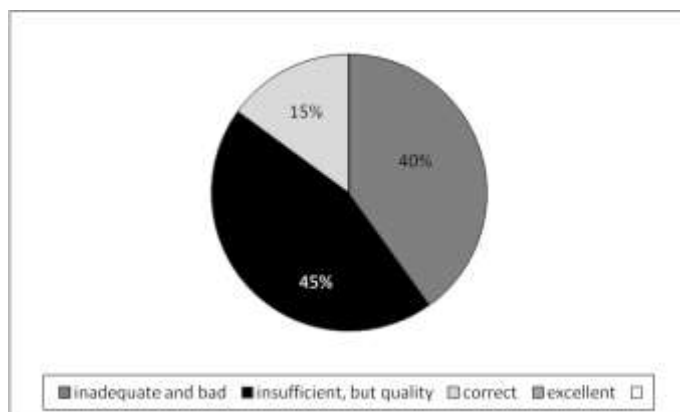
Source: *Authors' research*

The survey showed that TOB delivers own free promotional printed and electronic material to only a small number of surveyed hotels (22%), while 78% does not get promotional materials (Figure 5). This is in accordance with results obtained by Stajčić et al. (2016) who analysed

views of representatives of tourism industry about development of DMO in Belgrade. One respondent pointed out that free maps for tourists are the only material that TOB delivered to accommodation sector.

Jegdić (2010) consider that TOS carries out the tasks of promotion of tourism in the Republic Serbia, coordination of activities of tourist organizations, business and other entities in tourism, market research in the field of congress, fair, sports and cultural events, provision of information-propaganda material, development a unique tourist information system, the establishment of tourist offices abroad and information centers in the country, as well as other jobs that they are ensures successful implementation of tourism promotion. The money for work of Tourism Promotion Organizations are provided from the revenues generated by the performance activities and other own revenues, donations, contributions and sponsorships, funds of the budget of the Republic of Serbia or lower levels of territorial organization and others sources in accordance with the law. Compared to the earlier period, where it dominated budget financing, gradually increasing the share of income from performing activities and from other non-budgetary sources. Although TOS responsible for tourism on the country level, it has important role in touristic activities in capital city Belgrade. Generaly, interviewed representatives of analyzed hotels estimated adequacy of presentation of tourist potential of Belgrade by TOS as inadequate and bad (40%) or insufficient, but quality (45%), while only 15% of respondents think that presentation is correct (Figure 6).

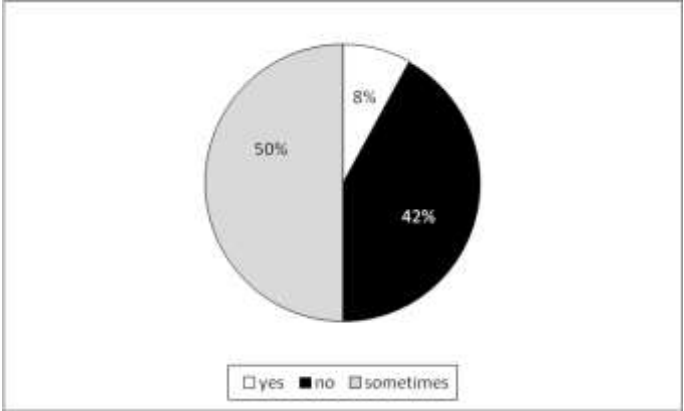
Figure 6: *Adequacy of presentation of tourist potential of Belgrade by TOS*



Source: Authors' research

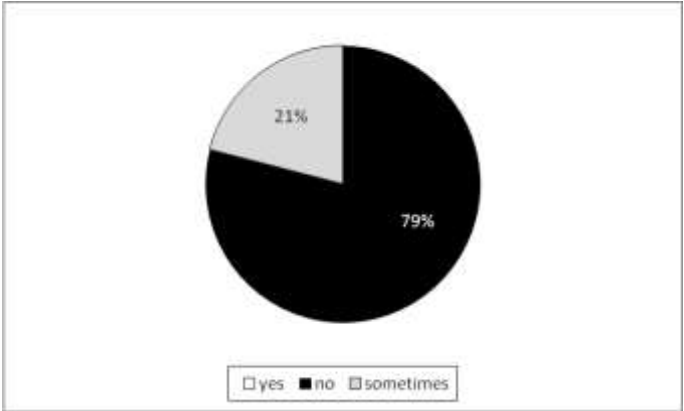
Except tourist organisations, the relevant ministry (at this moment it is Ministry of Trade, Tourism and Telecommunications) could give significant contribution to the development of tourism and support promotion of tourist destinations. Promotional activities of Serbian tourist destinations are mainly financed from country budget but that fund is insufficient for high-quality promotion (Ubavić, 2016). According to the representatives of the hotels, this ministry is supporting the activities for the promotion of Belgrade occasionally (50%), while only 8% think that this support is permanent, and even 42% think that such support does not exist (Figure 7).

Figure 7: *The support of the relevant Ministry to activities for the promotion of Belgrade*



Source: *Authors' research*

Figure 8: *Inclusion of hotels in promotion of tourist product- city Belgrade*

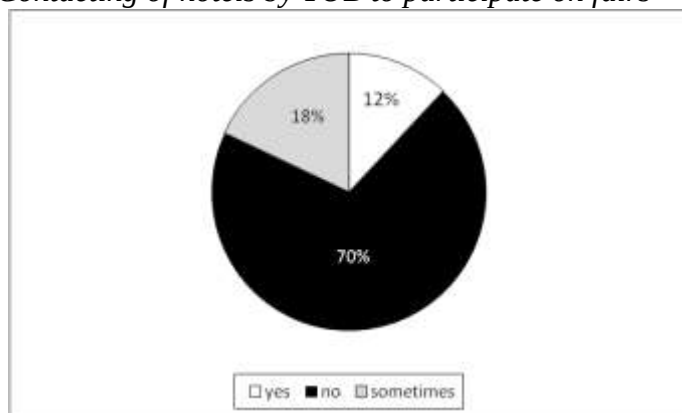


Source: *Authors' research*

Primary role of hotels on tourist destination is accommodation, but as other participants in tourism, they also can participate in promotion of tourist product- city Belgrade. Popesku (2004) points out that the shaping of adequate approaches to the use of marketing by hotel houses is very important. Although representatives of hotels express interest to participate in those activities, only 21% were included sometimes, while 79% has never been involved in these activities (Figure 8).

The first step for cooperation is contact between interested entities. But, when we are talking about contact of analyzed hotels by TOB in order to invite them to participate on fairs only 12% confirmed that they were contacted ordinarily, 18% were contacted sometimes, while 70% have never been contacted with that purpose (Figure 9).

Figure 9: *Contacting of hotels by TOB to participate on fairs*



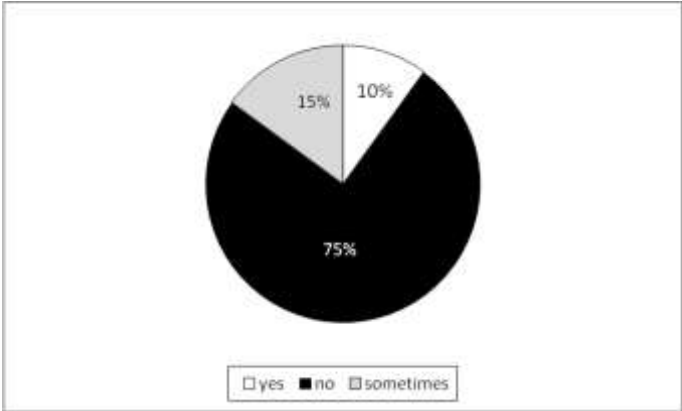
Source: *Authors' research*

Participation of hotels in development of programmes for individual and group visits organised by TOB were almost negligible. Namely, 75% of respondents have never been included in development of that programs (Figure 10). Significantly less number confirmed participation (10%) or occasional participation (15%).

Although, cooperation between hotels included in investigation and TOB, TOS and the relevant ministry were estimated as unsatisfactory, all interviewed respondents expressed interest to participate in common promotional activities of tourist destination Belgrade. Therefore, it is very important to establish a dynamic promotional mix for hotel enterprises

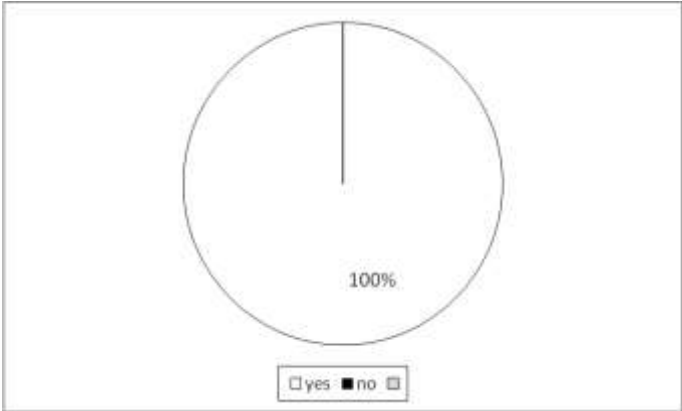
and cooperation with tourist organization can give significant contribution to successful promotion.

Figure 10: *Participation of hotels in development of programmes for individual and group visits organised by TOB*



Source: *Authors' research*

Figure11: *Interest of respondents for participation in common promotional activities of tourist destination Belgrade*



Source: *Authors' research*

Conclusion

Based on the research carried out in this paper, it can be concluded that the involvement of the surveyed hotels in the promotional activities of the tourist destination Belgrade is unsatisfactory. Namely, most of these hotels indicated unsatisfactory cooperation with TOB, TOS and the relevant ministry. On the other hand, all interviewed hotel representatives

expressed interest to participate in common promotional activities of tourist destination Belgrade. Therefore, improvement of cooperation between hotels and TOB, TOS and the relevant ministry is necessary in order to improve the promotional activities of the tourist destination Belgrade.

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CHALLENGES AND POTENTIALS OF THE MUSEUM TOURISM: BUILDING THE AUDIENCE OF THE MUSEUM OF YUGOSLAVIA

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Abstract

Since a museum has developed from the institution which is dedicated to selection, preservation and presentation of objects to the one willing to communicate, educate and extend the audience, the museum tourism has become really important branch of cultural tourism. There are many theoretical perspectives of how to build the image of a museum, how to develop its audience nowadays and many mechanisms of museum management which show this theory functioning very well practically. Still, when it comes to the region of ex Yugoslav countries, there are many heritage spots which are floating in the limbo of shifted ideologies that once where spaces of the ruler's representation and magnification and today are more or less successfully being converted into particular museums. Museum of Yugoslavia in Belgrade, an institution still linked to Josip Broz Tito in public discourse due to its position and collection, is maybe the most illustrative example to research how, through complete image building, new mission and vision, new name, new interpretation of inherited collection and new setting development, one place of memory and political happenings is being converted to a contemporary museum. In this paper, all the challenges of the new museum audience and programs building will be followed on this quite unique example of the (re)construction of the Museum of Yugoslavia.

Key Words: museum tourism, museum image, museum audience building, Museum of Yugoslavia

JEL classification: Z10, Z30

The museum tourism is today an important branch of the cultural heritage tourism. Thus International Museum Day 2009 carried the message of

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sustainable tourism with the theme “Tourism and Museums”, while the International Council of Museums (ICOM) has dedicated the whole conference, publication and follow-up activities to this topic. There are many different tools and examples of good practices showing how various museums have succeeded in audience development, image building and becoming recognized by the whole world. Next to the collection and the setting which are primer, marketing tools, extravagant contemporary building and effective use of new media definitely make many museums desired tourist destinations. In this paper we will follow how the image of a museum can be built and how museum can become a recognizable brand competing for visitors with other museums, but also amusement parks, cultural centers, multimedia events, etc. Still, we will see that an image is always a representation of the identity, and, that, when there is no clear identity set, many museums face problems in audience development and image building. The identity of a museum should be based on the clear mission and vision and on the heritage it preserves, its collection of objects, place of memory or immaterial practices it keeps. Thus, following the example of the Museum of Yugoslavia, we will examine how, through complete image building, new mission and vision, new name, new interpretation of inherited collection and new setting development, one place of memory and space which is still connected to the socialist leader in the public discourse, is being converted to the contemporary museum.

Short museum history – towards an open and communicative institution

The term *museum* (*Μουσείον*, *Mouseion*) signifies the space dedicated to Muses, daughters of the Goddess of Memory, Mnemosine and the king of the gods, Zeus. However, connecting of the museum with systematized collecting and examining of materials has probably started with Aristotelus and his excursions to the island Lesbos in 340 BC where he has started gathering, classifying and studying botanical items. Aristotelus continued these experiments in Lyceums, communities of scientists and pupils organized to study in details botanic, history and other disciplines. There was a Museion in Lyceum, which, as Jeffrey Abt explains, was a place where scientists lived, but which also was a cultural center for different researches. Museum in Alexandria, one of the most famous institutions of classical antiquity is direct successor of the Aristotelian Museion. (Abt, 2014) However, the period which is in the history of museology recognized as a beginning of this heritage institution is the age

of Renaissance and development of humanistic thought but also of a wish to collect antiquities, reveal antique monuments copy them and preserve as the most valuable items. Following the previously said, we can conclude that the idea of a *museum* is to gather objects valuable for individuals or smaller groups. Through time, these collections became more opened to public, at first for higher classes, so they were a necessary point in the route of students from Western Europe on their Grand Tours. In the 19th century, the institutionalization and instrumentalisation of collections will position a museum as an important representative of ruling ideologies, while objects will be used in national identity construction. Finally, the French Revolution has brought a new position of the institution of museum which became more open to bourgeois class and available for citizens.

Consequently, following social changes through time, museums will become more opened and start extending their audiences using various tools in order to serve the desired image to wider population. While observing a museum as a particular medium, Jorge Glusberg recognizes two types of a museum: the “cold” medium as radio or TV, which just transmits the information, communicates one way and it does not offer possibilities to different interpretations of a message it carries. On the other hand, there are “hot” museums that can be compared to the phone in ways they call audience for participation and constant dialog. (Glizberg, 1983) Following this trace, Tomislav Šola stresses that contemporary museum should communicate with visitors and provoke critical observation and possibilities for different interpretations of the information hidden in museum objects. (Šola, 2011) Both authors will conclude that the traditional (19th century) museums are too closed and that those “serve” very one-sided image of the world created by ruling minority with selected objects, while modern museums should have tendencies towards opened structure in aspects such as: choosing of various objects and different messages they carry, architecture of museum building which should not be rejecting the visitor with its academic style, using new media and contemporary ways of audience development and inviting to communication. In other words, contemporary museum should not just send information to visitors, it should communicate, provoke critical thinking and please its audience. For the most eclatant examples of the first “opened” museums of the 20th century which influenced many others in the world, Glusberg chooses Museum of Modern Art in New York and Center Georges Pompidou in Paris. With the position in more transparent glass edifices, collections of modern art and modernist setting,

these two were opposite to the paradigm of the *cold*, traditional museum. Therefore, even very famous museums have started following the contemporary fashion, changing, building the recognizable image and opening their doors to wider audience in order to make them see the collection.

Very important aspect contemporary museums use when thinking on how to be attractive for its audience, is, as we mentioned, the building itself. After the Georges Pompidou Center in Paris placed in an extravagant, transparent and contemporary building which opposes completely to its surrounding, and after the spiral building of Guggenheim Museum in New York, contemporary society brings new type of a museum, a particular brand positioned in contemporary, outstanding edifice designed by some famous architect. These buildings, for the first time in museum history, are more important than the collection when it comes to audience attracting. In this context, definitely the most famous example is the Museum Guggenheim in Bilbao, Spain, which provoked so called “Bilbao effect”. After the shift of sociopolitical circumstances and the crash of industry, the government of Spain has succeeded in surpassing the economic crisis in a province Baskia by building the museum in a recognizable contemporary building designed by Frank Gehry. Guggenheim Bilbao is the museum which did not have its collection that would be interesting for visitors, but after 1997 when it was opened, this museum constructed the image on this sensational building and it was visited by 5 million people in 4 years becoming a symbol of the whole city. Even in 2002, which was a turbulent period for the tourist industry, the city has succeeded in bringing 851.628 visitors and produced the income of 162 million dollars for the local economy. “Museum Bilbao generated various images of itself, astonishingly different forms. It became iconotype: the image which does not just represent a concrete artifact, person or place, but possesses enough strength to present some category of human experience.” (Smith, 2013, p. 257) However, not all the successful world’ museums could change their buildings and construct completely new identity, but they added some elements to the existing ones (Pyramid gate in the Louver, new part of Tate Modern etc.) or rebuilt the old edifices and transformed settings and successfully responded to the needs of contemporary audience in this way. Even though there are many examples of the good practices in this context, we will see that not every solution could be applied to other museums with similar challenges.

Contemporary branding of a museum

The idea of applying the marketing theory to the cultural institution dates back in the 1970s when it was published in different papers by Philippe and Neil Kotler, Levi, Zaltman and Shapiro who started applying the concept of the social marketing to non-profit activities. In any museum today, marketing has a multilevel role to remind the public about the existence of the museum and its offer, attract visitors and raise the awareness about the museum as a necessary institution in society, but also to help fundraising and offer more qualitative programs of the museum.

If we would like to offer one particular definition of the terms *brand* and *image building*, we must say that there is no such; these terms are mostly considered as a concept, feeling, life style, the main sense of the contemporary corporation existence, whereas the commercial is meant to communicate this sense to public (Klein, 2003). Brands are promises. They are made of advantages (additional immaterial values) which are being linked with the name or trademark symbol, giving a higher value to it. Brand differentiation is of great importance; brand is the representation of one's identity. (Olins, 2003) It is necessary that brand is, except for these "abstract" terms, defined also by visual elements, its material bases, in order to be complete. Roland Bart gives his analysis of the image basing it on already existing semiotic models of communication, developed by Charles Sanders and Umberto Eco. (Bart, 1981) Brand takes the place of the mental image. The image/symbol/commercial is a referent, and it is denotatively connected to the product itself. Bart concludes that there are three messages, or three levels of the communication in every branding, and that is: linguistic, iconic coded and iconic non-coded message. Visual identity of the brand is composed of logotypes, selection of colors, design etc. and these elements express the attitude. Branding is, as Milan Jovanović concludes in his paper: "Brendocracy" (Brendokatija), incorporated in the social heritage and it is equally important as the Renaissance or Modernism, as any of the world's tendencies important for the culture and life style in global measures. Branding is more than trend; it is a part of ideology. (Jovanović, 2006)

In his book *Museum Branding*, Margot A. Wallace suggests that nowadays, museum needs a brand, "an identity that instantly communicates what it is, has, and does". (Wallace, 2006, p. 37) A museum needs an image, which is how others perceive its identity and which helps in creating reputation. By the museum image building, he

recalls supporters and friends, exhibition designers and docents to help organize a visitor's journey through exhibits, set of symbols and logotypes that tie all materials, publications, programs, departments, and events together. (Gnjatović, 2014)

Therefore, many museums apply marketing tools in order to be competitive in a globalized cultural market. Still, again, the image is a representation of the identity. Therefore, in the following discussion we will question if it is possible to build an image of a museum and attract audience with it, if the identity of this institution/place/collection is not clear to its own employees, nor to the wider public or to the state.

Serbian museums – in search of identity

In the year 2000 in Serbia there were around 100 museums (*Muzeji Srbije*, Benderić ed. 2000), mostly public, supported by the Serbian government, the province of Vojvodina, cities or municipalities (i.e. founders), while private museums were only few. As many of these institutions are founded after the Second World War, during the period of Socialism, it is quite clear that settings inside were sending clear messages and following the image of the state regime at the time. During the 1990s all of them have passed through a difficult period of general social pauperization and stagnation, as well as through dramatic and frustrating processes of social and political changes. On all levels of social structure, public institutions have been submitted to often violent shifts that demanded instantaneous changes, policy adaptability and constant protection of professional ethic values: following the shifts of state politics in the 1990s, legal framework, cultural policy, cooperation policy, staff policy, as well as objectives of cultural institutions (including museums) have been changing radically. In such situation, “museums and museum professionals have been facing various risks: from incompetent directors and other responsible stuff, lack of finance for urgent repairs, absence of necessary systems for collection protection (alarm and surveillance system, humidity control system, dry and safe depots etc.), rupture with all outer partners and lack of international cooperation, restriction of professional development of museum personnel and experts, to malversations with museum collections and space, and to direct physical threats during the NATO bombing campaign in 1999.” (Cvetković 2006, p. 17) “Museum scape in Serbia was characterized by modest exhibiting, research and publishing activities, while educational

function was almost completely neglected. Museums were surviving in both inner and outer isolation: they were losing more and more connection with the society and its needs – their primary reason of existence; they were far from the international networks, projects and partnerships.“ (Gnjatović, 2014, p. 216)

Unfortunately, even today the position of museums in Serbia, but of some regional ones as well, is not completely different. It seems as changes are coming into these institutions too slowly, losing the pace with the world's famous museums' development and the new museum management concepts. Most museums here still search for the identity which will be represented, many are in the long period of the (re)construction of the building and the setting, many are creating new mission and vision, trying to reach new audience and to become recognisable cultural spot of the city, to bring foreign tourists... There is, on the other hand, one completely unique example in Belgrade, of a place which, while being in constant search for the right positioning of its identity, is following many contemporary managerial paths and being second visited destination in Serbia – a Museum of Yugoslavia.

In search of the identity – historical perspective of the Museum of Yugoslavia

The institution today named Museum of Yugoslavia has passed through two decades of a very turbulent search of identity which should be represented. This place, today embracing three buildings and big Park of sculptures, is complex on many different levels. In the context of identity construction, at first we can issue the name of this institution. Consequently, the name *Museum of Yugoslavia* is already making question what should be represented in this institution, from which point of view this museum observes Yugoslavia – through different phenomena, historical events, social life, folklore? On the other hand, question is also what is the collection of this museum, unique with its name in the whole region? And finally, who are visitors of this institution, is it recognized as tourist cultural spot in Serbia, how can it build better image and develop audience? Still, many of these questions are still to be answered by employees of this museum, as this name is quite new, given to the institution in 2016.

The space which is now housing a Museum of Yugoslavia has very complex history and is still influenced by many different social, political

and economic circumstances. The Park of Sculptures and the three mentioned buildings were surrounding the residence of lifelong president of the Socialist Federative Republic of Yugoslavia Josip Broz Tito, in Belgrade, being positioned at the Topčider hill, a part of the city of Belgrade overlooking the city center and being symbolically connected with leaders through history (the royal palaces are just a bit up the hill). As Tito tendentiously ruled from this spot, through time this particular space of memory got many layers of meaning. The only building made for museum purposes and being still a part of the complex is the edifice which was a museum of presidents' gifts, Museum May 25th. One of the pillars of the Yugoslav socialist ideology was building the cult of personality through a constant reproduction of 'spectacular' image of Tito. His representation was created as an image of a politician who rose from the masses and continued to have a good relation with the people. During his lifelong rule, as he was a figure of national and international charisma, he was given many gifts – both as a result of diplomatic protocols and a part of way peoples of Yugoslavia wanted to show their devotion. A gift for the president was the way to position oneself as a part of the socialist community. In 1950's the idea of creating space where all Marshal's presents would be exhibited came up and the depot for the 'museum' of gifts was built in the residential complex. In 1962, the building of Museum May 25th was constructed and given as a present to Josip Broz from the City of Belgrade for his 70th birthday. Its mission was to collect, keep, study and exhibit all presents dedicated to and connected with the personality of Marshal Tito and his political and other activities, with accent to his contacts with citizens, representatives of political, industrial and other workers' associations related to socialist development, fight against colonialism, spreading policy of peaceful coexistence and fight for the world peace. (City assembly, 1962) This modernist total artwork building that celebrated presidents' personality and stressed how much he is respected and loved by his people but also by the whole world, functioned as a modern cabinet of wonder, collection showing a microcosm of its owner. It is interesting that the building is constructed by the same architect, Mihajlo Miša Janković, who has done the stadium across the street – arena in which the 25th of May was celebrated every year as the Day of Youth but as presidents' birthday as well. The strong identity in the sense of geographical position, architecture of the whole area and collection therefore was well thought and clear during the period of Socialism.

When Tito died in 1980, 18 years after the opening of the Museum May 25th, as it is today known following his word of mouth, president was buried in the complex in front of the residency and just behind the Museum. The House of Flowers, a winter garden in which many tropical plants were grown, became Mausoleum of Josip Broz Tito, quite unique for this region and quite hybrid in existing funeral culture. It was at the time a logical solution to pronounce the whole area gathering residencies (the one in which JBT lived and the other built for him but finished just before the death), some surrounding houses, the Museum May 25th and the Mausoleum – the Memorial Complex of Josip Broz Tito. This was a space visited by 10 to 15 thousand people per one day in 1980 and 1981, just after the funeral. The very funeral also gathered the biggest number of different nationalities at one place in the modern history. However, this frequency of people visiting Memorial Centre primarily because of the tombstone and this name for the whole complex could not last long as the end of '80s and beginning of '90s brought new socio-political circumstances and new attitude towards socialist ideology. The fall of the Berlin Wall marked the end of Communism in Europe – in next few years all of the countries of former Eastern bloc faced changes of the existing political and economic order. In Yugoslavia the nationalistic tendencies were more and more present, and the new elites (majority of whom were actually ex members of the communist party) changed the rhetoric and embraced the discourse of nationalism and long neglected national aspirations that were enslaved in form of multinational socialist Yugoslavia. Once beloved president, Josip Broz Tito, became the dictator in public discourses of all former republics and the ideology of *brotherhood and unity* was then reinterpreted as repressive and untrue. The institution that had the mission to keep the memory on him, Memorial Centre, was no longer considered to be important nor the institution of public interest. On the contrary, it had lost its prestige, many of employees got fired and the Museum May the 25th fell from federal, under the authority of the City Council. Many debates were organized with the intention to decide the future of this institution. (Slavković, 2009) Finally, in 1996, the government made a decision to put an end to work of the Memorial Center and Museum of Revolution (never ended idea of JBT which did not get the building while the initiation of the collection was exhibited in different spaces until joining it with the collection of presents to JBT) and decided to found the Museum of Yugoslav History as the only federal institution at the time.² The new

2 In 1992 a broad panel discussion Memorial centre JBT – how to continue was

formed museum inherited all the art and cultural history content of the both museums and existing three buildings surrounding ex Tito's residency at the Topčider Hill. Due to two completely different huge collections, space which is already politically stigmatized in public discourse and the name of a museum which is not responding to its objects completely, Museum of Yugoslav History faced many problems from the first steps in new identity construction. The character of museums' collections which gather more than 200000 artifacts bear testimony on Tito's Yugoslavia and its heritage. By time, space and content, each of the museum objects is a fragment of the Tito's representation in the mirror of the peoples. (Radić 2012:126)

However, standing behind the name Museum of Yugoslav History, many visitors, naturally did not expect to see a setting celebrating Tito, but a historical one, an exhibition which will objectively answer questions of constitution of Yugoslavia from the very beginning of the use of this name for a Kingdom and other historical events which are not always linked just to Second Yugoslavia and rule of Josip Broz Tito. This is why a Museum started recreating the identity of this already recognised place of memory and political happenings. We will see that, even they followed contemporary standards of museum management, worked a lot on the permanent setting construction and new image building, it was very hard, even impossible to reshape completely the identity of this space and to use the existing collection for the new purpose.

(Re)construction of the identity – the Museum of Yugoslav History

The fact is that many authors have recognized the policy of renaming as important strategy in shaping and reshaping the collective memory at the time, while the most prominent examples are the names of streets, schools

organized by The Art Historians Association suggested the need to establish museum that would deal with the Yugoslav idea among many other suggestions (to become an information and documentation centre, science centre, art school, etc.). In order to find solution for the function of Memorial centre JBT, White Palace, Old Palace, Museum of 4th July and MRPNY, the Government formed the experts' group in 1992. (some of the members of this experts' groups were: Dragoslav Srejšović, Dejan Medaković, Vojislav Đurić, Branko Petranović, Irina Subotić, etc). This experts' group passed proposal to the Government regarding the future use and function of representative institutions that were state-owned. This experts group proposed in 1993 that White Palace, Old Palace and Memorial Center JBT, together with all their collections and surrounding parks should be preserved as a whole and proclaimed as cultural and historical good of exceptional value and importance for Yugoslavia.

and towns all over ex-Yugoslavia. The case of the Museum of the Yugoslav History, its foundation through renaming of two other forerunner institutions is also example of this policy. New name brought new obligations and possibilities for conceiving broader programming policy. In addition, a vision and a mission statement were formulated to express the focus and course of development of this institution. (Slavković, 2009)

The new vision and the new mission positioned this museum as a *significant, contemporary, modern and networked cultural and tourist destination* which communicates with the public through its collection and through modern resources, constantly raising questions about Yugoslavia and Josip Broz Tito. (Museum of Yugoslav History, 1996)

Contrary to this optimistic beginning in new identity construction, as one of the biggest exhibiting spaces and the building under authority of the City Council, the Museum hosted many shows of contemporary art, design, diploma exhibitions of students from the Faculty of Applied arts etc. Therefore from 2001 to 2008, there were evident advancement neither in museum management practices, nor in development of the museological concepts and clear program policy creation within the Museum. The fact that only 21 exhibition out of 86 that took place in this period, were autonomous projects of this institution indicates the lack of initiative but also the lack of public interest for the heritage kept in this Museum. In the same period, there was no clear focus in choosing guest programs – exhibitions varied from Chinese bronze to Swedish Contemporary Design. However, there is one positive aspect of this period of Museums' functioning – this practice kept the venue present in contemporary cultural life, giving chance to new generations to gain the habit to visit it.

Finally, in 2007, this museum has become a cultural institution on the state level and it got the new managerial team, wanting to follow tendencies and trends of the contemporary museum working positions and divisions. It seemed that the task of 'becoming the museum' and establishing the ways of functioning based on criteria of museum profession and new managerial standards was still to be completed, but the situation was more promising than earlier.

The current Museum director, Neda Knežević, summarises the turbulent period and constant tryings to constitute one permanent setting after the

death of Tito comparing the history of this space with the destiny of Yugoslavia: “The effort of transformation of the Memorial Complex JBT and creation of the new permanent setting was firstly stopped by the civil war in 1991. Just after the official formation of the Museum of Yugoslav History in 1996, requisition of the most valuable funds and objects of the previous institution has initiated many problems, from legal to storing ones (...). Three years after, just nine days after the Museum has given a proposal of the future permanent setting conception to the Government, the NATO aggression has started. When finally, in 2002 Museum got back parts of its collection, this institution came to legally no regulated status due to one more division of the country (...)” (Knežević, 2017, p. 10) Moreover, this space was used for political purposes even in the very recent past with the exposure of the dead body of Slobodan Milošević in 2006, (president of Yugoslavia in nineties who even lived in one residency of the Memorial complex JBT wanting to conquer the symbolical position of the leader of (already almost completely dissoluted) Yugoslavia), for public condolence. The House of Flowers is, on the other hand, from 2013 housing also a tombstone of Jovanka Broz, last Titos’ wife. These happening were loudly discussed in public, while museum management, not willingly, needed again to accept the Government decisions and to stop with all the programs in order to organize them. Even today, a Mausoleum of Josip Broz Tito welcomes many different delegations in there, often political, visits to Serbia where Titos’ tombstone is one of the points on their route. The representative of each delegation writes an official message in the Memorial book on this occasion. All this is not helping Museum to reconstruct the identity and not to be seen as a political institution by the wider population.

The first project starting the period of autoreflection of this Museum was, however, in 2009. It was named the *New Old Museum* and gathered experts from different professional backgrounds and from different Balkan, ex-Yugoslav countries. In the same period some changes in management and programming policy of the Museum of Yugoslav History became visible. As Katarina Živanović, a curator of the Museum, stresses in an interview in 2013, it is now an obligation and the everyday need of this institution to restructure and to change in order to fulfill demands of its audience. There were in that moment and still are (at least) two different types of visitors coming to the Museum (and we will see this in more details afterwords) – the one admiring Tito and coming to his tombstone, and the other, critically asking for an answer what Yugoslavia

is, considering political, but also social and everyday-life history. (Jokanović, Stanković, 2016)

Museum of the Yugoslav History was one of the first state museums to introduce new concepts of museum management and new working positions in the last decay. Katarina Živanović (2013) has seen the coming of a person from NGO sector for the museum director in 2008 (another Katarina Živanović being previous director of the MYH) a great advantage considering new, more project oriented logic and employing many young curators who will have enthusiasm to be educated and up to date. It is not therefore accidental that from the coming of the new director in the museum in May 2008, new logotype, followed by the whole new visual identity made by one of the most famous contemporary visual designers Mirko Ilić, was introduced. Even though this logotype has been a present to the Museum from the designer already in 2005, it was in 2008 that it has been officially used in all materials, while the old logotype, made by Branko Mikelić was used in the meantime. Mirko Ilić's logotype is minimalistic, modern, catchy and easy to remember. As the designer himself explained: "Three lines, three dashes, represent three reincarnations of Yugoslavia. Blue and red, beside the flag, represent also two persons speaking, perhaps arguing - the communist and the anti-communist." (From the interview of Ana Panić with Mirko Ilić in July 2013: "Tri crte, tri recke, predstavljaju tri reinkarnacije Jugoslavije. Plava i crvena osim zastave, predstavljaju dvije osobe u razgovoru, možda prepirci, komunistu i ne komunistu."). Consequently, symbolical meaning of this logotype reveals constant struggle of curators to make a balance between Titostalgia (Velikonja, 2010) and all the memories kept in this complex of buildings.

Even with this catchy public presentation and young enthusiastic team, the museum management faced many problems when trying to construct a setting out of old collection but answering the new given name and purpose.

In January 2013, the sketch of the future permanent exhibition was shown in the central exhibiting space in the Museum of Yugoslav History. The team of experts, gathered from the whole region, explains that their ambition was not to show an encyclopedic exhibition and include all aspects of the social system, nor to present all available data. "The aim of the exhibition is to create a space that will introduce the visitors to one of the most interesting and most controversial state-building experiments in

the 20th century, in a modern, attractive and objective way. The idea is not to show a timeline of crucial events, but to cover all the important phenomena that left their mark on the countries and the societies in the land known, for more than 70 years as Yugoslavia.” (Muzej istorije Jugoslavije, 2013)

Problems which creative team, coming from different ex-Yugoslav states had, were numerous. Not to mention the lack of economical means for the making of technically more advanced and interactive exhibition. One of the first problems was definitely, which materials (images) from the museums’ collection to use for this purpose when 90% of the whole museum fundus is bound to Tito. Therefore, the exhibition is made out of archive materials and documentary movies – so called meta, or secondary museum materials – so the first comment that could be found in the evaluation of this setting is that there is too much text no one is able to read in whole while visiting.

Co-author and the main curator, Ana Panić explains that the exhibition presents ten Yugoslav phenomena without any chronological order. Different thematic parts dealt with economy, regime and social life aspects. There were also the most famous events, assassinations and assemblies, important for the Yugoslav history. Culture and art were presented fragmentary through, mostly documentary TV shows and there was almost no presentation of the individual, every-day life in Yugoslavia. This aspect will be afterwards represented in another exhibition curated by the same author: “They Never Had it Better” which was very well and widely accepted by the whole region showing positive fact that curators of this institution are working on after evaluation and criticism. Another museum exhibitions dedicated to phenomenon of Gastarbeiters, movie industry, socialist art and design in the last few years will also respond to this need of audience to understand the every-day life of Yugoslav people.

However, in this continual research, it is concluded that Yugoslav ideology and political perspectives are still live in many of the visitors minds and that an objective interpretation cannot be formed while the living witnesses of this country still deeply believe in its doctrine and are still commemorating Tito’s tombstone. Even when making exhibitions, experts coming from various ex-Yugoslav countries, still could not make a compromise on some crucial aspects of the Yugoslav history. Moreover, the problem of making balance between the pro Tito oriented and the new

audience coming to get objective answers about the construct called Yugoslavia was central again. The idea of the “Yugoslavia from the Beginning to an End exhibition” for example, was to critically observe and give many interpretations of this phenomenon, but the curatorial team wanted still, as Ana Panić suggests, to skip and exclude nostalgic feelings. And there we come to the question if this is possible; if we know all the history of the space and collection where the exhibition is taking place, and if there is no long historical grasp, and some people who lived in one of *Yugoslavias* exhibited can give their opinion on it, is it possible to make a distance, be objective and exclude nostalgia from the place where people still long for their Marshal and bring flowers to the tombstone? One of the comments in the book of impressions is: “You completely killed the idea of Yugoslavia”. This was not the first time that the museum employees could not make a balance between audience coming just to worship Tito and the one truly interested in the exhibitions. “Similar neglecting of the Yugo-nostalgia and disrespect to audience coming to Tito’s mausoleum from the new museum management could be recognized earlier in the attitude towards the celebration of the 25th of May, when no one of employees have paid much attention to this audience. Still, hundreds of tickets given for this occasion are finally counted in the annual report and number of museum visitors.” (Adić, 2013, 336)

On the other hand, the young and urban population already used to coming to this exhibiting space, from 2001 to 2008 as mentioned before, could not understand the basic idea of the exhibition nor the idea of Yugoslavia, as the museum collection cannot respond to the needs of museums name.

Museum of Yugoslav History – balancing with different audiences

These problems in balancing between different purposes and different audiences of one place of memory are the best visible in the House of Flowers, a space which is literally a mausoleum and an exhibiting space in the same time.

As the author of the concept of exhibition currently present in this space stresses: “The House of Flowers is a delicate space that demands a thoughtful and carefully considered display. Some contents, allowed in some other exhibition areas, cannot be shown in this particular place (out of respect for the person buried there). Due to this, making an exhibition

in the House of Flowers is maybe the biggest challenge of all. And the question is – What kind of exhibition is appropriate/adequate for this space?” (Đorgović, 2016, unpublished paper)

Actually, for the first time in 2014, the museum management has started the systematised audience research (Jauković, 2014) and has decided to openly accept the “Titostalgic” audience as a *recourse*, living witnesses who still have the aurathical feeling towards the heritage the Museum is preserving. Finally, these visitors are still a great number in the statistics of annual museum audience. However, the mentioned concept of the exhibition set in the House of Flowers is named “Figures of memories”. This syntagma, borrowed from the culture of memory theory observes different images of the past (such as objects, photos, documents including the Condolence books and Memorial books abounding with messages of sorrow because of the death of Josip Broz, but the tombstone as well) as images which will help nostalgic audience recall their memories and share emotions about the life in Yugoslavia. Through this invaluable resource, museum curators are not just researching and involving current visitors, but also understanding which are the crucial (immaterial) elements of Yugoslav heritage for its living witnesses to be preserved and represented for younger generations and foreigners. The initial exhibition was designed to suggest and provoke, to make you wonder, not to indoctrinate. It was not full of objects as the exhibition in the Old Museum, but it was more conceptual, showing data on the history and visitors of the museum (represented with a big 3D graph), videos of the contemporary visitors coming to commemoration on the 25th of May and actually being a part of the whole setting. As Marija Đorgović, the author of the exhibition concept concludes: “We can say that it is less informative, and more performative. The exhibition was basically designed as a *scenery* (in which museum visitors also “play their role” as an integral part of the set-up) with a very reduced but clear and strong conceptual determination and visual identity which looks more like some site specific art installation, than a classical museum display. The conceptual approach of *work in progress* (already an endemic phenomenon in artistic and curatorial practice, which is not as elaborate in the museum practice), was chosen on purpose. It refers to its dynamic (not static), processual character which is reflected in *re-creation of exhibition space* (House of Flowers) by visitors, the main carriers of memory and active participants in its reproduction, and represented by: ritual circulation through the House of Flowers which has been held for more than three decades (visually suggested by huge photographs with

people in procession/line of people all over the interior or people standing at Tito's funeral in front of the House of flowers), the continuing tradition of leaving messages in *Memorial room* (which is an integral part of the exhibition) and through the entries made in *memorial books* and *guest books* (visible through live "performances" in Memory room), social interaction between visitors (community) in this site, especially on certain dates (May 4 and May 25).“ (Đorgović, 2016, unpublished paper) The most important thing for this topic is that, the "Figures of Memory" exhibition was the first setting continually raising a question: *What is the function of the House of Flowers today?* and including visitors who do not observe this spot as a museum but as mausoleum, in the research.

Still, the inherited collection and spaces needed to be interpreted together, not separately one from the other, where content makers i.e. custodians should follow one perspective which would link all the parts of the museum and exhibitions together and send a clear message to the audience. Changes of "figures" and interventions by other curators from the museum already revealed that the initial concept was not priority for everyone. On the other hand, settings in other two buildings continued being linked in between each other and with this one as well just physically, not conceptually, just being surrounded with the same garden. Even though management produced a map linking all the places in the Museum and organized guided tours through the complex, audience research show that exhibitions and map did not send any clear message to the audience, while the current interpretation was a bit more understandable with the official museum guide.

It was soon clear that, even the image of the museum was rising between younger population because of the good visual identity and some interesting exhibitions, with all the courage and work of curators which is up to date with the principles of the new museum management theory, the collection of this institution will hardly respond to the name Museum of Yugoslav History. Therefore, negotiations for the new identity creation and new image building have started.

Constitution of the Museum of Yugoslavia – recreation of the identity

Finally, in the last few years, museum curators are openly speaking about the complex position of the institution they are working in: "The two collections, set together in 1996 under the name, in that moment founded, Museum of Yugoslav History, are different in many ways. On one hand,

historical and documentary direction of the Museum of Revolution, its precisely developed methodologies of chronological and thematic interpretation of objects have formed organized unity with clear policy of the future politics of collecting. On the other hand, Memorial center “Josip Broz Tito” which also incorporated a fond of the two previous institutions on the same location, Museum May 25th, as well as a small Museum “4th of July 1941”, had the collection which was seen just from one perspective for years.” They conclude that particular contrast to the practice of acquisitions for the Museum of Revolution was that this one was elemental, constituted mostly of presents from different foreign state representatives but also from the people of Yugoslavia to the Marshal. “Due to this key conceptual difference, although the objects from two different collections were in one institution, during the period of 20 years of Museum of Yugoslav History, neither one attempt of systematization did not succeed.” (Momčilović Jovanović, Đorgović, 2017, p. 12)

However, if we follow the audience research final document done in 2016, just before the official change of the name and strategy (Đorđević, 2016), we can conclude that there is still strong differentiation in perception of this space by different groups of people. If the already mentioned visitors who are coming to this space in order to commemorate Tito and relive their memories on Yugoslavia do not consider this space a Museum and are often offended if they need to pay an entrance ticket to (in their perception) the Mausoleum, then there is also a contemporary, real museum audience interested in exhibitions and other programs. Coming to visit an institution with a name Museum of Yugoslav History, they expect to see chronological setting with many historical events explained. It is then normal that, the foreign visitor were sometimes leaving Museum very confused, even mad as they did not see any timeline, any setting which would be deciphering Yugoslav history, but just some small segments of it.

The audience perception of this institution is maybe the best visible in its comments: “Change the name of the museum or add more factual information on the history of Yugoslavia.” Still, it was not a problem just a name alluding historical perspective. What audience which came to exhibitions also concluded is that Museum is still “Tito fun-club oriented”, while many people in Serbia and the region refused visiting this space as they link it only to the celebration of Tito’s personality and Socialism. Consequently, we can conclude that Museum did not succeed in building the new image and even in 2016, 20 years after the constitution of the

Museum it was still narrowly linked just to the Marshal. The comments such as: "Please take out this propaganda about Tito, it is absolutely not an art work and it cannot stay in a museum. How can we learn more about life and work of Tito by hearing someone tell us *Tito is God...* Unbelievable!" and "The museum does not contain many historic info, but seems to be only some Tito's advertisement.", illustrate these problems. (comments published after the audience research: Đorđević, 2016)

Being aware of all these issues, but also of the fact that there is finally a historical distance from the period of Yugoslavia and that many theoreticians have started writing about this heritage freely just in the last decade, museum management succeeded in changing the name on the 1st of December 2016. Until this moment, the Museum curators have already done many researches and experimental programs, recognising the geographical and symbolical position of the Museum complex (project *Prepoznavanje/Recognition*), wider socialist heritage in Belgrade (project *Bajskultura/Bikeculture*), taking care not just of the "official" heritage but also of the memories of the living witnesses of the Yugoslav period (project *Razgovori o Jugoslaviji/Conversation on Yugoslavia*, many different exhibitions dedicated to social life in Yugoslavia, possibilities for audience to give a new object to the museum collection or to see opened storage and recognize and interact with some of the objects important for them such as some particular baton etc.).

Therefore, the new name was followed with the complete reconstruction. The term reconstruction in this context could be read in three different meanings: the physical one, as the Museum May 25th building is now under the reconstruction and as the new gate with a representative visitor center is being built promising that the complex will finally look like Western museums having enough facilities, big museum shop and the restaurant; the reconstruction is also referring to the systematization of the collection and making of the future permanent setting which will finally give the key to reading different phenomenon of Yugoslav heritage; also, the new image and new visual identity followed with a new web site are already in use.

We can recognize that museum management is now completely aware of the role it has in contemporary society and of the needs the audience has, even from the new mission and vision of the Museum: "The vision of the

Museum of Yugoslavia is to patrimonialize³ two funds and their documentation, history and remembrance of the employees, as well as to patrimonialize the Kingdom of Yugoslavia and socialist Yugoslavia and preserve memorial character of the space in the Museum complex. Turbulent and multilayered histories could be read from documentation, object information, exhibition catalogues and documents. Bonding together not just the two collections but also two *institutions* in 1996, which were different in its space, mission, work, documentation and employees, in a new institution with the new mission of patrimonialization of Yugoslavia, was a political decision, as well as a challenge in defining and building of Yugoslav heritage in a discussion with existing opinions and prejudices about it.” (Vasiljević, Kastratović Ristić, Cvijović, 2017, p. 21)

Consequently, a well-known graphic designer Slavomir Stojanović has produced a new logotype combining two golden lines with Cyrillic and Latin letters composing the word Yugoslavia on the black background. “The visual identity dissociates itself from the symbolic that refers to political ideology, but in the same time it leaves space for some kind of emotional reference which enables a continual life of the Museum project. New design of symbol and logotype starts from universal graphic symbolism of the flag which, during the whole existence of Yugoslavia, constituted of the three horizontal visual elements. The simple intervention of making the upper element longer, we get the metaphor of the Yugoslav continuity, referring to the concept which is continued to be researched phenomenologically through the Museum of Yugoslavia; the downer element stays unchanged, stopped in time, symbolizing factual end of Yugoslavia. The golden color, a symbol of whiteness, as deposits of the past time and as a metaphor of the history, imposes itself as a good solution instead of the usual red-blue-white tricolor flag which has strong ideological connotations.” (Stojanović, 2016 p. 53) Typography on the other hand, as Slavomir explains, refers to different peoples living once together under the name Yugoslavia. All of them are invited to interact in a Museum nowadays.

While being reconstructed, Museum is still being opened, working hard on the new permanent setting construction, and offering to its audience

³ The Serbian word “baštinjenje” referring to the complete process of selection, preservation and presentation of heritage and creation of particular contexts important for contemporary culture.

sincere answers on its current state and floating identity. They organize guided tours through the complex and explaining all the history and challenges this institution faces every day. These tours are sometimes a particular dialogs with visitors offering one more perspective to audience research for curators.

“The working process is aimed at turn from the bare packing of the recent past in the shelves of museum storages, to the socially useful museum, which tends to treat important issues which still do not have answers, becoming and staying relevant dialogist in contemporary topics.”
(Momčilović Jovanović, Đorgović, 2017, p.13)

Finally, from all the above discussed, we can conclude that the image and audience of one museum is never easy to (re)build. Maybe the Museum of Yugoslavia is one of the most complicated examples when it comes to the new identity of the place of memory construction, but it is still not unique, at least not in the region. Many institutions in the ex Yugoslav countries, once serving to represent the socialist ideology and its leader, are afterwards simmilarly renamed and recontextualised with the dissolution of the country. Many are still trying to reach new audience and tending to position themselves as cultural and socialy relevant institutions which are not promoting some political ideology but researching objectively and interpreting heritage from different perspectives. However, the big and popular museum institutions in Europe and United States are as well planning for years their positioning on the cultural market, their competition for audience and their image building. It is therefore not enough just to follow examples of good practices, but also to make the systematic audience researches, experiment with programs and exhibitions in order to construct a clear identity which will be easily seen in clear messages disseminated through different media, all the visual materials and all the programs of one institution. The continual and constant awearness and work of museum employees is the only recepy in sustainable and longterm reach of the goal visitors.

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EDUCATION IN FUNCTION OF SERBIA CULTURAL TOURISM DEVELOPMENT

Violeta Cvetkovska Tomanović¹; Srđan Babić²;

Abstract

By linking culture and tourism we come to the cultural tourism, the form of tourism with the growing interest in the world, as the number of tourists increases. These are travels motivated by cultural reasons. However, in order to talk about them, it is necessary to introduce or educate potential tourists with the possibilities of destinations, in terms of cultural content. On the other hand, in order to make this tourist-cultural experience possible, it is necessary to have adequate education of all those on the side of the offer and provision of services. Serbia has potentials for the development of cultural tourism, but in order to prevent it from remaining only at the level of potentials, education of all participants in this chain is needed. However, cultural tourism is not and should not be directed exclusively towards foreign tourists; the offer should be harmonized with the requirements of national, regional, international as well as global tourists.

Key Words: *culture, tourism, education, tourist-cultural experience*

JEL classification: *D83, J24, L15, M53, Z32*

Introduction

Culture and tourism are closely linked, because a tourist trip/travel involves escaping from everyday life, into a new, often culturally different ambiance. The goal of a tourist trip is to experience a new, authentic environment, and culture is often a key element of this authenticity.

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Culture is a very multi-layered concept which consists of material and spiritual creation of a man (Cvetkovska-Ocokoljić & Cvetkovski, 2009). Culture relates to the mentality, forms of activity and interpersonal relationships inherent in the community and individuals within it. Culture could be separated into an inner and outer circle (City Tourism & Culture - The European Experience).

- The inner circle represents the cultural core, the more traditional or basic elements of culture representing what people make or produce in cultural terms.
- The outer circle represents the way of life or lifestyle of a place or region.

One of the basic functions of culture is the transfer of cultural goods and values to individuals and groups, from generation to generation. The study of the way in which a person sees the world around him/her, receives various knowledge and in feedback affects the environment throughout the history of mankind, was mainly focus on the relationship between vision and what was seen (Cvetkovska-Ocokoljić & Cvetkovski, 2012). However, in contemporary conditions of life and business, culture can be seen as a form of “tourism consumption” as well. In the past, cultural tourism was largely based on cultural heritage – consumed by large numbers of people (Richards, 2009). But today, we live in world characterized by the growth of knowledge, increased mobility of people, increased accessibility of travel, growth of cultural visits and a huge demand to visit and personally experience other societies.

Cultural tourists are educated and informed, they have good salaries and spend more when they are on vacation and those are reasons why many countries and regions work to develop specific cultural tourism programs, and to design marketing efforts toward cultural tourists. Today, we have a growth of cultural visits. Cultural tourism is seen as high value tourism and it needs adjustment of old ones and development of new specific cultural tourism programs/products. It usually means education, those who are on the supply side and those on the demand side, in order to make them acquainted with the offer and interested in it.

Different types of culture and cultural tourism

In accordance with the Tourism development strategy of the Republic of Serbia “Tourism is the main driving force of cultural exchange at the global level, providing and presenting to visitors a personal experience of

life from the past and present, reflecting the basic characteristics of certain areas and communities. Natural and cultural heritage, diversity of customs and the culture of life of communities represent the main tourist attractions” (Tourism development strategy of the Republic of Serbia).

In tourism, we can distinguish different types of culture (Reisinger, 2009):

- Tourist culture - refers to the country culture that tourists bring with them when visiting other countries, whether for business or for vacations. It provides an explanation of tourist behavior.
- Host culture - is the culture of the host country with which tourists are in contact. It is the national culture of those who provide local offerings and services to tourists, and
- Tourism culture - refers to the outcome of the behavior of all participants involved in the tourism process, that is, the behavior of tourists and those who offer tourism and hospitality products and services. It is a special type of culture created at each destination, different from everyday culture of tourists and hosts.

In other words, it can be said that: “First, on the supply side each destination has its own, unique cultural (tangible and intangible) elements that form part of its own distinctive cultural tourism offering. These distinguish one cultural destination from another. Secondly, on the demand side the desire to experience a destination`s culture is the main motivator of cultural tourism travel“ (Ivanovic, 2008). Culture plays a central role, because it is on the both sides.

Travel and tourism could be seen as a system (Sharpley, 2006, p. 9).

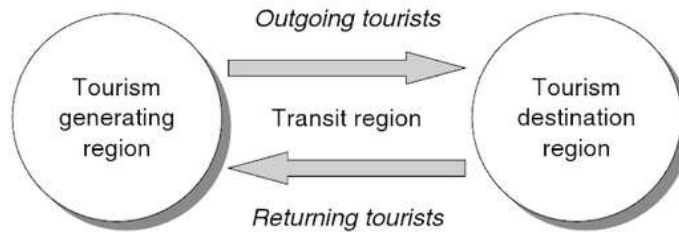
- The tourism generating region stimulates tourism and is where tour operators and travel agents are located.
- The tourism destination region attracts tourists, experiences the consequences of tourism and is where attractions and facilities, such as hotels, are located.
- The transit region represents the travel sector.

“Cultural tourism can be defined as that activity which enables people to experience the different ways of life of other people, thereby gaining at first hand an understanding of their customs, traditions, the physical environment, the intellectual ideas and those places of architectural,

historic, archaeological or other cultural significance which remain from earlier times” (Csapó, 2012).

Figure 1: *Travel and tourism as a system*

External influences: economic, political, environmental, technological



Source: Sharpley, 2006.

In the same way to which culture could be separated into an inner and outer circle, cultural tourism has the inner and the outer circle as well (City Tourism & Culture - The European Experience):

1. The inner circle represents the primary elements of cultural tourism which can be divided into two parts, namely heritage tourism (cultural heritage related to artifacts of the past) and arts tourism (related to contemporary cultural production such as the performing and visual arts, contemporary architecture, literature, etc.).
2. The outer circle represents the secondary elements of cultural tourism which can be divided into two elements, namely lifestyle (elements such as beliefs, cuisine, traditions, folklore, etc.) and the creative industries (fashion design, web and graphic design, film, media and entertainment, etc.).

In the past, cultural tourism was largely based on cultural heritage (especially elements such as museums and monuments). But recent researches show that until now museums are the most popular attractions visited by all groups of visitors.

Today, everything is on authenticity, especially in the study of cultural tourism. A number of studies of cultural tourism have argued that cultural tourists are seeking more „authentic“ or „deeper“ experiences than other types of tourists (Richards, 2007).

During the time cultural tourists become more experienced and sophisticated. Thanks to new information-communication technologies, they are able to plan and tailor their own tourism experiences and they want less visited places that offer a taste of 'local', authentic culture.

Because of search for authenticity cultural tourism is seen as a more serious form of tourism. It means that it is connected with learning and education.

Who are cultural tourists?

According to McKercher (2002), “cultural tourist is defined as someone who visits, or intends to visit, a cultural tourism attraction, art gallery, museum or historic site, attend a performance or festival, or participate in a wide range of other activities at any time during their trip, regardless of their main reason for travelling”.

Consumers of cultural tourism products are usually highly educated people. They have better jobs and earn a more money. The researches show that there is a strong connection between education and cultural consumption.

Also, cultural tourists usually are people that have jobs in cultural sector or that are connected with cultural sector.

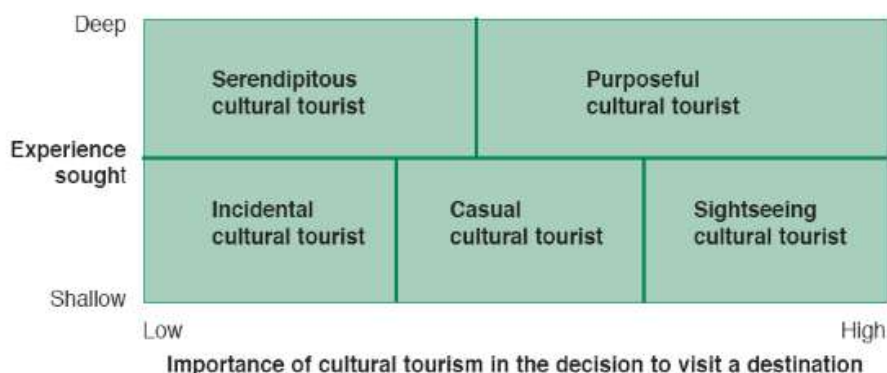
The ATLAS research shows that the level of education for those visiting cultural attractions across Europe is relatively high. Data on the age of the visitors, however, showed that it is not merely older people visiting cultural attractions, but young people also make up a large proportion of visitors and they tend to visit cultural attractions in those cities relatively frequently (City Tourism & Culture - The European Experience).

McKercher differentiated five types of cultural tourists, based on the importance of culture in their decision to travel and the depth of their experience (McKercher, 2002):

1. The purposeful cultural tourist (high centrality/deep experience) – learning about other's culture or heritage is a major reason for visiting a destination and this type of cultural tourist has a deep cultural experience;
2. The sightseeing cultural tourist (high centrality/shallow experience) – learning about other's culture is a major reason for visiting a

- destination, but this type of tourists has a more shallow, entertainment-oriented experience;
3. The casual cultural tourist (modest centrality/shallow experience) - cultural tourism reasons play a limited role in the decision to visit a destination and this type of cultural tourist engages the destination in a shallow manner;
 4. The incidental cultural tourist (low centrality/shallow experience) – cultural tourism plays a little or no meaningful role in the destination decision-making process, but while at the destination, the person will participate in cultural tourism activities, having a shallow experiences.
 5. The serendipitous cultural tourist (low centrality/deep experience) – cultural tourism plays a little or no role in the decision to visit a destination, but while there this type of cultural tourists visits cultural attractions and ends up having a deep cultural tourism experience.

Figure 2: *Typology of cultural tourists by McKercher and Du Cros*



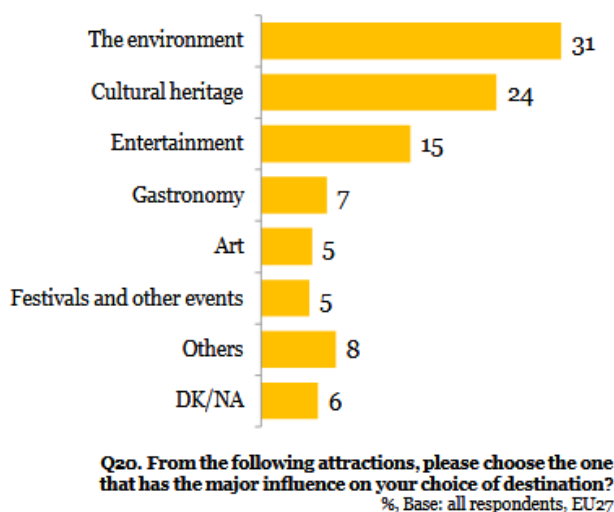
Source: *Csapó, 2012.*

When deciding on holiday destinations, most Europeans named the location's environment (e.g. its overall attractiveness) as the key consideration (31%). Cultural heritage (24%) and the options for entertainment (15%) were the second and third most widespread responses in regard to factors that influenced a choice of destination (http://ec.europa.eu/commfrontoffice/publicopinion/flash/fl_258_en.pdf).

There are obviously different types of cultural tourists, every of them need a specific approach, specific cultural tourism product and all of them should be equally important.

Figure 3: *Attraction influencing the choice of destination*

Attractions influencing the choice of destination



Source: *Survey on the attitudes of Europeans towards tourism - Analytical report*

Cultural tourism and education

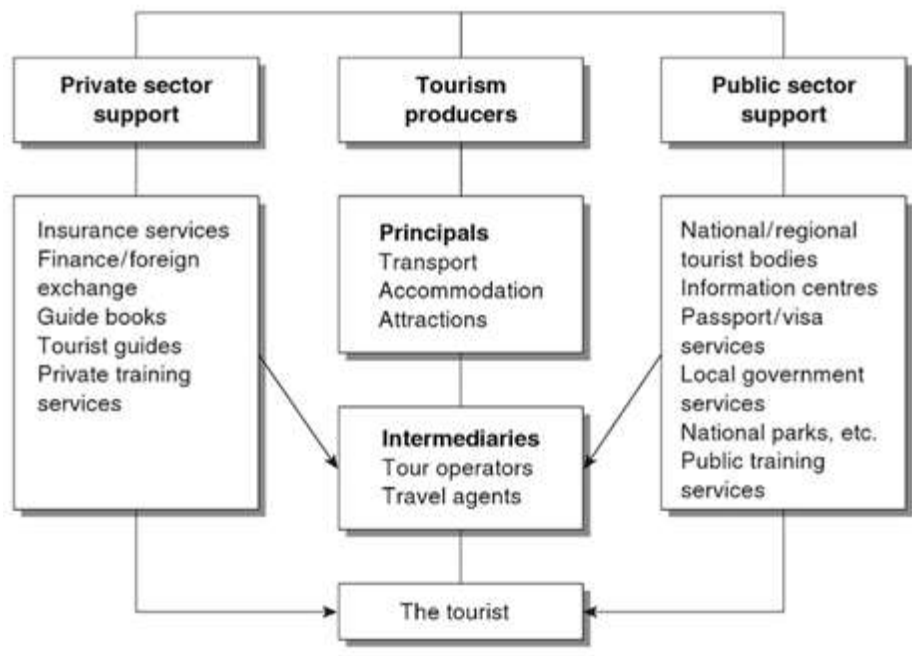
There are different types of cultural tourism such are (Csapó, 2012): Heritage tourism; Cultural thematic routes; Cultural city tourism, cultural tours; Tradition, ethnic tourism; Religious tourism, pilgrimage routes; Creative culture, creative tourism (Ivanovic, 2008). Education should include exploring the possibilities of cultural tourism offers as well as knowledge of different types of tourists.

Sharpley said “The tourism product is, in fact, a tourism experience” (2006). So we need to give the best possible even unforgettable experience to cultural tourists. In order to achieve this goal, we need to tailor tourism product to be perceived as very attractive and it should be really enable such an experience at the destination.

If we look at the next figure, we can see who tourism producers are and who support them. Tourism industry is fragmented, but strong relationship should exists between all participants in this sector, especially those involved in the direct production of tourism products.

Private and public sector that support tourism producers are the strengths or weaknesses that must be considered when producers create offers. But they should take into account barriers to travel and tourism that can impact on the nature and direction of tourist flows such as political and economic instability, crime, conflict etc. perceived by the possible cultural tourists, as well.

Figure 4: *The travel and tourism industry*



Source: *Sharpley, 2006.*

Tour operators and travel agents need to have knowledge about possible cultural tourists and different types of those tourists, and cultural tourists need to have knowledge about destinations, their heritage and culture and possibility to feel like locals and to learn something about “locals”. It requires education and learning from both sides.

“In a time characterized by globalization in the economic, political and cultural terms, when multinational companies are getting stronger and stronger, and competition are getting more visible a special challenge is to have and maintain high-quality and competent workforce” (Babić et al., 2015).

The need for tourism education is evident as well because a professional and well-trained workforce delivers competitive services and those people show more motivation and show more productivity than others.

We need a high-quality tourism education. The question is does tourism education adequately prepare people for employment in the tourism industry? It means that in order to be more competitive, tourism education should be tailored to meet the needs of the tourism industry. It again requires researches.

Research in tourism also needs to consider the strategy of the development of destinations and tourism enterprises, customer loyalty and the compatibility of tourism with the natural environment and social development, beyond short-term issues of lowering costs or redistributing market quotas (<https://www.hospitalitynet.org/news/4012371.html>).

Success in business depends on the characteristics of organization's workforce. It is particularly hard to find candidates with the right so-called "soft skills" such as interpersonal skills, communication, adequate work ethics, desire and ability to learn, creativity, ability to work in team and problem solving (Cvetkovski et al., 2015). The tourism sector requires specific knowledge from tourism workers.

Understanding the culture and language of the guests have the key importance, but other skills are equally important. "Ignorance of the language and different cultures leads difficulties in communicating with tourists. Among the skills, communication skills are necessary at all levels. Emotional intelligence is also important because it allows adjustment to clients and situation, and their understanding. In addition, depending on the specific position at which the employee works, he/she will need the specific technical knowledge as well. At the managerial level knowledge of marketing, finance, strategic planning, project management, human resources management, computer skills, and understanding the role and application of computers in the tourism sector are required. It is also important that managers know how to manage change, how to innovate and develop tourism products, and to know how to manage the crisis communications" (Cvetkovska-Ocokoljić & Babić, 2016).

Reason for lack of learning among tourism workers could be find in the fact that in tourism sector there is a large number of seasonal workers.

They are usually characterized by low motivation, poor knowledge and skills. But it could be improved with continuously investments in education and professional development of tourism workers who can then create added value of the product/service.

With regard to the desired qualitative advancement in tourism and the overall competitive ability of the sector, special attention must be dedicated to the (Perman & Mikinac, 2014):

- Development of appropriate professional training programs for tourism,
- Providing direct support for their positioning in tourism education, professional training and other forms of knowledge transfer,
- Development of an education program in tourism,
- Providing help to tourism personnel – consulting services and research,
- Assessment of information and other needs in tourism,
- Training in tourism in order to improve business operations, etc.

“In the knowledge-based economy, the rise of knowledge as a major driver of economic growth and development has extensively influenced the development of education. The university has become an engine for developing human capital for the new economy. In the world of tourism, human capital is vital to tourism economic growth and competitive advantage in the tourism industry” (Wang, 2008).

Tourism consumers are changing their habits. Thanks to new information and communication technologies there are more and more independent travelers. Independent travelers decide where to travel based on information that they can find on the Internet.

It means that information that promotes cultural contents must be found on websites and Facebook pages of cultural institutions and tourist communities, cultural events must be discussed on forums, within blogs, information must be spread throughout social networks. In such conditions, we need to know that the responsibility of institutions promoting the cultural contents is also high. They need marketing, management, intercultural, informational and other cross functional knowledge and education as well.

Cultural tourism and education in Serbia

Serbia does not have an organized and well-designed cultural and tourism offer, which requires cooperation between different sectors and a special approach to the education of all involved in cultural tourism. Today, tourists value authenticity and that could be a chance for development of cultural tourism of Serbia. Belgrade is very interesting for both foreign and domestic tourists. However, authenticity allows development of rural and local regions, as well. In order to experience an authentic foreign culture, tourists need to get away from the main streets and shopping centers. If we make our cultural potential attractive, we have the opportunity to develop a cultural tourism.

Damir Demonja (Demonja, 2011) states that an active role in the development of cultural tourism should be taken by regional and local tourist communities so local values, thanks to cultural tourism, may become interesting for tourists. Tourist destinations need to "enriched" with cultural content, and then make them accessible, attractive and interesting to potential tourists. Something like that is possible if, in addition to the development of the supporting infrastructure and adequate support from the state, there is an "appropriate education system that prepares the personnel able to carry out the development concept on their shoulders" (Đukic-Dojčinović, 2005).

The problem of education is noted in the tourism development strategy of the Republic of Serbia for the period 2016 to 2025, where in the context of the analysis of the current situation and characteristics of the tourism, it is stated among other things that: "not achieved effective functional link between the economy, tourism organizations, associations and business associations, educational and scientific institutions in order to form a safe, long-term and sustainable development of tourist areas" (Tourism development strategy of the Republic of Serbia). The perception of cultural tourism as high value tourism encouraged many regions to develop specific cultural tourism programs. Accordingly, they need to know who their targeted cultural tourists are and they need knowledge of cultural tourist contemporary patterns of travel and the factors that determine these patterns.

In tourism sector, now more than ever, it is important to combine knowledge with practical exercises and skills. The overall quality within tourism sector depends on education and professional development of

employed personnel. It is crucial because (Cvetkovska-Ocokoljić, Cvetkovski, 2010) "Frustration occurs when it is discovered that an attractive package is part of a propaganda message and that the "magical" product does not meet the promised purpose". In Serbia was observed "the increase of visits to the most important segments of the movable (museums, libraries, archives, galleries), immovable (archaeological sites, urban cores, protected spatial cultural-historical units, folk architecture monuments, fortification, battlefields) and immaterial ("slava", "Đurđevdan"; Open-air museum "Old Village - Sirogojno") cultural heritage" (Tourism development strategy of the Republic of Serbia).

The number of tourists in Serbia, both foreign and domestic, is steadily increasing. In the Republic of Serbia in January 2018, compared to January 2017, the number of tourist arrivals increased by 11.4%, and the number of overnight stays increased by 12.0%. In January 2018, compared to January 2017, the number of overnight stays of domestic tourists increased by 8.3%, while the number of overnight stays of foreign tourists increased by 18.2% (Statistics of catering and tourism). We do not have information about which percentage of them could be considered as cultural tourists. In terms of the volume, the majority of tourist trips are still within national borders, so to demands of domestic tourists should be seriously approached as well.

In the field of cultural tourism in Serbia, it is necessary to connect the economic and cultural functions of tourism (Đukic-Dojčinović, 2005). In order to make a profit from tourism industry Serbia need to work on tourism infrastructure and education to meet international standards. Cultural products are specific, original, and therefore the essence is to adapt the way of advertising cultural products to different groups of cultural tourists and with international standards rather than to adjusting the products itself. Serbia needs multidisciplinary educated experts who would be able to connect cultural and economic aspects within tourism. Who could give managerial note to the cultural tourism, while still retaining the authenticity of a tourist experiences. However, a quality cultural product implies the quality of all activities not only within jobs that are directly connected to cultural tourism, but also of all those who are indirectly related to it.

Attention must also be directed to tourism products directly connected for cultural tourism such are rural tourism, wine tourism, conference tourism and eco-tourism. That means that cultural tourism can be viewed quite broadly.

Table 1: *The list of accredited programs in the field of tourism in Serbia*

• University of Belgrade: Faculty of Geography ○ BAS4-Tourismology and ○ MAS1-Tourismology • University of Novi Sad: Faculty of Natural Sciences and Mathematics ○ BAS-Tourism, BAS- Graduate Tourismologist in English ○ MAS-Tourism and MAS-Master Tourismologist in English ○ DS-Doctor of Science-Geosciences-Tourism • University of Kragujevac: Faculty of Hotel Management and Tourism in Vrnjačka Banja ○ BAS-Hospitality and Tourism, BAS4-Health Tourism ○ MAS-Hospitality Management, MAS-Tourism Management - MAS1-Health Tourism ○ DS-Hospitality and Tourism Management • University of Niš: Faculty of Natural Sciences and Mathematics ○ MAS1-Tourism • University "Singidunum" - (studies at the University) ○ BAS-Tourism and Hospitality in Serbian and English ○ MAS-Business Systems in Tourism and Hospitality in Serbian and English ○ DS-Management in tourism in Serbian and English • University "Singidunum": Faculty of Medical, Legal and Business Studies - former "Faculty of Business Valjevo (FBV)" ○ BAS-Tourism and Hospitality ○ MAS1-Business Economy with module - Tourism • "Edukons" University: Faculty of Sport and Tourism (TIMS) ○ BAS4-Management and Business in Tourism ○ MAS1-Tourism and Development in Serbian and English ○ DS-Management and Business of Sustainable Development in Tourism • "Union-Nikola Tesla" University: Faculty of Sports ○ MAS1 - Management in Tourism and Recreation • Higher education units outside of institution headquarters: ○ "Singidunum" University, Belgrade – a higher education unit without status of legal entity: 1. Novi Sad – BAS-Tourism and Hospitality in Serbian and English 2. Niš–BAS- Tourism and Hospitality in Serbian and English • Colleges of professional studies ○ College of Professional Studies of Agricultural (Šabac):

- BPS-Tourism
- College of Professional Studies Arandelovac:
 - BPS- Management in Tourism and Hospitality
- College of Business-Technical Professional Studies (Užice):
 - BPS-Tourism
 - SPS-Tourism with two modules: Management of Touristic Destination and Ecotourism
- Belgrade Business School – College of Professional Studies:
 - BPS-Tourism Management
- College of Business Professional Studies (Blace):
 - BPS-Tourism
- College of Business Professional Studies (Leskovac):
 - BPS-Tourism and Hospitality
- College of Professional Studies of Tourism (Beograd):
 - BPS-Economics and tourism with four modules: Tourism, Management in Tourism, Travel organizers and tour guiding, Hotel management
 - SPS- Management in Tourism and Management of travel organizers
- College of Business Professional Studies (Novi Sad):
 - BPS-Tourism and Hospitality
- College of Business Professional Studies “prof. dr Radomir Bojković” - former “The College of Professional Studies for Business Industrial Management” (Kruševac):
 - BPS- Tourism and Hospitality
- ○ College of Professional Studies of Hospitality (Beograd):
 - BPS-Hotel Management

Source: A guide through accredited institutions of higher education study programs in Serbia (Commission for accreditation and quality assurance)

There is the interest in the field of tourism in Serbia - It could be said with regard to the number of accredited study programs in this field (at Universities: 8 programs of bachelor academic studies, 11 master academic studies and 4 doctoral study programs; with two programs of bachelor academic studies in the units outside the headquarters; and in the colleges of professional studies 10 programs of basic professional studies and 2 programs of specialist professional studies). However, there is a question of diversification of these study programs because lot of them is very similar. In the field of cultural tourism we need education and multidisciplinary.

Conclusion

At the beginning of this paper we said that by linking culture and tourism, we come to the cultural tourism, so it means that cultural tourism could not exist without tourist market, although culture exists independently of that same market. However, taking into account what cultural tourism is all about, we can conclude that, in future, tourism without culture will not exist. If culture refers to (Reisinger, 2009) human environment, social heritage and traditions, way of life, dress and appearance, food and eating habits, work and leisure habits, information and communication etc., it would mean that everything is about culture. Today, tourists need authenticity so we need new tourism products and that could be a chance for the development of both our rural regions and those other than Belgrade. There is a necessity for education about new preferences and needs of tourists, about globalization and culture and their role in tourism. On the one hand, the tourist sector has to deal with the needs of tourists, and on the other hand, it is necessary to promote tourism products and educate potential tourists in relation to those products. Tourists want to experience local culture, to live like locals and to find out about the real identity of the places they visit. Today there are fewer travellers who buy the packaged excursions, they rather creatively shape their own experiences, based on what and when they want to see. These experiences usually emphasize active involvement in local culture (Richards, 2009). It is important that those involved in the touristic offer are familiar with the cultural tradition of tourists in order to allow a better depth in understanding of their behavior and expectations. However, this does not mean that we should lose originality. The key thing is in balance - to provide tourists with what they expect, to promote them that in the way they want, but to preserve the originality of traditional local culture, because the destination must have unique characteristics different from other destinations in order to attract tourists. In all of this, education is essential (Cvetkovska-Ocokoljić & Babić, 2016). Considering that culture is involved in all forms of tourism, that is, in different tourist products, culture in the future will probably be one of the key elements of tourism development. It means that we will need multidisciplinary approach to cultural tourism. The number of international and domestic visitors in Serbia will continue to increase in the future. The tourism sector will have to improve the supply of a skilled workforce in order to be able to meet the specific demands of tourists and to deliver a quality product to those international and domestic visitors. However, adequate attention must also be directed towards the proper promotion of tourism products and the

education of potential tourists about them. Young people are also very important for cultural tourism because their cultural experience could influence their further coming during the life and their future tourism behavior as well (Richards, 2009).

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CULTURAL POTENTIALS IN THE FUNCTION OF THE SUSTAINABLE TOURISM DEVELOPMENT OF VRBAS MUNICIPALITY

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Abstract

Vrbas Municipality has versatile cultural potentials which can contribute to sustainable tourism and economic development of the local area.

Rich material and non-material cultural heritage of Vrbas was built during the centuries, in the process of continual immigration and emigration, migrations and colonization.

The main aim of the paper is to point out the importance of the nurture of the quality cultural contents and manifestations as the bases of the Municipality's recognition on the tourist maps of Serbia and Western Balkans.

In the analysis of tourist offer and cultural life of the Municipality, appropriate qualitative methodology was applied such as the methods of analysis and synthesis, inductive and deductive, descriptive and comparative methods.

Key Words: cultural potentials, cultural heritage, sustainable development, cultural tourism, Vrbas Municipality.

JEL classification: O13, O18, Q01, Q57, Z32.

Introduction

Vrbas is a melting pot of nationalities and cultures where 26 different ethnic groups live together honoring and respecting each other's traditions and values; the majority are the Serbs, then Montenegrins, Rusyns, Hungarians, Ukrainians, Yugoslavs, and Croatians. Cultural heritage of Vrbas is rich and woven over centuries through constant migration of

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people. Its cultural heritage, both tangible and intangible, is a significant touristic resource which supports the sustainability of the touristic and economic prosperity of the community.

Apart from natural resources, cultural development is also important for the development of tourism. Why is it important to study national culture?

One part of the answer can be found in the thought of Lawrence Harkins who says "Underdevelopment is the state of mind". As a matter of fact, culture influences the behavior of the individuals and their contribution to the process of economical and social development, as well as their economical choices and making business decisions. Culture is a presumption to every thorough change in the society or the life of an individual, points out the sociologist Ratko Bozovic. He considers that it is the culture that communicates to the world, not the actions of the world power seekers.

Therefore, cultural values can have both a positive or negative influence on the social and economical development. Every social and economical system becomes a specific "cultural capital". The economist Veselin Vukotic says that economy development is a cultural process. The relation between cultural and economical development becomes important subject of discussion in European frameworks.

The importance and potentials of culture

Studying national culture, "national character", i.e. "social genotype" is of a great importance. A famous economist, a Nobel laureate, Douglas Norht thinks that the "social genotype" of the former socialist countries has numerous instruments ("social syndromes") which impede the affirmation of the modern market economy. Therefore, it is difficult to establish new institutions here, and to remove the old ones. It is due to the inertness of the "social genotype", which greatly influences the slow transition and inhibits the efficiency of the reforms. The reasons for this are numerous: historical, geopolitical, religious, social-economic, etc. All these factors have their own expression in the national culture. Culture is an important development resource of the modern society (Pejanović, 2013).

The notion of culture in the narrow sense implies artistic creation, and in its broad sense it includes the total lifestyle of a national and social community. Cultural heritage includes material and non-material cultural

heritage. Material is divided into immovable (culture monuments, archeological sites and sights) and movable (museum collections, archive collection, audiovisual and cinema collections, library collections). Immaterial cultural heritage (oral tradition, folklore, crafts, mythology and rituals, festivals, costumes).

Vrbas municipality has all these cultures. The sector of the cultural creation includes: theatre, opera, ballet, visual arts- painting, sculpture, drawing, graphic, applied arts. Creative industries include: cinematography, radio, television, literary works and publishing, music. Tradition is an organic part of every nation's culture, which means that it through the piled experience establishes the cultural patterns as the most important forms of the primary conscience and behavior culture.

However, cultural patterns are not a simple consequence of cultural tradition, but through the process of spontaneous and organized modeling they acquire the greatest influence right from the cultural past. Vrbas municipality has a rich cultural heritage. The characteristic of a national culture is that it has a long tradition and that it changes very slowly, much slower than ideas. Without knowing the "deep layers and network of the national characteristics – conscious and unconscious, rational and irrational, constructive and destructive- it is difficult to understand the complex spiritual and cultural identity of a nation, which has grown out of those foundations" says the psychologist Žarko Trebješanin.

Vrbas has a very rich national culture. It is marked by a long history and continual colonization. The first is proved by the turbulent history of Vrbas.

The history of Vrbas goes back into the distant past. Although Vrbas is first mentioned in the written sources in 1387, thanks to the archeological diggings on the Carnok, Suvakov Salas and brickyard "Polet" sites, we have become familiar with many other things from its past. Carnok is a Celtic opidum (earth fortification) which was first a sales center, and later it gets a fortifying role, too.

From the 4th century BC these areas were splashed by the waves of different peoples, brought here during the great migrations. The Avars remained longest, which is certified by the necropolis on the brickyard "Polet" site. The beginning of the 4th century is also the ending of the

Avars dominance, but the control was overtaken by the Franks, and then Bulgarians.

At the end of the 9th century, Ugrian tribes came to the Pannonia Plain. This is certified by the necropolis from the 10th century with their nomadic characteristics, and by the medieval settlements explored in this area.

Although the year 1387 is taken as the year of Vrbas foundation, the town was mentioned early in 1213, when the name “Orbaspalotaja“ occurs as the seat of the two noblemen properties.

According to the written sources this area was mainly settled with the Slavic people (Serbs), which fled from the settlement on several occasions due to wars, floods or diseases. The citizens were mostly mentioned in the tax books (Turkish books) - the tax book of the Sombor Nahiye (Sombor county) and the Great Segedin Sanjak from 1570. Also the Vienna Court Archive has some information about the inhabited villages and about the citizens from the census of the soldiers. The year 1720 is the year of great changes in ethnic ratio in Backa. Serbs moved to Russia and Banat, and the colonization of Rusyns, Germans and Hungarians began in this area. The Rusyns settled in Vrbas in 1745, in Kucura in 1763. The Germans started settling in 1784, while there are no precise information on the settling of the Hungarians, except that after the year 1890 they started settling Stari Vrbas on a greater scale.

In the 19th century, due to the digging of the canal and construction of the railway Budapest – Subotica – Novi Sad, Vrbas became a big industrial, crafts and trade center. New primary, vocational schools and a grammar school were opened. That process directly influenced the strengthening of the newly formed civil class, which became the main carrier of the cultural, social and economical life.

At the beginning of the 20th century, the workers gathered in the vocational unions, strikes occurred one after another, and World War II began in 1941. Less than four years later, on the 20th October, Vrbas was liberated from the fascism. After the war the city was settled by the citizens from Montenegro, Bosnia and Herzegovina and Kosovo and Metohija (organised colonization).

Migrations in Vojvodina brought the people from various parts of Europe. It contributed to the more versatile economy and cultural diversity.

Methodology

A national culture is based on clear delineation of its identity, but also on its possibilities for dissemination, development perspectives, and its appraisal in the international, multicultural, and transcultural arena. Bearing in mind the specific national genotype and cultural identity of the residents, one of the strategic areas of cultural development in Vrbas is the respect, evaluation, preservation, and development of all the elements of culture that were built in through the ages and by various civilizational formations (Strategija razvoja opštine Vrbas 2014-2020).

The basic hypothesis underlying this paper is that the municipality of Vrbas has various cultural potentials to use as means of sustainable touristic and economic development of the local community.

In support of the hypothesis, the authors have analyzed the available touristic offer and cultural events in Vrbas, emphasizing the importance of preservation of its intangible cultural heritage as a unique selling point and characteristic feature of the municipality in the general touristic landscape of Serbia.

In this analysis adequate qualitative methodology such as: the methods of analysis and synthesis, inductive and deductive, descriptive and comparative methods was applied.

Cultural life and cultural-historical appeal of Vrbas

The important milestone in the history of cultural development in Vrbas is the foundation of the local library “Danilo Kiš” with its branches in the five major settlements of the municipality on February 22, 1962; and the foundation of the Culture House on February 5, 1968.

Nowadays, Cultural Center, which is the result of the institutional reorganization of the Culture House in 2002, is the hub of cultural events in Vrbas. Since its foundation, the Cultural Center offers a variety of services: museum and gallery exhibitions, literary panels, publications, festivals, and different stage performances (folklore, ballet, poetry reading, plays, etc.). In addition to institutional support to creative work

through the Library and the Cultural Center, civil societies also participate in catering to the cultural needs of the people in Vrbas. The data gathered from the City Hall shows that there are 56 registered civil societies in the municipality of Vrbas whose area of interest range from preservation of cultural heritage and minority customs to various aspects of art (music, painting, visual arts, literature, and theatre).

The most prominent organizations are: ULUV (The Vrbas Association of Painters), VUM (The Vrbas Association of Artists), then artist societies such as Savo Vukosavljević, Žetva, Vuk Mandušić, Sirmaj Karolj, Karpati, also Njegoš - the Association of Gusle Players, The Vojvodina Association of Gusle Players, The Association of Montenegrins, The Association of Krajišnik - Krajina, Karitas Civil Society, Oteto od zaborava Ethno Club. In addition, there are cultural-historical appeals of Vrbas to complete the touristic offer and support the sustainability of the local development.

The most important cultural and hysterial monuments in Vrbas are:

- Serbian Orthodox Church built in from 1730-1738,
- Evangelistic (Lutheran) Church built about 1824 after the settlement of the Germans in 1785,
- Vodice Chapel, a unique type of chapel specific for Vojvodina and Slavonia, built in 1793,
- Reformatory (Calvinist) Church built in the same period as Evangelistic,
- The construction of the Methodist Church began just before the World War I, and completed in 1921,
- Grammar School “Žarko Zrenjanin“ was founded in 1809 as a Latin school, in 1835 it was renamed into Patron Real Gymnasia, in 1872 into Patron Lower Gymnasia, in 1893 into Communal Gymnasia, in 1921 into Comprehensive Real Gymnasia, and in 1947 into Real Mixed Gymnasia,
- Museum in Vrbas municipality was founded in 1968 and it changed several locations. Today, it is located in the old Municipal building. The Museum collection includes several thousand museum exhibits, excluding the exhibits which are in the Vojvodina Museum. The most important exhibits include the ones found in Carnok, Brickyard “Polet” and Suvakov Salas. Of the great importance are the exhibits which marked the lifestyle of the people and nations through history on the Vrbas municipality territory,

- Monument to the engineer Jožefu Kiš (1748-1813) is located on the hill near the Vrbas hydro-junction (i.e. Šlajz). This monument is devoted to the memory of the Great Backa (Franc's) Canal designer, who wanted to be buried on Šlajz since it was the place from where the first probe works had started,
- Base Center or Bapina's Base is the most famous illegal base on the Vrbas municipality territory from the World War II period. It is located in 137 Milivoje Cobanski St. The frontal, residential part of the house contains the objects, photographs and other exhibits used by the illegals. In the rear part of the backyard, there is a separate small house, base, the place for the operation of the illegals. It is importance because it reflects the interior and exterior appearance of a Serbian country house from 19th century (According to: Opština Vrbas, 2017).

Cultural manifestations as basis for the development of festival tourism

Today, Vrbas offers a plethora of cultural contents and manifestations from various domains of art during the whole year. The Cultural Calendar lists over thirty different events.

The most popular are:

- The festival of the youth poetry, set up 40 years ago is the oldest and the most important cultural event in Vrbas municipality. It is also one of the most important poetry events in the country.
- The youth Palette is the biggest accompanying event to the Festival of the Youth Poetry and it gathers a dozen of the most talented young professional painters from all over the country, who are selected by a famous art critics.
- Festival of Vojvodina folklore traditions was established 30 years ago, and was held in many Vojvodina municipalities. Upon the Decision of the Institute and Vrbas Municipality, the festival is to become a permanent event and will be held in Vrbas in September.
- Autumn Arts Salon was founded in 1968 and represents the oldest event of this kind in the municipality. Salon is held in October or November and lasts for about twenty days.
- Kostelnik's Autumn is an inter-municipality musical and poetic event, a gathering of choirs organised by KDP Karpati and KC Vrbas. This event takes place in November.

- The Night of Museums is a cultural event organised by museums and cultural institutions, during which museums are opened for the visitors from 6 pm to 2 am. The aim of this event is to present the museums and galleries in a funnier and unusual way. It takes place in May.
- Neven's Festival of Children-Poets has been taking place in Savino Selo since 1989. It has an international character and is recognized by the work with talented children and writers. Children authors compete with their poems and short lyrical stories in Serbian language. Festival's publishing activity includes a special edition which is The first book of the most talented poet, i.e. poetess.
- Triangl Art Colony in Savino Selo takes place traditionally in May when it draws together a lot of outstanding and talented artists who in a three-day period create their paintings.
- Kucurska žetva (Kucura Harvest) is an event where Rusynian and Ukrainian folklore ensembles perform together with several ensembles of other national communities from Vojvodina. The aim of the festival is to preserve and nourish the folklore tradition of Rusyns and other national communities.
- Tamburitza Festival in Zmajevu is devoted to the Sava Vukosavljev, born in Zmajevu who is one of the most prominent personalities on the music scene of Vojvodina during the second half of the last century.
- Fijakerijada (Fiacre Festival) in Ravno Selo is a traditional cavalry event of parade and competitive character. It is held in July and August, in organization of Mustang Cavalry Club from Ravno Selo (Opština Vrbas, 2017).
- Especially interesting is the newly established The Ravno Selo Film Festival whose founder is a famous Serbian actor, producer, and director, Lazar Ristovski, who was born in the village of Ravno selo. It is an international film festival and this year it will be held on June 23-27.

This year will be particularly rich in cultural shows as it will feature various anniversaries, such as 40 years of Vojvodina Folklore Traditions Festival, 50 years of the Cultural Center Art Gallery, 35 years of ULUV Art Colony, 60 years of the Music School, and 30 years of the Children's Poetry Festival – Neven.

The Youth Poetry Festival

The Youth Poetry Festival is the oldest and the most important cultural show in the region established in 1968; it features poets younger than 27. Namely, on May 7, 1968 a poetry festival in Vrbas “May - month of plain and youth“ presented over fifty young poets from: Sombor, Kula, Vrbas, Srbobran, and Bačka Palanka. This marks the beginning of the festival which will turn into a competitive event, The Yugoslav Youth Poetry Festival, the following year.

Ever since, the Youth Poetry Festival has been fostering highest literary values and nurtures poets younger than 27. Every year, young poets from all over the Balkan - Serbia, Montenegro, Bosnia and Hercegovina, and Slovenia - enter the contest with a collection of ten poems. It is this Festival that witnessed the birth of contemporary Serbian poets such as: Radomir Mićunović, Raša Livada, Branko Kukić, Mladen Srđan Volareić, Marija Šimoković, Tatjana Lukić, Jovan Nikolić, Zoran Đerić, Saša Jelenković, Gojko Božović, Radomir Andrić, Dragomir Brajković, Milan Nenadić, Vujica Rešin Tucić, Darinka Jevrić, Miodrag Raičević, and many more.

The festival also gave rise to local poets Blagoje Baković and Miroslav Aleksić. The framework of the festival promoted the foundation of the Vrbas School of Poetry Reading, whose founder was Rajko Šoć and the current director is Vesna Drinčić Đilas. The prestige of the Festival was further raised by such Serbian poets as Desanka Maksimović, Oskar Davić, Gustav Krklec, Branko Ćopić, Dušan Kostić, Miroslav Antić, Ivan V. Lalić, Izet Sarajlić, Duško Trifunović, Jure Kaštelan, Matija Bečković, Ciril Zlobeca, Branislav Petrović, Rajko Petrov Nogo, and others.

During the five decades of the Festival, over ten thousand young poets applied for the contest. The chosen finalists have the opportunity to present their works in front of the poetry-loving people of Vrbas. The winners are presented with valuable awards, while the winner is offered a book deal. The Festival is organized annually, last week in May, and lasts for five days. There are also a number of side events such as The Opening Ceremony, an exhibition, A Portrait of a Poet, A Trip to Prose, Poets' Rally, panel discussions, book promotions of the last year's winner, Slam Poetry Contest, Children's Lyrical Program, The Closing Ceremony, and many more.

In the 1976 Festival, an exhibition entitled “Yugoslav youth palette” was established as a side event. More than 250 artists from ex-Yugoslavia participated in the exhibition making the Festival a meeting place not only for poets, but also painters, art critics, and art historians. In addition to regular side events, the Festival often features specific programs in cooperation with the Grammar school “Žarko Zrenjanin” and vocational school “4. juli” from Vrbas.

To celebrate the 50th anniversary, in 2018, the organizers will publish the anthology of poems by the previous 49 winners, as well as this year’s laureate; they will also produce a documentary TV series about the Festival in cooperation with the Radio and Television of Vojvodina.

Such cultural potentials are a basis for the development of cultural and festival tourism. Although the municipality of Vrbas has a rich and varied cultural offer, the market results are not satisfactory. To support this, Table 1 shows current tourist trends in Vrbas.

Table 1: *Tourism trends in the period 2005–2016 in Vrbas Municipality*

year	Tourists			Overnights			Average no. of overnights	
	total:	domestic:	foreign:	total:	domestic:	foreign:	domestic:	foreign:
2005	5,086	4,188	898	14,593	12,518	2,075	3.0	2.3
2006	9,304	5,346	3,958	22,055	17,787	4,268	3.3	1.1
2007	10,186	4,445	5,741	19,354	12,457	6,897	2.8	1.2
2008	12,415	7,900	4,515	17,635	12,054	5,581	1.5	1.2
2009	7,520	5,555	1,965	11,226	8,770	2,456	1.6	1.2
2010	4,044	3,704	340	29,341	28,740	601	7.8	1.8
2011	4,914	3,995	919	12,951	11,577	1,374	2.9	1.5
2012	4,958	4,190	768	10,575	8,817	1,758	2.1	2.3
2013	3,561	2,795	768	7,539	5,694	1,845	2.0	2.4
2014	6,264	4,492	1,772	17,014	12,793	4,221	2.8	2.4
2015	6,728	5,523	1,205	23,163	21,118	2,045	3.8	1.7
2016	6,226	4,285	1,941	10,621	7,916	2,705	1.8	1.4

Source: *Authors’ calculation based on the: Republički zavod za statistiku. (2005-2016), Opštine u Srbiji.*

In 2016, Vrbas witnessed the inflow of 6,226 tourists who amassed total of 10,621 overnight stays, which is 500 tourists and almost half overnight stays less than in 2015. It is safe to describe it as a negative tourist trend.

In order to secure a long term progress of tourism trends, the funding of tourism production must quantitatively and qualitatively be oriented towards increasing the value of and providing the opportunity for adjusting the nature and culture (Pejanović & Premović, 2017).

According to the presented data, it is evident that the tourist potentials of this municipality are inadequately identified and valorized in the market. This deficiency is especially marked in the promotion of cultural and anthropogenic touristic potentials and the funding of the cultural and festival tourism.

Although the Youth Poetry Festival is a brand that stepped outside the confines of a single municipality half a century ago, it is still not fully exploited in support to the sustainability of the touristic and economic development.

Concluding considerations

Cultural tourism nowadays carries the progress of tourism industry.³ European Culture Capitals (ECoCs) is one of the most successful initiatives coming from the EU in the field of culture, creativity, urban development, and building social cohesion and tourism.

Each city that took part in the project organized and experienced a year of culture in their own ways starting with the interpretation of European dimensions of their own programs by defining a range of strategic aims in cultural development, economic support to the promotion of tourism, and solving different problems in planning and implementation of the activities.

For example, in 2010, cities of Pécs in Hungary, Essen (with the Ruhr region) in Germany, and Istanbul in Turkey shared the title of ECoC. There are considerable differences between the three cities in terms of population number, political status, social and economic history, cultural reputation, and their overall aims.

³ See: New Spaces in cultural tourism, University of Novi Sad, Faculty of Sciences, Department of geography, Tourism and hotel management, Abstract book, Novi Sad, 1-2 September 2017.

However, they all aimed at transforming their identity and image to become more appealing to the residents, investors, and visitors. Such a privilege was bestowed upon the city of Novi Sad, which will be a capital of culture in 2021. This is a unique opportunity for other cities in Vojvodina to present their cultural heritage; therefore, the exploration of the cultural potentials of Vrbas, which is very close to Novi Sad, is an important task.

Today, tourists require life experiences which are not advertised in a tourist brochure. If they feel secure enough, they will ask questions, banter, explore undiscovered or unbranded sites, and mix with the locals thus experiencing the true nature of a place. Cultural habits and practices can be turned into goods and services, especially if they are contextualized and tied to a cultural show, such as a festival, thus becoming a sustainable resources for (re)interpretation of physical environment (countryside, streets, architecture, historical and modern). Generally, events, whether they are family reunions or public festivals, constantly reimagine the identity of a place.

The citizens can contribute to creating unique experiences for their families and friends if they feel free to express their feelings and attitudes. That in turn becomes a point of interest for the tourists because that makes them the witnesses and participants in, at the same time, quite ordinary and exclusive, event. Therefore, the tourism policy which aims at attracting demanding, but refined tourists should cooperate with civil societies, artists' associations, etc.

Having a cutting edge on the market depends on the competences of the manager and other staff, who, directly or indirectly, participate in the creation of the touristic offer. The quality of the touristic product depends on the quality of the human resources; furthermore, the market and economic gain depends on their knowledge and expertise and is reflected through the satisfaction of the customers (Premović, 2016). The level of the cultural development is directly proportional to the quality of the human resources. Culture shows are an important element of the cultural life which is in turn a determining factor of the cultural tourism.

Participants and visitors of the Youth Poetry Festival, including other culture shows, are the best ambassadors of Vrbas in the region and beyond. Hospitality, openness, and friendliness of the local population

play an important role in creating a quality touristic product and in helping Vrbas to be recognized a tourist attraction.

During the opening ceremony of the 43rd Festival in 2011, the then president of the Serbian Association of Writers, Radomir Andrić noted that this Festival is one of the most eminent literary events at the end of the 20th and the beginning of the 21st century. Vrbas as multiethnic community always cherished its poets and poetry dedicated to love and human accomplishments; he therefore believed that Vrbas was often considered a home of poetry to those who visited, worked, and performed here.

Vrbas was often eternalized in poems and rhymes, but not a lot of cities can claim such a number of poems in its glory and honor. In 1990, the “Danilo Kiš” Library established a literary award “Stanko Simićević” for the best poem about Vrbas created during the Festival.

Maybe the biggest contribution to the promotion of the Festival and the city of Vrbas came from a poet, Gustav Krklec who named Vrbas the first Olympus in the plain. Then, there was Duško Trifunović, one of the founders and the first participants of the Festival, who described his days spent in Vrbas as the three best days in May. Radomir Mićunović, the first winner of the Festival poured his impressions into a poem about Vrbas which described Vrbas as a city on a poet’s hand, a city of youth and love.

Owing to Duško Trifunović and the musicians Gabor Lenđel and Narcis Vučina, this poem became the anthem of the Festival, while its opening line “A City on a Poet's Hand” became the title of the anthology of poems about Vrbas.

These are all strategic advantages of Vrbas which have not yet been fully exploited to make it a center of culture in Vojvodina and Serbia. Unfortunately, the benefits of the cultural potentials have not been reaped to their fullest capacities. There is evidence of certain inertness and disinterest present in the tourism workers of Vrbas, who are, on the other hand, best equipped to promote and present the cultural and tourism resources that Vrbas has to offer.

The municipality of Vrbas already exhibits all the necessary requirements to be recognized as a leading city in cultural and festival tourism in

Vojvodina and Serbia. When planning the tourism policy and creating the offer, the most prominent place should be reserved for festivals and culture shows. The Youth Poetry Festival is a unique brand which won the titles of *poemopolis* and *culturopolis* for Vrbas since 1968. It is a strategic advantage that needs to be transformed into a competitive touristic benefit. Cultural policy on all three levels (local, county, and state) should account for exploiting all the potentials of Vrbas with the aim of social and economic progress.

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QUALITY OF MANIFESTATION "LOVE FEST" AS A TOURIST PRODUCT OF VRNJAČKA BANJA

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Abstract

The purpose of this research is to analyze the quality of manifestations happening at one destination. The goal is to see how the visitors grade the quality of a manifestation. Through the Google questionnaire, 110 respondents with different demographic characteristics were interviewed and gave their assessment of the quality of the mass event. The survey concluded that the manifestation quality is high. It also came to the conclusion what target group of consumers is the most present, and which type of promotion is most effective. These conclusions can be of high importance to event organizers and local governments, as they provide specific guidelines for further development of tourism at the destination level. The high quality grade of the manifestation, as a result of the research, is an additional motivation factor for investing in the development of a manifestation that contributes to the increase in the number of visitors and the creation of a better competitive position of Vrnjačka Banja as a destination for the domestic and international market. One of the limitation of this work is that only one event, "Love Fest", instead of several such or similar music festivals.

Key Words: *quality, tourist product, manifestations, destination*

JEL classification: *L83*

Introduction

Tourism as a very comprehensive, broad term becomes more significant. The tourist phenomenon has a strong reverse influence to society as a whole. Tourism, as the fastest growing industry in the world in modern

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conditions, can have significant implications for the competitiveness and development of the national economy (Krstić & Stanišić, 2015). The tourism market, as a special type market, puts services into the forefront, bearing in mind that users value their quality very much. The number of tourist products and services is growing.

Changes in the demands as the dominant factor on the tourism market are almost regular and obvious, in the sense that tourists want to carry out a series of activities and get some unforgettable experience (Đurađević, 2017). The pluralisation of the "tourist taste" in modern tourism has led to the development of "6E" of tourism - experience, excitement, escape, education, entertainment and ecology (Majstorović et al., 2013), unlike the former 3S (sun, sand and sea). Tourists of the future will have the following characteristics (Živković, 2011, p. 59):

- Expressing a desire for new experiences and events;
- Being more aware of the quality offered;
- Possessing a developed sense of preservation of nature and ecology;
- Preferring social, cultural and ecological community, but with an emphasis on autochthonous elements;
- There will be a greater emphasis on the fragmentation of holidays by increasing the short-term holidays and diversification of destinations. The seasonality of tourism will be less marked, as tourists will go on holiday several times a year (partly due to the recession in the emission markets);
- New market groups will emerge, travel motifs will be diversified;
- Tourists will be more informed on the Internet;
- New selective offer elements will be implemented (nautical, sports, wellness, hunting, fishing, rural, religious tourism ...).

Changes in many elements on the offering side cause secondary elasticity of demand (Bakić, 2010). The selective elements of the offer include tourist trips motivated by special interests for certain attractions and activities such as: sports, unspoiled nature, traditional crafts, wellness, culture, rural tourism, events, festivals, nautica, etc. These types of tourism have the highest growth rates (Unković & Zečević, 2009). The key products according to the Tourism Development Strategy of the Republic of Serbia are health, spa & wellness, manifestations, MICE tourism, circular tours and special interests (Government of the Republic of Serbia 2016, p. 55). Manifestations as a selective form of tourism in our country are very developed and have a great impact on the promotion

of the destination (both on the domestic and foreign tourist market), the growth of tourism traffic and tourism income, especially international manifestations, while the manifestations of low ranking have great importance for the preservation of the cultural identity of the local population (Stevanović & Malinić, 2015).

The goal of this paper is to analyze the quality of a destination from a tourist point of view. The list of destinations is being updated, and today the whole planet is in the tourist offer, while the tourist offers and passenger affinities have changed and become complicated, including even space travel (Jovanović & Delic, 2010).

Vrnjačka Banja, recognized in the past as one of the destinations of health, spa and healing tourism, has greatly changed its image on the tourism market today. It is one of the spas that have begun to introduce innovations in its offer (Đurađević, 2017) and in that way has become a destination that, through a set of different components by their joint activities, ensures the satisfaction of various needs of tourists. The paper considers tourists' or visitors' assessment of the quality of the manifestation "Love Fest" as an organized event. The demands of the modern tourist are changing with the always present demand for a wider choice of manifestations. Those are manifestations that make the tourist offer richer and without seasonal restrictions (Jovanović & Delić, 2010). In the last ten years, tourist activities manifestations are also of high significance for the growth of tourist traffic and the improvement of the economic effects (Stevanović & Malinić, 2016).

The paper analyzes the manifestation "Love Fest" traditionally held in Vrnjačka Banja from the viewpoint of visitors.

Manifestation as an element of the tourist destination offer

A tourist destination is described as the location with a lot of attractions and related tourist facilities and services that a tourist or a group of tourists chooses to visit or which are promoted, as well as an area with different natural features, characteristics or attractions that attracts non-local visitors-tourists and excursionist (Popesku, 2011). A tourist destination can also be defined as a "set of experiences acquired by a tourist", and can be understood as a package of products and services which is partly created by public and partly by private employees. The essence is not a single attraction in itself, but a combination of them

created through the experience of tourist consumption (Popesku, 2011). Attractive factors from the environment encourage tourists to travel and to a large extent determine the destination's choice. When deciding to go on a trip a tourist is influenced by different facts- whether he/she goes on vacation, whether it is a journey abroad, which the destination country is (Nikolau & Mas, 2008). It is necessary to constantly introduce innovations in the offer at the destination level in order to meet the needs of present and future generations and achieve the competitiveness of the destination (Petrovic et al., 2016). Innovation is a specific instrument of entrepreneurship and it is an action that enriches the resources with new capacities for making profit. It creates resources and it represents everything that brings about the changes in the potential of creating wealth in already existing resources (new observation) (Draker, 1996). Consumers will prefer those products that offer the best quality characteristics, performances and innovations (Vidović & Broćeta, 2016).

Manifestations are an integral part of tourism, but also a permanent part of human civilization and culture since its creation. Manifestations are a global phenomenon that is gaining importance through the industry of events (Jovanović, 2013). According to the register and calendar of the manifestations of the Tourist Organization of Serbia in our country, about 600 events are held throughout the year in Serbia. According to unofficial information, this number is much higher, amounting to as many as a thousand. In relation to the number of inhabitants, we are one of the leading countries in the world, which leads us to conclude that Serbia could use the slogan "Serbia – the country of manifestations" in one of its promotions (Jovanovic & Delic, 2010).

According to content or character, events can be classified into four categories: business events, sports events, events based on entertaining contents such as concerts, various art competitions and similar, and festivals and other cultural events (Getz, 2014). Events can be specialized on the basis of the following criteria: certain types of food and beverages; music and dances; religious festivities; sports events; folk art and old crafts; historical (Jovanovic & Delic, 2010). According to Bijelac (2010), manifestations can be divided according to tradition, massiveness and location. Planned events are usually related to a particular location, indoor or outdoor or on a number of locations. Future activities, promotions, high quality tourist products, among others also manifestations, are real potentials that can accelerate the massive arrival of foreign tourists in great number and thus realize a significant foreign currency income in the

Serbian tourism industry (Jovanović & Delić, 2010). The tourist market makes the current state and the developing tourism trend (Plavša & Kuzmić, 2002). The aim is to find the key determinants of competitiveness and to improve them through efficient tourism development strategies in the future (Krstić et al., 2016).

Hallmark tourist manifestations such as main fairs, exhibitions, cultural and sports manifestations of international status have the primary function to provide the better positioning in the tourism market to the local community, host (Hall, 1989). One of such events that contribute to the attraction of foreign tourists to our country is certainly the "Exit" festival. As the festival was promoted with new ideas each year, in 2003, it became the Exit state. Exit became more than a festival and state - it became a state of mind (Brkic, 2005).

The quality of a service is a social act that is realized in direct contact between the user and the service provider. A service meeting is the interaction of users with living and non-living objects which is in the heart of the service delivery process (Ljubojević, 1995, p. 52). Kano's quality model, that is, one its dimension refers to a market segment that implies that if something is attractive in one segment, it does not mean that it will be attractive in some other, but expected or basic. Social norms or rituals in excessive spending affect the expectations of the users and their behavior in the purchase of products and services, where a higher level of education is associated with a higher degree of satisfaction. Also, men are much satisfied with purchased products and services than women, etc. (Maričić, 2011).

The Kano model implies the use of different parameters that help to transfer the user requests into the so-called "design parameters". According to numerous authors, the model allows minimizing errors in the placement of products and services and increasing customer satisfaction, which leads to loyalty. It is believed that the Kano method is unique in the quality system with such a degree of orientation towards the user (Mont & Plepus, 2003).

Based on the GAP model of quality, the determinants of quality of services in the order of importance are (Kotler & Keller, 2006):

1. Reliability - ability to deliver the promised service exactly and in accordance with expectations

2. Responsibility - willingness to help customers and provide quick services
3. Credibility - knowledge and kindness of employees, as well as their ability to build trust and confidence.
4. Empathy - customer care and individual attention to users
5. Perceptibility - the outlook of rooms, equipment, personnel and promotional material.

The basic standard of quality of tourist service is the satisfied tourist, while ensuring the satisfaction of the users ensures the stability of sales and profits in the long term. Quality determinants establish a minimum level of protection for users below which quality cannot be achieved: safety, hygiene, accessibility, unambiguous offer, authenticity (Živković, 2009).

Consumer satisfaction with the service results in increased users' loyalty and positive mouth-to-mouth propaganda. Service quality and customer satisfaction are concepts that have always been connected (Kuintela et al., 2010). Positive mouth-to-mouth propaganda leads to an increase in the number of new users. Oral propaganda or "word of mouth" (WOM) is the one that is the most trusted by consumers, while more and more e-WOM propaganda is discussed (Đjuradjević, 2017).

The area of quality objectives is the subject of numerous discussions, debates, misunderstandings (Arsovski et al., 2009) and is the key to the success of a single product on the market, including events as a product of a tourist destination. The satisfaction of visitors is an essential element of the success of an event, so the focus should be on creating value for the consumer and its satisfaction (Getz et al., 2012).

Quality evaluation of the manifestation "Love fest"

The tourist traffic of Vrnjačka Banja has changed over the centuries. This was greatly contributed by events of different types that became recognizable on the international market also as part of the overall tourist offer of this once exclusively health healing destination. There are a lot of manifestations or organized events, festivals in Vrnjačka Banja. The manifestation in modern terms includes a carnival, festival, ritual, ceremony etc (Getz, 2005).

The "International Vrnjci Carnival", which was first organized in 2005 and included 40 different entertainments, cultural and sporting events, is highly recognizable. It is particularly distinguished by an international carnival procession, including the one for children. The first time there were about 1500 participants coming from Serbia and abroad. It is traditionally held every year and gathers a large number of visitors from July 14 and lasts for next seven days.

However, according to the total number of visitors, in particular of foreign visitors, the musical event "The Love Fest" is dominant. "The Love Fest" in Vrnjačka Banja is a musical event when the audience can enjoy different music genres, with special emphasis on promotion of electronic music. The idea for this festival was born in 2006 in response to an insufficient number of cultural events in central Serbia. The name "Love Fest" came from the fact that Vrnjačka Banja is an increasingly frequent destination for lovers who come to visit the Bridge of love. The Bridge of love - one of about 20 bridges over the Vrnjačka River - is unique in Serbia and is in a way a monument of love. Taking this fact into consideration, the first party, the forerunner of the festival, was organized on this bridge. The first official "Love Fest" was held in 2007 on the summer stage and lasted for two days until 2011, when it was extended for the first time for one more day. The "Love Fest" manifestation is the subject of the analysis and evaluation carried out in this paper.

a) Methodology and research questions

The survey was done through the social network Facebook, more precisely through the messenger, where 110 respondents selected by the random sample method, gave their answers. The questions first relate to general information about respondents such as gender, age, education level, whether they have visited Vrnjacka Banja, whether they have attended the manifestation "Love Fest", how they rate the quality of the manifestation and whether they would visit this manifestation again. The survey was conducted in January 2018.

For the needs of the research carried out in the work using a survey, more precisely Google questionnaire, two hypotheses were used as starting points:

H1: Manifestations contribute to the increase of the number of visitors to Vrnjačka Banja as a tourist destination.

H2: The satisfaction of visitors with a massive, traditional manifestation "Love Fest" is at a high level.

b) Research results and discussion

Table 1 shows the socio-demographic characteristics of the respondents.

Table 1. *The socio-demographic characteristics of the respondents*

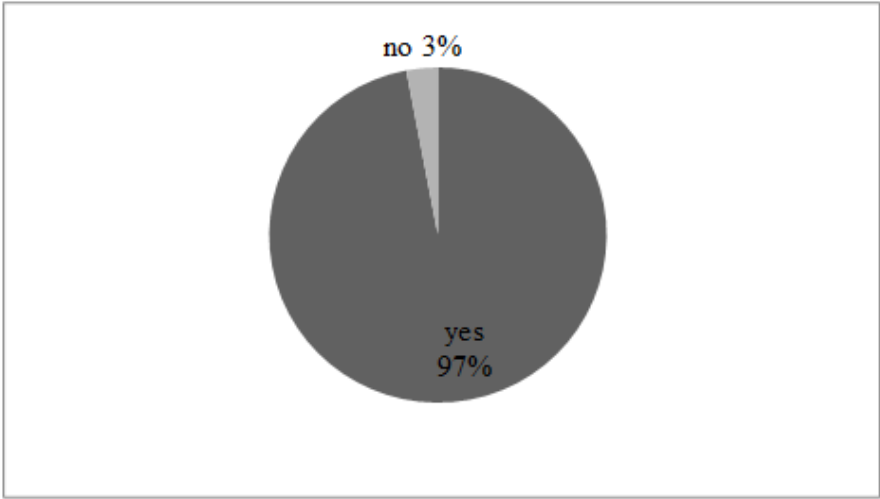
Variables	Number of respondents	Number of respondents, percentage %
<i>Gender</i>	<i>110</i>	
Male	56	50,9%
Female	54	49,1%
<i>Age</i>		
up to 18	30	27,27%
18-25	28	25,45%
26-35	16	14,54%
36-45	18	16,36%
46-55	16	14,54%
56-65	2	1,81%
<i>Education level</i>		
III degree	18	16,36%
IV and V degree	70	63,63%
College	7	6,36%
Bachelor	7	6,36%
In the process of education	8	7,27%

Source: *Author's research*

Answers to questions in the survey were given by 110 respondents. It can be seen that there are 56 males and 54 females. The respondents are mostly members of the younger population, most of them have the level IV and V of education, while 6,36% have a college degree, 6,36% have a bachelor degree, and 7,27% are still in the education process.

The largest number of respondents visited Vrnjačka Banja, which is based on their answers to the question shown in Figure 1, while 3% did not. It is necessary to see who the respondents that did not visit Vrnjačka Banja are, although their share is small, and find a way to motivate them to visit it in some future period.

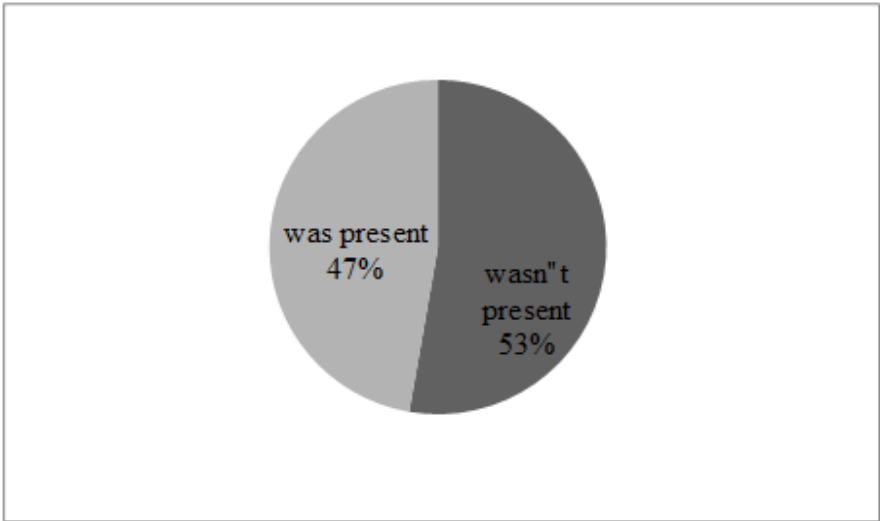
Figure 1: *The structure of answers given by the respondents to the question "Did you visit The Love Fest?"*



Source: *Author's presentation*

Figure 2 shows that 53% of respondents visited the "Love Fest" manifestation, while 47% did not. The reason for 47% respondents not attending this event can be found in the fact that they may not have been informed or were prevented from coming for some other reason, having in mind the answers they gave later, which are shown in Figure 3.

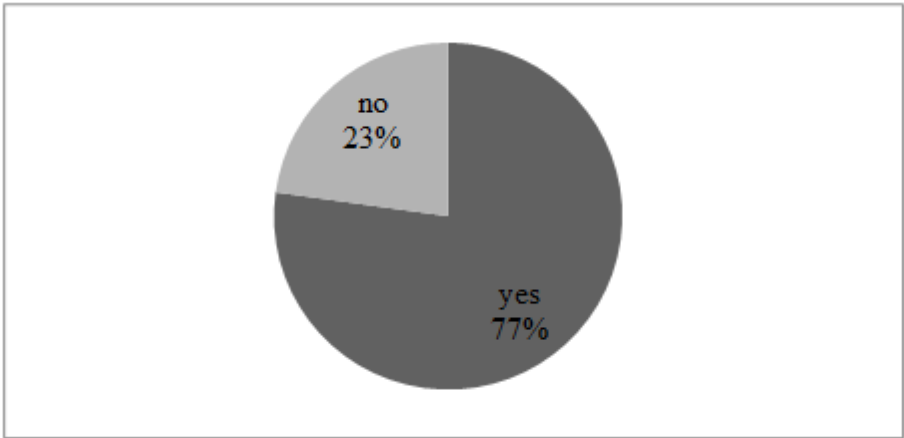
Figure 2: *The presence of respondents to the manifestation "Love Fest"*



Source: *Author's presentation*

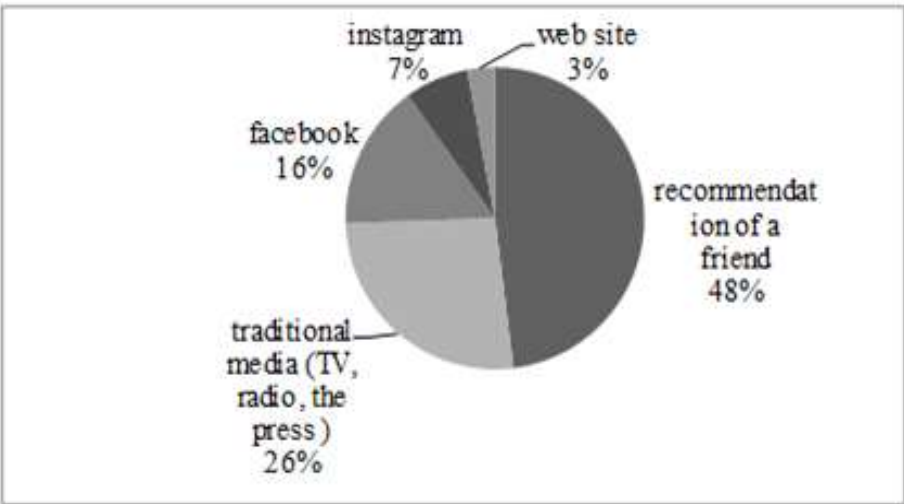
Figure 3 shows that 77% of respondents would visit the manifestation, while 23% would not visit it next year. Considering that the number of respondents who did not attend the event is 47%, and now only 23% of them said that they would not visit it, the previously stated reason for not having attended the event, which is certainly positive, because the reason is not the discontent of visitors, is confirmed.

Figure 3: *Structure of respondents' answers to the question "Would you attend the" Love Fest" manifestation?"*



Source: *Author's presentation*

Figure 4: *Method of providing information to the respondents*



Source: *Author's presentation*

When it comes to the way of informing the respondents, it can be concluded that the recommendation of friends is a key way to get information about the "Love Fest" event (Figure 4).

Tourist demand is very elastic and influenced by a number of factors: economic (price, income, propaganda), political, social, other factors (Cvijanović, 2016). In the case of this tourism product, it is obvious that demand is elastic on propaganda and thus on oral propaganda or recommendation from a friend.

Table 2: *Quality evaluation of the "Love Fest" by the respondents*

<i>Grade xi</i>	<i>Number of tourists fi</i>	$f_i * x_i$	$x_i - \bar{x}$	$(x_i - \bar{x})^2$	$(x_i - \bar{x})^2 * f_i$
1	8	8	-3	9	72
2	8	16	-2	4	32
3	13	39	-1	1	13
4	28	112	0	0	0
5	53	265	1	1	53
Sum	110	440			170
Mean value		4			
Dispersion		1,55			
Deviation		1,24			

Source: *Author's research*

Based on Table 2, it can be concluded that a large number of respondents rated the "Love Fest" event with a high grade. More precisely, 53 respondents rated it with the grade 5, 28 respondents with the grade 4 and 13 of them with the grade 3. Therefore, it can be concluded that the respondents' satisfaction with the quality of the event is high. This conclusion can also be made on the basis of the high mean values shown in the table. This suggests that the management performs the job of organizing the event very well. What is needed to keep the quality at the same level and improve is to create a sustainable product for more seasons, not just one, which can be achieved by introducing innovations as one of the key elements of quality. It means the care for the product not to become obsolete and comes to the level of decline, which is even more complex with the tourist product due to its specificity. Characteristics of services such as intolerance, inseparability, simultaneous creation and consumption, heterogeneity, lack of ownership, which are basic differences comparing to the product, means to find the way to manage

them in the most effective way (Cvijanović et al., 2016). Management also has to provide constant care for consumers by examining their wishes, needs, taking into consideration all their suggestions. The big part of business success depends on the relationship with costumers. Thus it is one important question in the marketing (Cvijanović, 2016). Therefore, it is necessary for managers to choose and employ proper staff, kind and capable people and to lead such a policy that will entail positive relationships between employees and guests. They need to stimulate all employees to think about customer satisfaction, as even the smallest details related to personnel management policy can have a significant impact on product quality (Kotler et al., 2010). This creates a loyal user who becomes the best advertisement, which is present here, as the percentage of respondents is informed through a friend.

Conclusion

The subject of this paper is the analysis of the quality of the event "Love Fest", which is traditionally held in Vrnjačka Banja in August every year. The quality analysis is based on the quality assessment by visitors who gave their grades by filling in the questionnaire. According to the Tourism Development Strategy of the Republic of Serbia (2016), the number of trips within the country recorded growth within the major cities of Belgrade, Novi Sad, Nis, mountain centers Zlatibor, Kopaonik, Tara, Divčibare etc., as well as in spas where Vrnjačka Banja takes the first place, then Sokobanja, Bukovička Banja, Banja Koviljača and so on. Based on the data provided by the TO of Vrnjačka Banja, the number of visitors in Vrnjačka Banja increased over time, while their staying time was shortened. This can certainly be the result of manifestation tourism that is in expansion. The number of events in Vrnjačka Banja has increased over time, and "Love Fest" is certainly one of the leading events that can already be considered as a synonym for the destination itself, not only on the domestic but also on the international market. Based on the above stated, it can be said that the H1 hypothesis, that manifestations contribute to increasing the number of visitors to Vrnjačka Banja as a destination, has been proven. As a proof to the hypothesis, the conclusion based on the opinion of the respondents can also be taken. It says that the number of visitors to the next "Love Fest" event will increase. The fact that a larger proportion of respondents who attended the manifestation is in the overall sample can be taken as a proof to the H1. The results of the quality evaluation of the manifestation by the respondents, shown in

Table 2, confirmed the second hypothesis that the satisfaction with a traditional, massive manifestation "Love Fest" is at a high level.

The practical contribution of the paper is reflected in the knowledge that has come to light in the paper, which, above all, can represent guidelines to the management in terms of further organization of the manifestation, not only this one, but of all manifestations of this type. One should pay attention to the target audience of the consumer who gave the highest grade, the age of that audience and direct marketing activities in order to achieve even greater satisfaction level of the same. The theoretical contribution of the paper is precisely reflected in the fact that the research has come to that knowledge. It is necessary to follow their desires that are constantly changing on the market and introduce contents that will beat their expectations. Also, it is necessary to see who the respondents who gave the lowest grades are, and see if something can be done to raise their satisfaction to a higher level, no matter how small their share is.

The limitations of the paper are certainly reflected in the selected random sample as well as the size of the sample. The limitation is also in the way in which the survey is carried out. It is also necessary to set the survey using the other ways, not only through the messenger, because a certain part of the visitors is not available on this social network at all. It is necessary to analyze another similar manifestation. Attention should also be paid to the respondents, as well as generally people who are not covered by this survey, who did not visit the destination of Vrnjačka Banja and determine the reason for motivating them to visit this destination. Taking into consideration the large number of contents the destination offers, where there are manifestations of different types, this can be achieved by using good propaganda activities.

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TOURISM IN THE FUNCTION OF SUSTAINABLE DEVELOPMENT

Miloš Dimitrijević¹;

Abstract

Tourism is an activity that can improve main macroeconomic indicators. The opportunities for sustainable tourism development and the preservation of its competitiveness is largely influenced by the quality of the environment and the preservation of goods and resources. The paper will examine the impact of the number of international arrivals and receipts from international tourism on the GDP per capita for 2009-2015 and its impact on unemployment and the human development index as the selected component of sustainable development. Based on the relationship between these values, the basic relations between the selected indicators will be identified. The results will include all aspects, establish priorities, concrete proposals - strategic projects that can be realized in the coming period in order to increase the number of tourists and tourism revenues, which would affect the economic growth and development of the Republic of Serbia.

Key Words: tourism, sustainable development, competitiveness, GDP, unemployment

JEL classification: Z32, Z38

Introduction

Tourism is an important component of national economies and is becoming an increasingly important sector in the economies of many countries. This economic branch, especially through the growth of international arrivals and tourism receipts, affects the creation of new jobs and the promotion of employment. Consequently, the volume of business in other branches related to tourism also grows and it has a multiplied impact, which further affects the growth of total GDP and GDP per

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capita, as well as the Human Development Index as the main component of the measure of material welfare of the society and the sustainable development of an economy. Striving to be better when it comes to destinations in tourism is of great importance, taking into account the increasing growth of competitiveness of destinations.

The Tourism Development Strategy of the Republic of Serbia for the period 2016-2025 defines the goals of future development in tourism (Ministry of Trade, Tourism and Telecommunications, 2016).

According to the set of goals, the strategic determination in the development of the tourism of the Republic of Serbia is the growth of the competitiveness of Serbian tourist destinations, positioning both on the domestic and foreign markets. This would lead to the growth of total GDP and the number of employees, which would further reflect in the sustainable economic development of the Republic of Serbia and the improvement of its position on the world level.

Bearing in mind this relation, *the subject of work* is the identification of the relationship between international arrivals and tourism receipts with key indicators of sustainable development in the Republic of Serbia and their comparison with the countries of South-East Europe in the period 2009-2015. In this context, *the main goal* of the work will be focused on the constraints and basic opportunities in tourism that are offered in order to achieve the increase of GDP per capita, employment and the Human Development Index as a comprehensive component of sustainable development.

In accordance with the subject and purpose of the research, the basic assumption from which the work begins is:

H1: If the Republic of Serbia improves the competitiveness of tourist destinations and the increasing number of international arrivals, as well as international receipts from tourism, the indicators of sustainable growth and development of its economy and better positioning in the region and the world will increase.

Tourism and sustainable development

Unlike the views of liberal economists, according to which the freedom of action of market actors is the most efficient source of prosperity in society, the practice has shown that the market is not able to completely

regulate economic relations in the light of frequent monopoly, unemployment, inflation, environmental pollution, unacceptable disparities in the distribution of income, cyclical trends in the form of recession and expansion, especially in certain economic sectors. Although economic policies and the functioning of the market are often seen as alternative mechanisms, the market and the state can act complementarily in the direction of complementarities, in line with the available administrative and institutional capacities (Aikins, 2009). Therefore, modern economies seek to solve key economic issues through the coordination and combination of market and state regulation (Pavic et al, 2007).

The public sector plays a significant role in improving the efficiency of the market in order to stabilize and create an adequate business environment that will benefit the economy, increase productivity and, therefore, also reflect on tourism.

The development of tourism brings visible economic benefits to the tourist countries (Petković et al., 2011). Therefore, tourism should be seen as a branch that can be quite impressive both on the economic and sustainable development of a country.

The main components of sustainable development relate to the constant interaction of economic, social and environmental factors (Đorđević & Obradović, 2011). Bearing this in mind, sustainability is gaining in importance and becomes one of the strategic goals of many national economies, including the Republic of Serbia. Sustainability as a strategic goal encompasses the optimization of numerous interactions of nature, society and economy, but according to the criteria of ecology, not just economics (Đorđević, 2009).

There is no doubt that there is a connection between tourism and economic development. In some countries, tourism has influenced economic development, and somewhere it was the opposite. For example, economic development has encouraged the development of tourism in Croatia (Payne & Mervar, 2010), while tourism has encouraged the development of the economy in Greece (Dritsakis, 2004). That is why it is essential to improve the competitiveness of tourist destinations in order to improve the parameters of tourism and thus act on the economic growth and development of the country.

Competitiveness of tourist destinations and their incentives

The competitiveness of tourist destinations attracts increasing attention, especially when taking into account the issue of its improvement and incentives, which would create the basis for increasing the number of tourists and receipts from tourism to a more competitive destination, and consequently to the sustainable development, of both destinations and countries in whole.

Porter's concept of competitiveness of countries (1990) has become the basis for the competitiveness of tourist destinations. Crouch and Ritchie (1999) introduced the concept of competitiveness of the tourist destination in the modern sense. They sought to include all the key factors that influenced the competitiveness of destination. Other authors also dealt with this question (Claver-Cortés et al., 2007; Dwyer & Kim, 2003).

In order to observe the competitiveness of destinations, one has to look at its results, which are measured in different ways. The performance of the destination concerns the ability of the destination to transform its material and human resources into the desired results, ie arrivals, nights, employment, visitors' satisfaction (Cracolici et al., 2008). Destination performance indicators have a quantitative and qualitative dimension (Kozak & Rimmington, 1999). The quantitative indicators include those on tourist arrivals and consumption that will be observed in this paper, and hence the employment created by the development of tourism, as well as other which tourism directly or indirectly affected by sustainable development, while in qualitative include estimates and comparisons provided by tourists.

The Law on Tourism ("Official Gazette of RS", No. 36/2009, 88/2010, 99/2011 - other law, 93/2012 and 84/2015) and the Tourism Development Strategy of the Republic of Serbia for the period 2016-2025 (Ministry of Trade, Tourism and Telecommunications, 2016) defined the conditions and modes of tourism planning and development, as well as the implementation of incentive measures for the development of tourism in the Republic of Serbia.

The main goal of tourism development in Serbia is Serbia's proposal of priority tourist destinations, the development of tourism products, the competitiveness plan and the other in line with economic, social, ecological and cultural-historical development.

The goals of sustainable development – a new opportunity for tourism

Apart from the fact that tourism development is of great importance as the potential for economic growth and development, creating new added value and new employment has a great impact on the improvement and continuous improvement of the image of the country (Ministry of Trade, Tourism and Telecommunications, 2016).

In 2015, countries around the world adopted a series of 17 goals to end poverty, protect the planet, and secure prosperity, as part of a new sustainable development program. The UN SDG program consists of specific goals planned for realization by 2030. (WTTC, 2017)

The role of tourism in achieving Sustainable Development Goals (SDG) can be significantly strengthened when sustainable development becomes a shared responsibility and moves to the core of decision making in the tourism sector. The joint efforts of World Tourism Organization, United Nations Development Programme and other partners, tourism and sustainable development goals are aimed at building knowledge, empowering and encouraging stakeholders in tourism to undertake the necessary activities in order to accelerate the transition to a more sustainable tourism sector by harmonizing policies, business and investment with the SDG (UNWTO, 2018).

Competitiveness remains a main initiator for sustainability companies. Tourist companies are most likely to contact the SDG team to improve their business. This, in turn, supports the business case for sustainability (UNWTO, 2018).

Encouraging the development of the travel and tourism sector (T & T) today is the most important given its important role in creating new jobs, at a time when many countries suffer from high unemployment.

Travel and tourism remains a key sector for development and economic growth for the advancement and development of economies. Developing a strong T & T sector supports the creation of new jobs, increases domestic income, and also benefits the overall competitiveness of the economy through improvements in infrastructure. (World Economic Forum, 2013)

The Travel&Tourism Competitiveness Index (TTCI) has been developed within the context of the World Economic Forum's Industry Partnership Programme for the Aviation, Travel & Tourism sector. The TTCI aims to measure the factors and policies that make it attractive to develop the T&T sector in different countries (World Economic Forum, 2013).

If we look at the ranking and estimates for Southeast Europe of the Travel and Tourism Index in 2013 of the observed 140 countries, we have the following situation: Greece is 32nd, followed by Croatia at 35th, Montenegro at 40th, Bulgaria at 50th, Romania at 68th, Macedonia at 75th, Albania at 77th, Serbia is at 89th and finally Bosnia and Herzegovina at 90th place (World Economic Forum, 2013). From here it can be seen that Serbia is at the penultimate, which means that a lot of things need to be done and changed in order to get closer, first to the region and then to the world on this issue.

Development of tourism in Serbia

From the TTCI shown, Serbia is seen as a tourist destination out of international competition. Therefore, tourism is increasingly seen as one of the important strategic determinants of Serbia's economic development. Since Serbia has not adjusted its tourist offer to global trends yet, many changes in the global tourism market have bypassed it. Tourism resources are not valorised enough, accommodation capacities are of unsatisfactory quality, lack of diversified tourist products, as well as the concept of sustainable tourism that was complementary to the economic and natural settlements. Therefore, special emphasis is placed on improving the competitiveness of the tourist offer and the concept of sustainable development in order to make Serbia better positioned in the tourism market, and hence tourism has provided a greater share in the development of the entire economy.

Serbian economy is not sufficiently competitive. As the matter of fact, the Serbian enterprises are very slow with their activities (Durkalić et al., 2016).

The literature often defines sustainable tourism as a positive approach seeking to reduce tensions that are the result of complex interactions between the tourism industry, visitors, environment and society as a host (Bošković, 2008).

Tourism is developing thanks to the development of infrastructure and the shift of focus from the primary and secondary to the tertiary sector (Republic Agency for Spatial Planning, 2014).

Strengthening economic competitiveness in a specific spatial environment will enable greater economic growth and a higher standard of living. In this regard, in order to strengthen the competencies and responsibilities for more efficient development of local self-government units and regional entities, systematic support from the state and / or institutions (regional development agencies) responsible for areas with special development problems is necessary (Official Gazette of the Republic of Serbia, 2010).

With the development of mass tourism travel and standardization of tourist's services, people have turned to natural, preserved and clean environment, such as rural areas in search of an authentic experience (Vuković et al, 2012).

When considering the area of tourism within the sustainable development of the Serbian economy, development of different types of tourism (urban, health, mountain, water tourism etc.) is envisaged for a spatial-functional organization (tourist zones, spaces and tourist destinations) (Republic Agency for Spatial Planning, 2010).

The increase or decrease in the number of tourists shows the level of attractiveness of the area, the quality and diversity of the offer, and to what extent are the existing complementary local activities integrated with tourism (Republic Agency for Spatial Planning, 2014).

Table 1: *Tourist arrivals and overnight stays annually in the Republic of Serbia 2009 -2015*

Year	2009	2010	2011	2012	2013	2014	2015
Domestic	5231024	4961359	5001684	4688485	4579067	3925221	4242172
Foreign	1463467	1452156	1643054	1796217	1988393	2161054	2409680
In total	6694491	6413515	6644738	6484702	6567460	6086275	6651852

Source: RZS

All changes will be observed in relation to the selected base year, 2009.

Table 2: *Tourist arrivals and overnight stays in the Republic of Serbia 2009-2015 compared to 2009 (2009 = 100) and the rate of change (St)*

Years		2009	2010	2011	2012	2013	2014	2015
Domestic	Base Index	100	94.84	95.62	89.63	87.54	75.04	81.10
	St	0	-5.16	-4.38	-10.37	-12.46	-24.96	-18.90
Foreign	Base Index	100	99.23	112.27	122.74	135.87	147.67	164.66
	St	0	-0.77	12.27	22.74	35.87	47.67	64.66
In total	Base Index	100	95.80	99.26	96.87	98.10	90.91	99.36
	St	0	-4.20	-0.74	-3.13	-1.90	-9.09	-0.64

Source: *Author*

From here, it can be seen that the number of domestic tourists has dropped, so that the increase in foreign ones could not compensate for this, because in total we have a constantly smaller number of tourists compared to 2009. Therefore, we need to base our efforts on attracting and promoting tourist destinations among domestic tourists in the form of free vouchers, etc. In accordance with the vision of development for the period 2016-2020, this is the period in which tourism is growing based on alignment with trends, raising quality, introducing an incentive system, continuing the process of EU integration, more efficient use of funds (Ministry of Trade, Tourism and Telecommunications, 2016).

Methodology of standardization

Firstly, the original values in the field of tourism will be presented, which will be standardized and based on them, the composite index will be calculated and ranked by the countries surveyed.

Table 3: *International tourism, number of arrivals (000)*

Countries	2009	2010	2011	2012	2013	2014	2015
Albania	1711	2191	2469	3156	2857	3341	3784
B&H	311	365	392	439	529	536	678
Croatia	8694	9111	9927	10369	10948	11623	12683
Macedonia	259	262	327	351	400	425	486
Bulgaria	5739	6047	6328	6541	6898	7311	7099
Romania	7575	7498	7611	7937	8019	8442	9331
Serbia	645	683	764	810	922	1029	1132
Greece	14915	15007	16427	15518	17920	22033	23599
Montenegro	1044	1088	1201	1264	1324	1350	1560

Source: *World Bank*

From here, it can be seen that Serbia, together with B&H and Macedonia, achieves the worst results year after year.

Table 4: *International tourism, receipts (billion US\$)*

Countries	2009	2010	2011	2012	2013	2014	2015
Albania	2.014	1.78	1.833	1.623	1.67	1.849	1.614
B&H	753	662	722	686	752	755	702
Croatia	9.3	8.299	9.598	8.912	9.715	10.079	9.018
Macedonia	232	199	242	237	270	298	268
Bulgaria	4.273	3.807	4.297	3.975	4.41	4.518	3.583
Romania	1.688	1.631	2.016	1.904	2.048	2.225	2.097
Serbia	986	950	1.149	1.08	1.221	1.352	1.322
Greece	16.027	13.858	16.256	14.671	17.436	19.481	17.26
Montenegro	792	765	926	860	929	959	947

* 000 000 US\$: for Serbia in 2009& 2010., B&H, Macedonia, Montenegro

Source: *World Bank*

Here there is a similar situation as in the previous table, where Serbia is better than Montenegro, B&H and Macedonia.

Regarding the indicators of sustainable development in addition to GDP per capita and unemployment, we need a measure that will express sustainability of development (measuring taking into account, for example, spending of resources and deterioration of the environment, as well as increasing indebtedness), state of health and education. The United Nations Development Program (UNDP) has designed a broader measure that includes education, health and income (Stiglic, 2013).

Table 5: *Human Development Index, 2009-2015*

Countries	2009	2010	2011	2012	2013	2014	2015
Albania	0.725	0.738	0.752	0.759	0.761	0.762	0.764
B&H	0.717	0.711	0.728	0.735	0.742	0.747	0.750
Croatia	0.803	0.808	0.815	0.817	0.820	0.823	0.827
Macedonia	0.732	0.735	0.739	0.741	0.743	0.746	0.748
Bulgaria	0.770	0.775	0.778	0.781	0.787	0.792	0.794
Romania	0.797	0.798	0.797	0.794	0.797	0.798	0.802
Serbia	0.755	0.757	0.767	0.766	0.771	0.775	0.776
Greece	0.859	0.860	0.858	0.860	0.862	0.865	0.866
Montenegro	0.787	0.792	0.797	0.799	0.803	0.804	0.807

Source: *United Nations*

The task of empirical research is to determine the relationship between international arrivals and receipts from tourism with GDP per capita, unemployment and the index of human development as a measure that best reflects this broader measure of sustainability of development.

In order to obtain comparable data and form a composite index, since the values of individual indicators are not expressed by the same units, it is necessary to perform standardization (Tchangani, 2006). The standardized data from all five groups of data and the determination of the maximum (1) and minimum (0) values by years (2009, 2010, ..., 2015), the results obtained ranging from 0 to 1 should be reduced to the average values of the observed indicators per country for the entire observed period, in order to convert the obtained result and to determine the rank of each country (Guojun et al., 2007).

Secondary sources of data were used as the data source for the composite index formation, primarily the World Bank Source database. In addition, UNCTADstat and United Nations databases were used.

For the indicator of *unemployment*, the standardized value by determining the maximum and the minimum value will be established according to the form:

$$\alpha_i = (X_i - X_{\max}) / (X_{\min} - X_{\max}), \quad (1)$$

For the indicators of *International tourism, number of arrivals, International tourism, receipts, GDP growth rate per capita and Human Development Index*, the standardized value by determining the maximum and the minimum value will be established according to the form:

$$\alpha_i = (X_i - X_{\min}) / (X_{\max} - X_{\min}), \quad (2)$$

where the indicated marks are: α_i - the standardized value of each original data, X_i - the value of the original data, $X_{\min}$ - the minimum value of the data in a given year, $X_{\max}$ - the maximum value of the data in a given year.

Indicators in the field of tourism will be especially observed and, according to their change, we will determine the correlation with sustainable development and the change of these indicators. As a measure of the strength of the simple linear correlation relation in the sample will

be Pearson's coefficient of simple linear correlation, which shows the degree of straight line quantitative agreement of two phenomena, is used (Lovrić, 2009). There are different interpretations of the correlation size, but one can distinguish one according to which the correlation is small if the coefficient of correlation is from 0.10 to 0.29, the correlation is the medium if the coefficient of 0,30-0,49 and the correlation is high for coefficient values of 0,50-1,0 (Pallant, 2011).

Research results: composite index and country ranking

After all previous indicators are standardized by the given forms, the last segment presents the results of the survey, i.e. the individual average values of all indicators by countries and the value of the composite index, which represent the average indicators in tourism as well as the indicators of sustainable development, for the whole period of observation (2009-2015).

Table 6: *Average indicator values and country rankings (2009-2015)*

Countries	International tourism, arrivals		International tourism receipts		GDP growth rate per capita		Unemployment		HDI	
	value	rank	value	rank	value	rank	value	rank	value	rank
Albania	0.138	5	0.095	5	0.800	2	0.637	4	0.149	7
B&H	0.006	8	0.029	8	0.768	4	0.126	8	0.004	9
Croatia	0.583	2	0.561	2	0.444	8	0.661	3	0.650	2
Macedonia	0.000	9	0.000	9	0.830	1	0.001	9	0.058	8
Bulgaria	0.360	4	0.241	3	0.744	5	0.839	2	0.387	5
Romania	0.447	3	0.105	4	0.784	3	0.999	1	0.500	4
Serbia	0.028	7	0.056	6	0.581	7	0.425	6	0.264	6
Greece	1.000	1	1.000	1	0.101	9	0.386	7	1.000	1
Montenegro	0.052	6	0.039	7	0.657	6	0.474	5	0.511	3

Source: *Author*

In all observed indicators, it can be seen that Serbia occupies mostly 7th or 6th position of the observed 9 countries, which means that it is mostly among the worst results.

It remains to determine the correlation coefficient between the composite index for tourism and for sustainable development, as well as between ranks. If the composite index is first observed, the coefficient of correlation is positive and is 0.34, the medium correlation. When we look

at the coefficient of correlation of the rankings, the result is also a positive one and it is 0.67, a high correlation.

Table 7: *Average values of composite index and country rank (2009-2015)*

Countries	Indicator of tourism		Sustainable development indicator	
	The value of the composite index	Country rank	The value of the composite index	Country rank
Albania	0.117	5	0.529	5
B&H	0.018	8	0.299	8
Croatia	0.572	2	0.585	3
Macedonia	0.000	9	0.296	9
Bulgaria	0.301	3	0.656	2
Romania	0.276	4	0.761	1
Serbia	0.042	7	0.423	7
Greece	1.000	1	0.496	6
Montenegro	0.046	6	0.547	4

Source: *Author*

From the observed, it is seen that the correlation in both cases is positive, which means that if tourism indicators improve, this will also affect the sustainable development of a country. The most pronounced impact is on rankings where the correlation coefficient is high and which is reflected in the case of several countries. Serbia is the country ranked seventh in terms of indicators in tourism and sustainable development and where we have total compatibility of the impact of tourism on sustainable development.

The only negative thing is that both indicators of Serbia are at the bottom of the table in relation to the region and that a lot of attention should be dedicated to improving the indicators of tourism, and therefore the economic growth and development of the Republic of Serbia.

Conclusion

Today Serbia has only comparative advantages in tourism that need to be transformed into competitive ones. These comparative advantages are definitely not being used enough among domestic tourists who are obviously still attractive to foreign markets. Therefore, we should work

on promoting tourist destinations as well as improving the quality that these destinations offer and that satisfy the needs of tourists, in order to become more competitive and to improve the situation in this field, and thus attract more foreign tourists.

The whole travel and tourism sector, which is a key sector for economic growth and development, should also be encouraged, bearing in mind that according to the TTCI index Serbia also has among the worst results in the region.

Among the worst results achieved in relation to the region, Serbia also achieves in international arrivals and tourism receipts that have been selected for the key indicators of tourism, and hence the same situation as regards sustainable development. Serbia is ranked in the same way as it relates to indicators of tourism and sustainable development. In addition to this, the ratios of correlation coefficient are high, from where we can conclude that the hypothesis is proven, which is especially pronounced in Serbia where the ranks coincide. This is another reason why special attention needs to be dedicated to increasing the number of tourists arrivals and receipts from tourism, which will certainly have an impact on improving economic growth and development, as well as the overall sustainable development in the future of the Republic of Serbia.

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TOURISM IN FUNCTION OF SUSTAINABLE DEVELOPMENT OF THE GRADAC RIVER IN SERBIA

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Abstract

Increased actuality and significance of the concept of sustainable development has dramatically changed the flow of tourism activities that used to be oriented towards environmental goals. Appropriate environmental protection management is the basic precondition for the development of tourism in future. The main goal of the sustainable tourism is to enable people to enjoy and gain knowledge about the natural, historical and cultural characteristics of the environment, while encouraging the economic development and well-being of the community and future generations. Regarding the importance of sustainable tourism, the paper explores the possibilities of developing the destination of the Gradac River in Serbia. The research emphasizes the tourism potentials of the Gradac River gorge as a region of exceptional characteristics, but at the same time the challenges of sustainable development of this destination have been analyzed.

Key Words: *sustainable tourism, Gradac River, ecotourism, sustainable development, environmental protection management*

JEL classification: *L8*

Introduction

Tourism has developed into a global phenomenon, i.e. one of the most important sectors and the engine of economic growth worldwide. According to data from the World Tourism and Travel Council (WTTC), the tourism and travel industry contributed almost 10.2% to the world's

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gross domestic product (GDP) in 2016, and employed 292 million people across the globe (WTTC, 2016).

Until the beginning of the 19th century, tourism and travel were the privilege of the rich and high social classes, when there was a sudden, explosive development of tourism, which became massive, dynamic and international. The globalization and development of information and communication technologies, as well as the growth of the living standard have contributed to the decrease of the distance, irrelevancy of the location on the planet Earth and the occurrence of new forms of communications among people. These affected also the changes in tourism sector, so that tourism and travels nowadays are regarded as basic life needs of every contemporary human being. Transformations and changes in tourism have influenced not only the tourism destinations, the offer and demand, but also affected the forms, models, ways and styles of travelling. According to the World Tourism Organization (WTO, 2016) in 2007, 898 million tourists participated in international tourism, and in 2016 their number increased to 1.2 billion. The estimates of the World Tourism Organization are that by 2030 the number of tourists participating in international tourism could amount to 1.8 billion (UNWTO, 2017).

However, such dynamic development of tourism, which obviously has great economic and social significance, should also be analyzed from the aspect of sustainable development. Tourism today faces the challenge of continuing its long-term growth, but according to environmental standards and with respect to the needs of future generations.

The impact of tourism on sustainable development has a twofold effect, positive and negative at the same time. On the one hand, the development of tourism has positive effects on sustainability as it contributes to spreading the idea of peace, connecting the cultures and nations, the reduction of poverty, the development of people's conscience about the preservation of nature and the environment. However, the development of tourism inevitably brings with it negative effects such as pollution (air, water, solid waste, noise, and visual), destruction of historical monuments, endangering plant and animal species, etc.

Considering the concept of sustainable tourism development, the paper analyzes the example of the Gradac River, in order to point out the

exceptional importance of this destination, which represents the symbol of eco-tourism in Serbia.

Tourism towards sustainable development

The relevance and importance of the sustainable development concept has significantly changed the course of international economic activities, which used to be oriented towards environmental goals. Doing business in accordance with the principles of sustainable development neutralizes the boundaries between traditional microeconomics and macroeconomics, representing the ecological economy as the best, most complete analytical framework for assessing the performance of business activities (Virijević Jovanović et al., 2017).

The most frequently quoted definition is from the Brundtland Report, which defines sustainable development as development that meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987).

Bearing in mind the significance of the sustainability concept, General Assembly of the United Nations has adopted 2030 Agenda for Sustainable Development. The Agenda defines Sustainable Development Goals (SDGs) and targets that will stimulate action over the next 12 years in areas of great importance for humanity and the planet. The 17 Sustainable Development Goals include the following (United Nations, 2015):

- Goal 1. End poverty in all its forms everywhere;
- Goal 2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- Goal 3. Ensure healthy lives and promote well-being for all at all ages;
- Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- Goal 5. Achieve gender equality and empower all women and girls;
- Goal 6. Ensure availability and sustainable management of water and sanitation for all;
- Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all;
- Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;

- Goal 9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
- Goal 10. Reduce inequality within and among countries;
- Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable;
- Goal 12. Ensure sustainable consumption and production patterns;
- Goal 13. Take urgent action to combat climate change and its impacts;
- Goal 14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
- Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;
- Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;
- Goal 17. Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

In announcing the launch of the SDGs the United Nations explicitly called on businesses to play a central role by harnessing their creativity to address the challenges posed by its new sustainable development agenda.

Each of the 17 goals is a challenge for modern tourism, which has positive and negative effects on sustainable development. The goals 1 and 8 are closely related to the positive effects of tourism industry that generates income for the host economy as well as foreign exchange earnings. The Goals 2, 6 and 7 are associated with the fact that tourism development often implicates infrastructure improvements such as better water and sewage systems, roads, electricity, telephone and public transport networks, thus improving the quality of life for residents (UNESCO, 2009). If we take for example the Goal 3, the role of sustainable tourism is to contribute to better health and well-being. Regarding the Goal 11 tourism is important because it enables restoration of existing historic sites, buildings and monuments, transformation of existing old buildings into tourist facilities, protection of natural resources, adoption of administrative and planning measures for the protection of certain areas, building environmental awareness and others. The Goal 13 is related to the fact that climate change and the depletion of the ozone layer are two mayor effects of the increasing global traffic and industrial development, in which tourism plays an important role.

Regarding the Goal 15, tourism should play an important role, not only in the conservation and preservation of biodiversity, but also in respect for terrestrial ecosystems, making efforts towards reducing waste and consumption, conserving flora and wildlife, and awareness-raising activities (The 17 Sustainable Development Goals, 2018).

The Agenda 2030 especially emphasized the importance of sustainable tourism, as a driver for jobs creation and the promotion of local culture and products (United Nations, 2015).

Besides the positive effects of tourism that contribute to achieving the goals of sustainable development, there are numerous negative effects of tourism development, such as: pollution of water, air and soil, sound pollution, reduction of green areas due to construction of tourist facilities, destruction of flora, fauna and cultural and historical monuments. A picturesque example of dishonest tourists is the action taken by the non-profit organization "Ocean Conservancy". Volunteers around the world have cleared 27,400 km of coastline, riverbeds and seabed during an international cleansing day. During this action they have collected, 1.9 million cigarettes, 1.6 million plastic bottles and about 822 plastic caps (Ocean Conservancy, 2018).

Guided by the principle that "we did not inherit the planet from our ancestors, but we borrowed it from our descendants", the tourism industry and all institutions in the field of tourism are facing the task of sustainable and responsible development in order to preserve all the essential values of the environment as part of a tourism product and achieving the equilibrium in which satisfying the present needs of tourists will not jeopardize meeting the needs of future generations.

World Tourism Organization defines sustainable tourism as tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities (UNEP and UNWTO, 2005). The European Commission has adopted its own definition for sustainable tourism, according to which it is „any form of development, improvement or tourism activity that respects the environment, preserves in the long term the natural and cultural resources and is socially and economically durable and equitable.

The most common forms of sustainable tourism are: the ecological tourism (ecotourism), the green tourism, the soft tourism, the rural tourism and agro tourism, community tourism and responsible tourism.

The sustainable tourism development of the Gradac River

The main goal of sustainable tourism is to enable people to enjoy and acquire knowledge about the natural, historical and cultural characteristics of the environment, while encouraging the economic development and well-being of the local community. The Gradac River represents an example of ecological tourism that uniquely connects the experience in a natural environment with historical and cultural monuments of Serbia.

The gorge of the Gradac River – an area of exceptional characteristics

The gorge of the Gradac River has been declared as an area of exceptional qualities and a protected natural good of great importance, which belongs to the II category. The area of exceptional characteristics includes the ravine of the Gradac River with attractive geomorphological characteristics (the Caves of Degurička, Kraljeva, Visoka, Gradska, and Baćina), hydrographic watercourses, hydrogeological characteristics of the catchment area, habitat of rare and endangered plant and animal species, complex and various forest ecosystems and monuments cultures of great significance (Ekološko društvo Gradac, 2018). The main reasons that contributed to the fact that the gorge of the Gradac River became a protected natural area of II category are nature's preservation and richness of plant and animal species.

What particularly distinguishes the Gradac River is the fact that this river is the richest with fish in Serbia. The river is known for its brown trout. The attractive appearance and the requirements of high fishing skills in catching it, give this fish a leading role in sports fishing.

What also makes the Gradac special is a great wealth of flora and fauna. This destination is a natural habitat for about 130 species of butterflies, out of 150 species described in the territory of Serbia, 25 species of amphibians and reptiles out of 40 described in Serbia, and 100 species of birds (Ekološko društvo Gradac, 2018). In the area of the Gradac River, there is a significant number of mammals, one of them is the river otter that presents the symbol of this destination. On the list of animals that

inhabit the area of the Gradac River there is a significant number of rare and endangered species, which makes this destination of nature even more valuable and important from the context of sustainable development.

The Gradac River and its gorge are an oasis of almost untouched nature, supplemented by speleological, archaeological and religious objects. In particular, the Monastery of Ćelije, the museum of the Holy Bishop Nikolai, as well as the monastery Lelić, are especially distinguished. Tourists who like to walk have the opportunity to use some of the trails and reach the remains of the Basilica church from the fifth century and the old city. Besides, the Gradac River Canyon is passable all the way through, but it is occasionally necessary to override the river.

The preserved nature of this area, witnessed by the impressive plant and animal species, is inextricably linked with the beauty and purity of the Gradac River. The river in several places makes smaller or larger lakes where swimming is possible. The most interesting and most visited picnic and swimming places are Livadica, Ploče, Anatem, Kriva vrba, Šareno platno, where the Ecological Society "Gradac" made a bivouac intended for guests.

The water quality of the river is the first category, so many enthusiasts in the upper course enjoy in drinking fresh water. This is particularly significant regarding the fact that less than 1% of the world's water is readily available for direct human uses (World Wildlife Fund, 2018).

The protected area of the Gradac River towards sustainable development

The development of tourism in protected areas that is in line with the principles of sustainable development is important because it provides the opportunity for visitors to explore and experience the natural resources, but at the same time contributes to better life of the local population.

While tourism has many potential benefits for conservation, it can also have negative impacts on wildlife and habitats (Cabrini, 2013):

- Damage to or destruction of ecosystems and habitats (deforestation);
- Disturbance of wild species;
- Alterations to habitats and ecosystems;
- Unsustainable consumption of flora and fauna by tourists;

- Intensive water demand from tourism;
- Deterioration in water quality (freshwater, coastal waters) and sewage pollution.

It is therefore important, when managing the development of tourism in a protected area, to meet the needs of nature, animal and plant species, with the needs of the local community, tourists and other stakeholders.

There is no single correct way to protect and restore river flows since each river system is different and each approach must be tailored to the specific situations. Managing the area of Gradac River Gorge has been entrusted to the Ecological Society "Gradac ", an association from Valjevo city, which was founded in 1986. This is a unique example in Serbia which shows that a non-governmental organization (NGO) is allowed to manage a protected area.

The water quality control is performed by the Public Health Institute Valjevo, in accordance with the Regulation on hygienic correctness of drinking water, every fifth day on nine river points. Water quality is important for humans, but also for flora and fauna, especially bearing in mind the fact that species dependent on freshwater ecosystems are the world's most endangered group of plants and animals.

In the protected area of the Gradac River, a third level regime is established, which prohibits the following (Uredba o režimima zaštite, 2012):

- Change of geomorphological characteristics, quarrying of stone, gravel, opening the borrow soil and sand, depositing soil and rubble, etc.
- Discharge or disposal of refuse, sewage and of untreated water into the Gradac River, its tributaries and land.
- Disposal of communal and industrial waste in the whole area.
- Abstraction and impoundment of water sources throughout the area.
- The exploitation of forests and forest areas in a manner that would lead to its degradation.
- Destruction and disturbance of rare plant and animal species.
- Construction of industrial, commercial and infrastructure facilities, except the infrastructure equipment that is in a function of presentation and use of the natural resource and its value,

- Construction of housing, utility and other buildings on undeveloped plots, pending the development of protection programs,
- The entry, research and other work in caves without the permission of the authority, and
- Construction of weekend houses.

The regime allows the following actions:

- Construction and infrastructure environment of cultural monuments, which ensures the functioning of the monastery and its economy, HE Degurić, existing ponds and ZTP,
- Archaeological, conservation and other works at archeological sites, as well as their equipment, reconstruction of the mills and their use in a manner suitable natural good,
- Selective use of forests,
- Application of modern breeding - sanitary measures, and
- Care and presentation of natural goods.

However, the existence of mentioned bans does not prevent tourists and local population from behaving inappropriately, by leaving the garbage after their excursions, threatening in this way the river and its ecosystem. Disposal of liquid and solid waste made by the tourism industry is a great problem for many developing countries and regions worldwide. In order to prevent these actions, the ecological society “Gradac” takes care of preserving the natural wealth of the river. The guard service of the association hires 1 to 2 guards, depending on the financial means. Furthermore, guardians, together with volunteers and fishermen, collect garbage from the destination every day. During July 2015 Ecological society “Gradac” and volunteers organized an action to clean the part of the river bed of the Gradac and on that occasion collected tens of garbage bags, consisting of plastic and other packaging, through plastic crates, plastic chairs, tires for cars. The additional problem is also an inadequate fence of garbage depot that is located in Divčibare, enabling the trash to reach the Gradac River in periods of high water levels or when snow melts.

Sustainable tourism development of the Gradac River: potentials and challenges

Nowadays, the travelling in tourism, beside vacation ad relaxation, is conditioned also by health reasons and the needs for fun, culture, religion

and sports activities (Mladenović & Virjević Jovanović, 2018). These tendencies in tourism, especially the increase of the demand for tourism of special interests, conditioned that the sports-recreational travelling become one of the fastest growing trends (Gibson, 1998). The area of the Gradac River has exceptional tourist potentials, which connect nature-based tourism with sport, recreation and cultural tourism. However, in order to enable the development of tourism, it is necessary to provide adequate infrastructure capacities that will fit into the natural environment. In addition, for the sustainable development of tourism on the Gradac River it is important to carefully approach the management and promotion of the destination, as well as to include all interested stakeholders in these processes.

Tourism of special interest – potential for fishing and nature-based tourism

Sports tourism emphasizes both, travelling motivated by direct sports engagement (recreational or professional), as well as travelling motivated by attendance at a certain sports event or manifestation. The contents, in the sports-recreational tourism can be at a free choice, organized forms of sports recreation and programmed sports recreation. Tourism on the Gradac River unites different motives of tourists giving them the opportunity to experience cultural tourism and nature-based tourism, as well as to participate in recreations such as fishing, swimming and hiking. Nature-based tourism is a term, used for tourism that takes place in a natural environment and is therefore widely applied. As there seems to be a great request for activity and outdoor recreation in the tourism market, there is a growing demand for nature-based tourism on global level (Orams, 1999). The most dominant form of tourism in destination of the Gradac River is tourism of special interests, particularly fishing. Fishing tourism is a type of nature – based tourism since the nature is an important part of the fishing tourism experience, either as the core element in the tourism product or as part of the surroundings of the core experience (Aas, 2008).

Recreational fishing is defined by the FAO Code of Practice for Recreational Fisheries (2008) as: “fishing for aquatic animals that do not constitute the individual’s primary resource to meet basic nutritional needs and are not generally sold or otherwise traded on export, domestic or black market”. Fishing in its various guises has long been a favored form of water-based recreation and, for some a necessary means of

subsistence. Despite the history of fishing tourism being closely related to the development of tourism in general, fishing tourism has received little attention from tourism research. A lot of leisure studies have focused on different aspects of recreational fishing that are of relevance for fishing tourism, but there is limited research on recreational fishing as tourism (Borch et al., 2008).

As with many “survival” activities, fishing has become a popular sport motivated by challenges of competition, whether against others or against the self (Jennings, 2007). Tourism of special interest, which includes fishing, has become more and more popular in recent years. Therefore, fishing activities and fishing heritage can be an important attraction in this “experience economy”. According to Jennings (2011), sport fishing and fishing are special interest forms of tourism attractive to specific niche markets. The nature of these recreational activities and their market profiles set them apart from the wider ambit of mass tourism.

The Gradac River is of great interest for fishermen from Europe. Since 1986, the Gradac has been harvesting about 1000 - 2000 pieces of brown trout per km of river flow each year. Besides the brown trout, the Gradac River is also a habitat for numerous species of fish such as golden spined loach, chub, gudgeon, lappet, grayling, minnow (toadstool), pliska, brown barbell. During the whole course of the river the principle “Catch and Releas” is applied, since overexploitation of fish is not allowed. Fishing on the Gradac River also has a competitive character. During the June the competitors gather in order to take part in Federal Competition fly fishing.

The challenges for sustainable tourism development

The main obstacles to the sustainable development of tourism on the Gradac River are: the lack of strategic planning of tourism in this area, inadequate statistical monitoring of tourist flows, lack of accommodation capacities due to limited financial resources, as well as insufficient promotion of the Gradac River itself.

The strategic management and planning

Appropriate environmental protection management is the basic precondition for the development of the tourism in future. Today's appearance and preservation of the Gradac river is due to a large number

of enthusiasts and nature lovers, primarily people from Valjevo, but also from other parts, who by personal engagement, and often with their own means, preserved this natural pearl in its present condition. However, in order to achieve a sustainable tourism development in the protected area of the Gradac River, it is not enough to have only the enthusiasm of a few people, but a good strategic approach to management that involves all stakeholders, enterprises, communities, regions, tourists, ecologists etc. Only joint cooperation of different stakeholders can provide solutions that will reconcile social, economic, cultural and environmental demands.

In order to make a good plan for the tourism development of a destination, it is also important to have relevant information about the market and tourist trends. Equally important are the data about the number of arrivals and overnight stays of foreign and domestic tourists. However, this kind of data is not easy to find, because there is no defined methodology which would enable to follow the tourism flows at Gradac River destination. Therefore, the conclusions in this research are made on the basis of an interview with representatives of ecological society “Gradac”, who have indicative data on the number of foreign tourists, and based on data from Tourist Organization Valjevo, that have a general character because they relate to the municipality and the city of Valjevo.

Figure 1: *The number of foreign tourist arrivals, municipality Valjevo, Valjevo city, Divčibare*



Source: *Tourist Organization of Valjevo*

Figure 1 shows the number of foreign tourist arrivals in municipality Valjevo, city of Valjevo and Divčibare. The data relate to 2013–2017 period. We assume that the number of foreign tourists who stayed in the protected area of the Gradac River is included in data related to Valjevo municipality. During the selected period of time, presented in Figure 1, the highest number of tourist arrivals in municipality Valjevo is realized in 2013, when it amounted 5,759 tourist arrivals. The lowest number of tourist arrivals was reported in 2016, as it amounted 3,967 arrivals.

Besides the number of foreign tourists, it is important to know the total number of tourists, which is presented in Figure 2. These data show that during the 2011-2017 period, the highest number of tourist arrivals was recorded in 2017, while the lowest number of tourist arrivals was recorded during 2014. If we look at the graph we can see that those data were made due to the large participation of domestic tourist arrivals at the destination of Divčibare.

Figure 2: *The number of domestic and foreign tourist arrivals, municipality Valjevo, Valjevo city, Divčibare*



Source: *Tourist Organization of Valjevo*

The infrastructure

Annually, the destination of the Gradac River is visited by about 500 foreign tourists, who stay from 3 to 7 days (an interview, Ecological society “Gradac”). The number of foreign tourists would undoubtedly be higher if there are adequate accommodation capacities. Foreign tourists, fishermen are interested in coming, but they want to be placed on water or

near the water, in nature surroundings, within the company of other fishermen. For this reason, the accommodation capacities in the city of Valjevo are not the solution, regarding that the fishermen as tourists represent a specific market niche, interested exclusively in natural environment.

The possible solution could be a construction of the accommodation complex on the Gradac River itself, which would fit in the natural surroundings. But, such construction has not been realized yet, although there is a permit and plan for building the complex on part of the river, known as Šareno Platno.

The key factor which disables the construction of accommodation capacities in the protected area of Gradac is the lack of financial resources, regarding that Ecological society "Gradac" is the only subject that was showing the interest and willingness to spend money in order to protect the area as well as to foster the tourism development. But those financial resources were modest, regarding the fact that Ecological society Gradac realizes the only income based on the licenses sold to fishermen and from the facility located on the Šareno Platno, during the season, from March 1st. to September 30th.

In addition to traditional, ecologically oriented accommodation capacities, it is necessary to provide the construction of other tourist infrastructures, which will be in line with sustainable development. The examples of such infrastructure are visitor centers, information boards, walks and themes trails, observation points which should be constantly improving in order to enable access to interesting parts, or to allow approaches to species and ecosystems, as well as to encourage the desire to respect and protect natural environment.

The construction of a visitor center is especially significant. The visitor center should be a place where tourists can get the necessary information about the Gradac protected area, through oral lectures and information billboards (reservation maps, photos of flora and fauna), as well as other accompanying elements. Such visitor centers already exist in Serbia and significantly contribute to the education, promotion and development of tourism.

A successful model is an example of the Zasavica Visitor Center, which looks like a wooden structure with a tower height of 18 m and a view to

the pasture of 300 ha which is the widest and most beautiful part of the Zasavica stream (Figure 3). Within this building there are a souvenir shop, 2 rooms with 7 beds, as well as two additional rooms. In front, there is a wooden dock that leads to the boats and tourist ship “Umbra” by which visitors visit the reservation.

Figure 3: *Zasavica Visitor Center*



Source: *Vizitorski centar*, <http://www.zasavica.org.rs>

Another important visitor center was built at Mokra Gora (Figure 4).

Figure 4: *Mokra Gora Visitor Center*



Source: *Galerija fotografija*, <http://www.parkprirodemokragora.org>

This Visitor Center is recognized as a place where the awareness of environmental protection and sustainability will develop in the future. It was built mostly of wood, modeled on traditional chalets of this region. The center gathers those who are interested in environmental protection and the development of environmental awareness, enabling them to have seminars and meetings there. The center is also used by the Nature Park staff as a business-office complex: for example for the need of Mokra

Gora rangers, who are responsible for monitoring and protection of all 11,000 acres of this park. There is also a hotel section for guests who will stay here: restaurant and coffee shop on the ground floor, and 24 comfortable rooms with about 60 beds.

The promotion

Communication and education about Inland Water Destinations help to raise awareness about their values and biodiversity, and win support from tourists for their conservation. Therefore, promotion plays a major role in the sustainable development of tourism on the Gradac River, contributing to the popularization of the destination and attracting tourists, as well as to raising awareness of the environmental protection. The greatest contribution to the promotion of the Gradac River has certainly been given by the ecological association “Gradac”, that has a web site, where is possible to find significant information about flora and fauna, tourist attractions, speleology, fishing, etc. In addition to this association, the tourist organization Valjevo provides basic information on this protected natural area. Therefore, the promotion is limited to these two subjects as well as few less visited web sites that generally inform about trips in Serbia. Due to this situation, domestic tourists from Serbia do not get enough information and therefore do not know the potentials of the Gradac River. It is interesting that even “the Atlas of protected areas of Serbia”, created by the United Nations Development Program, did not recognize the significance of the Gradac River and therefore it was not presented in this publication. However, when it comes to fishermen as tourist, we have come to the conclusion that this market niche is well informed about fishing significance of the Gradac River, primarily through their associations and specialized web sites.

Conclusion

The development of tourism in protected areas that is in line with the principles of sustainable development is important because it provides the opportunity for visitors to explore natural resources, but at the same time contributes to better life of the local population. Rivers connect us to each other, nature, and future generations. The paper presents the example of the Gradac River as a nature-based tourism, which is facing the challenge of continuing its tourism development, but in accordance with the environment. Therefore, sustainable tourism development at the Gradac River destination should harmonize social, cultural, environmental and

economic requirements. In order to achieve this goal it is necessary to engage various stakeholders such as “Gradac” Association, the local community, companies, tourists, institutions, ecologists, etc. Only mutual cooperation can solve the dilemmas and obstacles to tourism development, referring to the lack of financial resources, lack of tourist infrastructure, inadequate promotion, as well as the need for more efficient environmental protection.

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TOURISM AND ENVIRONMENTAL PROTECTION – AN ANALYSIS OF THE INDICATORS OF SUSTAINABLE TOURISM IN PROTECTED AREAS

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Abstract

Since tourist activities are directly related to natural resources, it is clear that the quality of the environment significantly determines the tourist visitation of certain destinations and regions. This paper presents the results of an analysis of the indicators of sustainable tourism developed by the World Tourism Organization (UNWTO), based on the example of the National park (NP) Đerdap (Serbia). The research included the analysis and evaluation of indicators related to the ecological value of the area and the direct impact of the tourist activity on nature protection. It has been found that the NP Đerdap has strong ecological attributes and that tourism does not significantly damage the environment. However, the unsustainable status of certain indicators (damage to forest ecosystems, water quality, the presence of landfills in the NP and the lack of water purification and recycling systems in tourist facilities) has also been identified.

Key Words: *indicators, evaluation, environment, NP Đerdap, Serbia*

JEL classification: Z32

Introduction

The continuous degradation of the natural environment due to the impact of human actions resulted in the establishment of protected areas at the end of the 19th century (Colchester, 2004), although, according to some historians, some areas in India had been specifically designated for the protection of natural resources already two millennia before (Holdgate,

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1999). These areas have been proven to be highly significant in many respects, such as the preservation of biodiversity, maintaining the productive capacity of the related ecosystems, protection of cultural elements, rural development, etc. (Colchester, 2004).

Over the past two decades, protected areas have become popular destinations for nature tourism and an important component of the international tourism industry. The intrinsic relationship between tourism and protected natural resources has been an important topic among authors dealing with the development of tourism industry (Eagles & McCool, 2002; Bushell & Eagles, 2007; Brankov, 2010; Bjeljic et al., 2012; Sivalioğlu & Berköz, 2012; Беляц et al., 2013; Bjeljic, 2015; Brankov et al., 2017). According to Eagles et al. (2002), “protected areas need tourism, and tourism needs protected areas. Though the relationship is complex and sometimes adversarial, tourism is always a critical component to consider in the establishment and management of protected areas” (p. xv). The promotion of ecological forms of tourism can be a solid basis for the integrated social and economic development of protected areas and it may encourage the activation of the local human resources (Hovardas & Poirazidis, 2006).

National parks are the most complex category of protected resources. Due to their protected status, these areas should conform to the sustainable forms of tourism development (Brankov, 2010; Brankov et al., 2015; Brankov et al., 2017). As any form of tourism can have negative impacts on the resources necessary for tourism activities, the management of national parks in the sphere of tourism should be observed as a serious challenge.

Serbia designated five national parks, which are fully accessible for tourist visits, though with some limitations necessary in protection zones. National parks are managed by dedicated public companies (PC), in accordance with the Law on National Parks. According to Herrick and McDonald (1992), we can observe national parks as tourist destinations that “are considered to be objective entities with a series of quantitative characteristics“. These characteristics can be measured based on certain criteria and on various levels (Arabatzis & Grigoroudis, 2010). Therefore, the subject of this research is the analysis of the relationship between tourism and environmental protection in the National Park Đerdap, through the interpretation of the indicators of sustainable tourism development.

Study area

The Đerdap National Park is located in the north-eastern part of Serbia, on the border with Romania. The area was declared a national park in 1974. It covers the territory of three municipalities (Golubac, Majdanpek and Kladovo), i.e. a total area of 637.68 km² (Figure 1). The NP Đerdap includes the narrow corridor of the Đerdap Gorge, i.e. its right valley slope side and the coastal section of the Danube from Golubac to Karataš, reaching 100 km in length (Nikolić, 2006; Prostorni plan područja posebne namene NP Đerdap, 2013).

Its main feature is the composite river valley of the Danube. In the Đerdap gorge, it consists of four gorges and three valleys, which alternate with each other. The Đerdap gorge is bounded by the Danube river on one side, whereas on the other it is surrounded by the low-mountain area (Severni Kučaj, Liškovac, Velika Reka and Miroč).

Picture 1: *Position and boundaries of the National Park Đerdap*



Source: *Made by the authors of the paper, 2018.*

The specific historical development, favourable climate and complex geomorphological characteristics led to great biogeographic richness and diversity. The area of the NP Đerdap is today a unique nature reserve of tertiary flora and fauna and it is represented by more than 1,100 plant species (Leksikon NP Đerdap, 2015). The unique natural conditions enabled the survival of diverse flora and fauna marked by endemic and relictual species.

Due to the favourable living conditions, humans have constantly been present in this territory, as evidenced by numerous archaeological sites and cultural monuments. An important element of the historical and cultural identity of the NP Đerdap is a diverse cultural heritage, which, in this case, can be observed as "...the basis of every culture, not only a representation of the past, but also an element of the present and future" (Terzić et al., 2015). Thanks to all of the above, the NP Đerdap is abundant in representative and attractive natural and cultural values.

Methodology

The method that relies on the indicators of sustainable tourism development defined by the World Tourism Organization (WTO, 2004), was applied in this study. Within this approach, the UNWTO developed about 50 problem topics (each with about 10–15 subtopics), classified into four categories (economic, social and cultural, environmental and management). Within each problem topic and subtopic, sets of indicators for tourist destinations were proposed. The final list included about 1000 potential indicators. In order to make the selection and reduce the number of indicators, the UNWTO elaborated an indicator selection procedure, which included an evaluation of the indicators using the proposed criteria.

This paper presents the results of a wider research of the indicators of sustainable tourism development in the national parks in Serbia (Brankov, 2015). We focused on the indicators defined within the problem topic related to nature protection and the impact of tourism on the environment. Due to the large number of proposed indicators within this topic, they were first evaluated using the aforementioned evaluation criteria (relevance, feasibility, credibility, clarity and comparability). In this way, the indicators to be included in the research were selected. Based on this, the analysis included a total of six indicators related to the ecological value of space (*the degree of protection; the recognition of international programs; protected, endemic and endangered species; the damage to forest ecosystems*), as well as the direct influence of tourist activities on nature protection (*river water quality, illegal landfills and purification and recycling systems*).

The analysis of the indicators of sustainable tourism

The degree of protection – *The Spatial plan of the Special Purpose Area of the National Park Đerdap* defines three zones of NP protection. The

directions of use and the purpose of the protected territory are thereby defined, and the type of protection regimes for each zone is determined based on its purpose and function.

The highest protection zone (degree I) covers an area of about 58.46 km² and includes 18 spatial units, representing the most valuable part of the NP. The zone under the protection degree II extends over an area of about 130 km² and includes 14 spatial units, falling into the category of the 'other natural values' of the national park. This territory covers the area in the vicinity of the sites under the highest degree of protection, the springs and the valleys of the Danube tributaries, the steep sections in the Danube Gorge, karst areas, etc. The zone under the protection degree III extends over an area of about 449 km². In this zone, selective and limited use of natural resources is allowed, as well as the following activities: actions aimed at improving the protected area, environment and cultural-historical values; the development of villages; the improvement of the economic condition and the living conditions of the local population; the construction of residential, infrastructure and tourist facilities.

The recognition of international programs – The NP Đerdap was granted a protected status on the basis of several different international conventions and documents and was declared an (Predlog plana upravljanja NP Đerdap za period 2017-2026. godina, 2016):

- *Internationally important area for birds* – IBA (Important Bird Areas), due to the great diversity of ornithofauna and rare and endangered species of birds. The area is established within the program *Birdlife International* under the name 'Đerdap' and it covers the area of the NP (with 170 identified species; it is assumed that about 200 species are living in the area) and Mala Vrbica, which includes marshes, loess sections and a fishpond between Kladovo, Kostol and Mala Vrbica (with 120 identified species; it is assumed that about 170 species are living in the area). This IBA territory was nominated as a *Ramsar area* in 2014.
- *Internationally important area for plants* – IPA (Important Plant Areas), established according to the program *Plant Life International – Plant Europe* under the name 'Đerdap and Kladovo-Radujevac'.
- *Selected prime area for butterflies* – PBA (Prime Butterfly Areas), established according to the program *Butterfly Conservation Europe* under the name of 'Đerdap and Mali krš' (with a total of 104 species and 8 target species in Đerdap and 86 species and 7 target species at Mali Krš);

- *Carpathian region* – NP Đerdap is the only area where the Framework Convention on the Protection and Sustainable Development of the Carpathians is applied in Serbia.
- *Potential "Emerald" area* – identified under the name 'Đerdap National Park', as part of the Emerald Network of Areas of Special Conservation Interest (ASCI).

It is noteworthy that the NP Đerdap is included in the preliminary list of sites nominated by Serbia for inscription on the UNESCO World Heritage List under the World Heritage Convention. Also, the NP Đerdap is one of the eight areas in Serbia nominated as a biosphere reserve under the UNESCO program *Man and Biosphere* (MaB) (Predlog plana upravljanja NP Đerdap za period 2017-2026. godina, 2016).

Protected, endemic and endangered species – According to the latest research, there are 1088 plant species growing in the area of the NP. In this area, 123 species of plants are protected, 42 of which are strictly protected (Leksikon NP Đerdap, 2015). The vegetation includes 70 plant communities, more than 50 of which are forest plants and bushes and 35 are relictual (Proposal of the Management Plan for the NP Đerdap for the period 2017–2026, 2016). The flora is not only marked by the richness of species but also by the fact that there are plants of different distribution, origin and age.

Due to a complex of deep gorges and a humid climate, without great temperature fluctuations, during the ice age, the ancient tertiary species of the Central European forest flora found a safe habitat in this area. In the Đerdap Gorge, this tertiary flora has survived in an almost unchanged form. The tertiary relicts are represented with 13 species – Turkish Filbert Hazel (*Corylus colurna*), English walnut (*Juglans regia*), Mediterranean hackberry (*Celtis australis*), etc. (Leksikon NP Đerdap, 2015).

In the area of Đerdap, 16 Balkan endemic species have been identified. The Preliminary Red List of Serbian Flora includes 48 plant species from this NP due to their rarity and vulnerability at the national level. In the *Red Book of Flora in Serbia – extinct and critically endangered taxa*, 10 species from the territory of the NP Đerdap are listed, three of which have disappeared: *Veronica bachofenii*, *Crocus banaticus* and *Tulipa hungarica* (Leksikon NP Đerdap, 2015).

Among the animal species, those having the status of protected or endangered species are particularly important. There are 63 species of mammals in the NP Đerdap (36 species are protected or strictly protected and 14 species are protected by the Law on Wildlife and Hunting) (Vodič kroz biološku i kulturnu raznovrsnost NP Đerdap, 2012). A particularly endangered species of mammals, under the strict protection regime, is the bat. There are 15 different types of bats in the NP Đerdap region.

About 170 bird species have been identified in this region, but it is estimated that the actual number of diverse species is about 200 (Vodič kroz biološku i kulturnu raznovrsnost NP Đerdap, 2012). There are 39 species in the priority category – listed in the Annex 1 of the European Commission's 2009/147 Birds Directive. This category includes: Pygmy cormorant (*Phalacrocorax pygmeus*), Little egret (*Egretta garzetta*), Black-crowned night heron (*Nycticorax nycticorax*), Purple heron (*Ardea purpurea*), Little bitern (*Ixobrychus minutus*), White Stork (*Ciconia ciconia*) and other bird species (Predlog plana upravljanja NP Đerdap za period 2017-2026. godina, 2016).

There are 58 fish species in the aquatic habitats of the NP Đerdap. The category of strictly protected species includes: the sterlet (*Acipenser ruthenus*), European weatherfish (*Misgurnus fossilis*), Crucian carp (*Carassius carassius*), tench (*Tinca tinca*), etc. (Vodič kroz biološku i kulturnu raznovrsnost NP Đerdap, 2012).

Damage to the forest ecosystem – Although forest ecosystems are predominant in the NP Đerdap, no significant studies in the past have been carried out that would lead to the development of a special forest management system within this NP. For this reason, detailed planning has been undertaken over the past several years in order to create a unified plan for the future.

The forest land covers 5,0376.13 ha of the NP, 38,226.13 ha (75.8%) of which are owned by the state and 12,150.00 ha (24.2%) are privately owned. Forest covers 97% of the forest land, which is considered to be the optimal forestry.

The Đerdap National Park Public Company defines the main causes of damage to forest ecosystems in the NP Đerdap. The deterioration of the health status of the forest adversely affects:

1. The drying of forests;

2. Forest fires;
3. Pests of entomological and phytopathological origin.

On the territory of the NP Đerdap drying is observed in nearly all forest ecosystems (about 370 km²), but it has a moderate intensity in most of the territory (Table 1). This phenomenon is most often caused by biotic factors (*Gipsy moth (lumantria dispar)*, harmful insects, fungi, etc.), but the causes of the decline of forest ecosystems also include changes in climatic factors and increased pollution. Drying has affected all types of trees, whereas sessile oak trees are the most severely threatened (Predlog plana upravljanja NP Đerdap za period 2017-2026. godina, 2016).

Table 1: *Forest drying intensity in the NP Đerdap*

Intensity of drying	Area (ha)	%
0-5	25 245,00	66,55
6-10	4 618,00	12,17
11-20	4 908,00	12,94
over 20	3 162,64	8,34
Total	37 933, 64	100,00

Source: *Godišnji plan gazdovanja šumama za 2014. godinu, 2013.*

The forest area of the NP Đerdap is exposed to a medium fire risk. This type of threat is the greatest in spring and autumn, during long, warm and dry periods. According to the categorization of forest fire threats, three categories of vulnerability have been identified in the area of the NP Đerdap:

- II category, which includes hardly flammable vegetation (mixed forests of oak species, pure and mixed forests of oak and beech on all substrates except limestone) on the area of about 240 km²;
- III category, which includes moderately flammable vegetation (black pine, spruce, pine and fir tree culture) on the area of 4 km²;
- IV category, which includes easily flammable vegetation (the canyon of the Brnjica River, Boljetinska River and the Danube River) on the area of 121.5 km².

The degradation of forest ecosystems in the NP Đerdap also causes pests of entomological and phytopathological origin. The forests are most endangered by oak defoliators (green oak tortix, mottled umber, winter moth), which lead to reduced growth and physiological weakening of trees. If the pests persist for several years, the trees are attacked by other

secondary insects and fungi, eventually leading to drying. In order to prevent this, there is a regular annual monitoring of the populations of the most harmful insects.

The deteriorating health of forest ecosystems is also affected by the damage caused by glaze, more precisely from the ice retained on trees, resulting in severe damage, fractures of large branches or whole trees. In the NP Đerdap, the ridge – the watershed of the Kožica and Pesača basins, is particularly vulnerable.

Quality of river water – The data on the water quality of the Danube river between 2006 and 2011 provided by the Republic Hydro-meteorological Service of Serbia (http://www.hidmet.gov.rs/index_eng.php) were used to analyze this indicator. A systematic analysis of the river water quality was carried out at three hydrological stations: Veliko Gradište, Dobra and Tekija. The obtained data were used to determine the pollution degree of the river water based on the WPI (Water Pollution Index) (Brankov et al., 2012).

Observing the entire six-year period cumulatively, (Table 2), it can be concluded that all analyzed profiles fall into the water quality class IV, with the lowest WPI value registered at the Tekija profile (2.28), and the highest at the Dobra profile (2.90). The analysis shows that the lowest pollution in the 2006–2008 period was recorded at the profile (Tekija) (class III of water pollution according to WPI values), with the exception of 2008, when it slightly exceeded the lower limit for the water class IV. During 2009 and 2010, the lowest pollution was recorded at the Dobra profile (IV class). In 2011, the lowest values of the WPI index were recorded at all stations.

Table 2: *The value of the WPI index in the 2006–2011 period*

Hydrological station	2006	2007	2008	2009	2010	2011	WPI
Veliko Gradište	1.77	2.85	1.53	3.28	4.10	1.15	2.44
	III	IV	III	IV	V	III	IV
Dobra	2.71	5.33	2.11	2.90	3.27	1.11	2.90
	IV	V	IV	IV	IV	III	IV
Tekija	1.22	2.18	1.55	4.16	3.48	1.11	2.28
	III	IV	III	V	IV	III	IV

The annual WPI analysis shows the deviations of values over years for the same hydrological stations. In 2006, the WPI values indicated class

II–IV of river water pollution. A similar situation was recorded in 2008. During 2007, the quality of water varied from class IV to class V, just like in 2009 and 2010, when the recorded values indicated class IV and class V. However, in 2011, quality class III was recorded at all profiles.

As far as the analysis of the influence of individual parameters on the degree of pollution is concerned, the increased values of the elements that serve as the indicators of organic pollution (BPK5, saprobiological index, coliform germs) were registered. The increased number of germs indicated significant pollution coming from the communal waters of the settlements on the Danube bank. Increased values of BOD5 are typical of the biological activity of wastewater and they are the main indicator of organic pollution. There are numerous causes for increased values of the above-mentioned parameters. Unregulated sewage systems and the absence of wastewater treatment plants in the municipalities of the Đerdap sector (Golubac, Majdanpek and Kladovo) are the most important ones. This results in the direct discharge of municipal and industrial wastewater into the river receivers. Consequently, the Danube is contaminated with bacteria of faecal origin, especially during summer. Of particular importance is the problem of domestic wastewater in the village of Boljetin, in the strict protection zone of the NP Đerdap, where a large percentage of households do not have cesspits, and wastewater flows directly into the Boljetinska River, the Danube tributary (Master plan turističke destinacije “Donje Podunavlje”, 2007). In addition, there are a large number of uncontrolled dumpsites and large quantities of waste (illegal landfills) in the vicinity of urban and rural settlements.

Over a six-year period, increased orthophosphate values were observed (10–18 times higher than the defined standards for the class I) at all analyzed stations. Phosphorus reached the Danube in the form of orthophosphates through sewage and industrial outflows, but also from agricultural land and pastures. Increased concentrations of this element affected the growth of the water flora. In order to decompose this flora, aerobic bacteria consume oxygen from the water, which adversely affects the living world of the river. It has been scientifically proven that phosphorus that enters the Danube in the Danube–Tisza–Danube channel zone reaches as far as the Black Sea, which indicates the contamination of the wider Danube basin (Ilić, 2004, according to Milanović et al., 2011).

The analysis of the parameters used to calculate the WPI index in the Đerdap sector of the Danube river leads to the general conclusion that

organic pollution dominates (coliform germs, BPK5, saprobiological index, etc.), while the measured values of heavy metals are mostly within the allowed limits or slightly above them; accordingly, their impact on water pollution is relatively small.

All of the listed causes of water pollution negatively affect the possibilities of tourist use of the Danube's water. The obtained WPI values confirm that, in the area of the NP, the river water mainly falls into the category IV, although in 2011, the category III was also recorded. During the two-year period (2009–2010), water was constantly in the categories IV or V (impure and polluted water), which significantly affected its tourist attributes. Although the values of harmful elements in the Danube water still allowed bathing and recreation, it is clear that any further pollution would contribute to the emergence of new problems regarding the preservation of the ecological stability of river systems.

Bathing tourism (beaches in Golubac, Donji Milanovac, Tekija, Kladovo, etc.), nautical tourism (cruising along the Đerdap gorge) and sport and recreational tourism (various events and sport and recreational activities on the water) are an important segment of the tourist offer that directly depends on the quality of river water. In this respect, it is necessary to ensure the adequate management of the Danube basin in the context of a wider international cooperation.

Illegal landfills and systems for purifying and recycling – although the environment in the territory of the NP Đerdap is mainly preserved, the communal infrastructure is one of the problems that have not been resolved yet. According to the *Rulebook on the internal order in the NP Đerdap* (2014), the following activities are forbidden in the area of the NP: the disposal of municipal, industrial and construction waste and packaging (except for municipal and agricultural waste originating in the protected area), as well as the unregulated discharge of wastewater from households, industrial and other facilities, contrary to water management regulations. However, the situation is quite different in reality.

According to the *Spatial Plan for the Special Purpose Area of National Park Đerdap*, no dumpsites are officially allowed in the area. However, in reality, the presence of spontaneous dumps in this area is a serious problem. Taking into account that the territory of the NP Đerdap is not entirely covered by a developed waste collection system, waste is deposited on

numerous illegal landfills along roads, on agricultural land, near public buildings, in green areas within residential areas and along rivers.

As the collection of municipal waste in the territory of the settlements within the NP Đerdap is under the jurisdiction of municipal utility companies, the underlying cause of this phenomenon is the poor awareness of the local, predominantly rural inhabitants, who do not use utility services. The dumps located at distances less than 100 m from the settlement or 50 m from the river bank are the greatest risk to the environment and human health. However, such dumps are the most frequent in the territory of the NP Đerdap. Illegal landfills can be found along the roads and on the slopes of the road embankments.

According to the *Report on the number of landfills and dumpsites in the area of the National Park Đerdap* (2010), 58 landfills are registered in this area. The Public company NP Đerdap regularly organizes the cleaning of such landfills, which reduces their number. However, new ones are constantly emerging. Local people and members of non-governmental organizations are involved in these actions, along with the employees. Despite their exceptional ecological value, Porečki Zaliv and the canyon of the Boljetinska River are especially endangered by the constant formation of spontaneous dumps.

The shared feature of all accommodation and catering facilities of the NP Đerdap is that they do not have their own wastewater treatment systems, due to which wastewater is discharged directly into the urban sewage system without purification. Also, hotel facilities and restaurants, as well as all tourism companies, deposit waste into containers that are used by households. This type of waste is not recycled within the tourist facilities.

The interpretation of the indicators

Once the analysis of the selected indicators had been completed, it was necessary to interpret the results, in order to define the guidelines for future actions related to the management of the protected area. This process involved the defining of reference points, i.e. the criteria by which to assess the value of individual indicators or threshold values, which identified the critical changes of the indicators. In this case, determining the so-called 'acceptable range of values' was performed in order to determine whether the indicator was out of the identified range in a positive/negative sense. If the indicator value deviated from the

acceptable range in a negative context, that was a signal for future action on the part of the management aimed at improving its status and bringing it to a sustainable level.

Table 3: *Interpretation of the indicators*

Issue theme	Indicator	Acceptable range	Interpretation
Nature conservation and impact of tourism on the environment	The degree of protection	Defined zone of area protection with different purpose and activity control	GOOD
	The recognition of international programs	The presence of international recognition	GOOD
	Protected, endemic and endangered species	Interpreted on the basis of the reference point	GOOD
	Damage to the forest ecosystems	Interpreted on the basis of the reference point	BAD
	Quality of river water	III - IV class (WPI)	ACCEPTABLE
	Illegal landfills and systems for purifying and recycling	The absence of landfills, 30-50% of accommodation capacities	BAD

The acceptable range was defined by consulting the results of modern studies on tourism – the Samoa Sustainable Tourism Indicator Project (SSITP) and the Kangaroo Island Tourism Optimization Management Model (TOMM) (UNWTO 2004). The selected studies are based on the use of indicators of sustainable tourism and they specify the acceptable values for each indicator. A successful example from practice – the NP Plitvice Lakes (Croatia), was used as a reference point when estimating the value of certain indicators.

The results of the evaluation of the indicators are shown in Table 3. The indicators related to nature protection are very well rated, indicating that natural values are the main attributes of this area. This is evidenced by the three-stage protection regime in the NP Đerdap that should enable sustainable management of the protected territory. Priority actions were set for each regime, and the indicator related to this issue was rated as “good”. The zoning ensures that the most environmentally valuable areas

are strictly protected, and the use of territory for tourist purposes is allowed on a limited scale. The indicator relating to the presence of protected, endemic and relict species is also highly rated. There are numerous endemic and relict species in the NP Đerdap, as well as those endangered and protected by national laws and international conventions. Similarly, in the reference site – the Plitvice Lakes National Park, the presence of the aforementioned flora categories is significant and it exceeds 1% of the total biogeographical diversity. Directly related to this indicator is the recognition of international conventions and programs, since it is based on the presence of the analyzed biogeographical categories. Keeping in mind the ongoing process of forest drying (primarily conifers) in the territory of Serbia, which culminated in 2012–2013, the indicator of the damage done to forest ecosystems is not on a sustainable level. Unlike the NP Plitvice Lakes, where extreme small-scale drying was registered during a ten-year period (2003–2013), intensive drying in almost all forest ecosystems is present in the NP Đerdap. More than half of the total territory of the NP is affected by drying, where the intensity of drying is exceptionally strong on about 5% of the protected territory (31.6 km²).

The values of the indicator of the river water quality are within an acceptable range and the obtained WPI values confirm that the Danube water in the territory of the NP Đerdap mainly falls into the class IV (or even V), marked by impure water, with a tendency of quality improvement in 2011 (class III). As the river water is used for bathing and recreational purposes, any further deterioration of its quality would affect the sustainable tourism development. The analysis identified the unsustainable status of the indicator 'the presence of illegal landfills and systems for purifying and recycling'. Illegal landfills and dumpsites are usually located along the banks of the rivers and roads and they are a serious problem. Accommodation and catering facilities in the territory of the NP Đerdap do not have their own wastewater treatment systems and do not recycle their own solid waste, which is contrary to the current environmental standards.

Conclusion

The indicator analysis confirms that the NP Đerdap has strong ecological values and that tourism does not cause any significant damage to the environment. Although there is a good basis for planning and development of sustainable tourism in the NP Đerdap, it is necessary to

resolve the identified development problems. This primarily applies to unsolved ecological issues due to the absence of water purification and recycling systems in tourist facilities, and generally, in the territory of the municipalities within the NP. Also, a permanent solution to the formation of illegal landfills in the NP Đerdap is yet to be devised. All of the listed issues directly cause environmental deterioration and particularly affect the vulnerable hydrographic resources, which are one of the main tourist values of the NP.

In order to achieve the heterogeneous goals of sustainable tourism development and eliminate the observed development problems, it is necessary to implement some actions in the following period:

- infrastructure regulation (proposal: construction of appropriate devices for wastewater treatment and a local government initiative to determine a special point for waste collecting and recycling;
- the promotion of the importance of environmental quality for the sustainable tourism development of national parks, through the education of various stakeholders (visitors, community, employees in tourism), etc.;
- devising local ecological action plans with detailed operation guidelines;
- defining the indicators of sustainable tourism as a system for early problem identification, and monitoring the achieved effects in the sphere of protected area management;

These activities should become the basic development orientation of national parks. However, ecological criteria should not be neglected in an attempt to create a sustainable tourist offer. For all entities of the tourism industry, especially the leading accommodation capacities, the management of resources based on ecological principles must be the basic business goal. In order to successfully implement the mentioned activities, joint actions of planners and managers of tourism development, experts within different fields and decision-makers at the micro and macro levels are necessary. In this regard, the results of this research represent an initial step, since they are adaptable to different users (academic structures, managers of national parks and other protected objects, tourist organizations), which makes them directly applicable. The results of this research may be useful in the context of future activities related to the management of tourist activities in national parks. Since the application of indicators has enabled us to identify the results of the past

actions and the existing and imminent problems, it also makes it possible to direct future management activities in a sustainable direction.

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ENVIRONMENTAL POLLUTION AS AN OBSTACLE TO TOURISM DEVELOPMENT

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Abstract

In the light of global trends in the transformation of tourism that suggest the number of tourists will grow in the next 12 years by 3.3% or 43 million per year, and by the end of 2030 the figure will reach 1.8 billion tourists or 1/4 of overall world population, it is realistic to assume that the estimated growth will mostly be affected by shortages in natural resources, environmental pollution and other factors. The subject of this paper is focused on studying the implications of environmental pollution on tourism development in the Republic of Serbia. On one hand, the paper is aimed at examining the development of tourism capacities in the Republic of Serbia and its possible growth directions, and on the other hand at exploring the factors that might lead to a decrease in the number of tourists due to the pollution and damaging of the environment caused by various illegal actions. A significant part of the paper is focused on the legal and regulatory framework governing this field and its critical analysis and possible adjustments in current situations.

Key Words: *tourism, the environment, environmental pollution.*

JEL classification: *K14*

Introduction

Like other branches of economics, tourism also affects the quality of the environment both in a positive and negative way. The positive effects of tourism on the environment are observed in the fact that it is an activity which tends to use natural resources properly, improve landscapes and maintain ecological, economic, social and cultural values of the state.

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Until recently, the advantages of tourism were available only to a narrow circle of wealthy people, whereas today the circle is widening. According to some studies, today, more than a million people are estimated to take part in tourist migrations annually (Danilović, Lazić, 2016). In the light of global trends in tourism, the number of tourist arrivals is forecast to grow in the next 12 years by 3.3% or 43 million a year, and by the end of 2030, it will reach the figure of 1.8 billion tourist arrivals or $\frac{1}{4}$ of the overall world's population. The reason behind this is definitely to be found in the tendencies of the globalisation, industrial, transportation, technological and information revolution. Today, tourism accounts for 9% of the total world gross domestic product, and every 11th employee is engaged in the tourism industry and its related activities.

The advantages of the development of this branch of economics are in generating new jobs and enhancing every country's economic policy. National revenues generated by tourism have positive flows reflected in the fact that a tourist who pays for a service enables a service provider to pay for a tax, salaries of employees, spend the income on their or their children's education, pay for medical examinations, cinema tickets and similar things. It all points to the clear conclusion that the money earned from tourism is injected in every segment of both local and national economies.

In addition to directly financing hospitality industry, traffic, trade and similar, tourism also provides direct funds for agriculture, industry, energetics, education, health care system, culture... Unfortunately, neither tourism industry in the Republic of Serbia has been fully developed yet, nor the natural resources in Serbia are adjusted to the users of tourism services. The amount of money that Serbian people spend abroad is still higher than the amount of money that foreign tourists bring into the Republic of Serbia. However, as time goes by, this ratio is changing more and more in favour of the Republic of Serbia.

Still, it should be noted that tourism development will not necessarily bring about social and economic development of a community. The major problem in developing countries, such as Serbia, is a development policy which either lacks a strategy for tourism development or such a strategy is not sector-oriented and thus not completely applicable. The Republic of Serbia has the Strategy for Tourism Development for the period 2016-2025. The specific features of Serbia and its neighbouring countries are increasing the number of foreign hotels and other tourism capacities that

do not leave their profits in the Republic of Serbia, but send the profits back to their mother countries. The only benefit that our country might gain from such business is low salaries of employees, paid income tax, paid charges for energy, water, sewerage and other utility services.

The special importance of tourism for the development of the Republic of Serbia is reflected in its impact on political and ethnical (in) stability of the state and its wider surroundings. Led by economic interests, countries and nations may achieve good cooperation and provide stability to attract more tourists. There are a lot of similar examples, and one of the best is definitely Jerusalem, where three biggest world religions coexist, and which is visited by huge number of tourists every year. By meeting different people, cultures, religions and races it is easier to overcome mutual differences, and in turn tolerance of differences leads to higher respect and better understanding among nations and countries.

Besides, tourism is often said to be the main factor in environmental preservation. If a destination attracts more tourists and provides revenues to a local community, local authorities will not allow environmental degradation, but they will protect it from changes and preserve its peculiarity that attracts domestic and foreign tourists. Therefore, it is necessary to provide protection of tourist attractions in every sense of the word and to work on its promotion.

Sustainable tourism implies a branch of economics that has minimal impact on the environment and local culture, and at the same time, it contributes to creating new jobs, making profits and protecting local ecosystem. Thus, responsible authorities in every country should support every aspect of tourism that contributes to environmental protection, the protection of the social and economic integrity and improvement of natural, cultural and created values on a permanent basis.

Adverse environmental implications, particularly those that uncontrolled tourism development has, are manifested in the depletion of natural and other resources such as land, water, fuel, electricity and similar, but also in producing large quantities of waste. The negative effects of tourism on the environment are observed in putting pressure on natural resources, biodiversity (animals and plants), and in all sorts of pollution.

The negative impact of the modern tourism industry on the environment is the consequence of a weak legal and regulatory framework governing

this field, poorly implemented planned regulations, lack of adequate infrastructure, particularly for wastewater treatment and disposal of hazardous waste, as well as inefficient management of protected resources. The environmental threats posed by tourism industry are numerous. For the purpose of the paper, the key threats are selected:

- weak legal and regulatory framework governing this field on one hand, and the lack of its enforcement on the other;
- selective enforcement of spatial and urban plans;
- uncontrolled exploitation of natural resources;
- incompetent management of protected resources;
- inadequate utility, transportation and tourism infrastructures;
- insufficient and inappropriate inter-divisional cooperation in tourism and environmental protection;

If these threats are not addressed in the long term, they leave inconceivable negative impact on the environment, primarily through:

- strong pressure on the environment, available natural resources and biodiversity that is reflected in inappropriately located and illegally constructed tourist facilities;
- uncontrolled and unpunished discharge of wastewater and illegal dumping of harmful waste;
- illegal emissions of harmful gases into eco space from vehicles and non-standard boiler-rooms;
- illegal emissions of traffic noise, noise from catering facilities and other group and mass events;
- uncontrolled and illegal, ecologically unacceptable tourism development in protected areas and other valuable natural resources;
- habitat destruction and disturbing wildlife by tourists.

Ecological delicts

With the development of tourism, the number of injurious behaviours that lead to criminal liability for offences committed in this field is growing. Therefore, it is no wonder that this field has been incriminated in the Republic of Serbia since 1977. In addition, it should be noted that the issue of environmental pollution and the need to tackle this issue has been regulated by a special law since 2004 (Law on Environmental Protection, 2004).

The most common name referring to a group of offences against this field is ecological delicts. The fact that this subject matter has been growing in importance in recent years and that the Republic of Serbia has to undertake more and more measures against them is reflected in establishing a scientific discipline in law - Ecological Law. To make it clear what the paper is about let us start from the conceptual definition of the term delict. Lexically, the word delict is derived from the Latin word *delinquere*, i.e. delictum, meaning an act against the law, an offence, crime (Vujaklija, 1980). Legally, it means a criminal offence which under the substantive law denotes a formal and objective-subjective concept, i.e. the stipulation of the offence under the law, its unlawfulness and incrimination (Lazarević, 2006). As per criminological aspect, its meaning is based on a multitude of terms used to designate an unlawful conduct that is the subject of criminological research, wherein the term delict is equated with the terms crime and offence, being interpreted as a single criminal behaviour (Ignjatović, 2007).

The criminal legislature of the Republic of Serbia comprises 22 groups of criminal offences, which are classified under different chapters of the Law. Environmental offences are stipulated by the codified Criminal Code that has been in effect since 2006 in Chapter 24, i.e. from Article 260 to Article 278 (Criminal Code, 2005). The protection of the environment through criminal law is based on the concept of bio centric views of the environment, whereby the environment is perceived to be of key importance for life, and hence the environment is considered to be protected per se, as opposed to the anthropocentric views that treat the environment as a resource subordinated to human needs (Lilić, Drenovak, 2010). Environmental offences are characterized by their multiplicity, mutual diversity and distinctiveness of the modern crime and therefore they are classified in the theory of criminal law into four categories: 1) general environmental offences 2) criminal offences pertaining to dangerous substances; 3) criminal offences against the wildlife and plants; 4) criminal offences pertaining to poaching game and poaching fish (Bošković, 1996).

From the point of view of this paper, it is necessary to point that in the practice of tourism development in Serbia, and this applies even to sustainable tourism, against our will various offences are committed, wherein ecological delicts occupy a significant place, i.e. in all of the four categories of criminal offences. Ecological delicts committed intentionally or unintentionally have an adverse impact both on the

environment and tourism development as well. Thus, the subject of further study in this paper addresses environmental offences, with the focus on the criminal offence of environmental pollution and concrete statistical data acquired by the empirical research on the number of committed environmental offences in the period from 2007 to 2016, and specifically the number of committed pollution offences in a five-year period, from 2012 to 2016. The paper elaborates on the data about the number of registered, indicted, convicted adults as well as the type and severity of the pronounced criminal sanctions.

Environmental offences and their specific features

In order to protect the environment the legislator has stipulated the behaviours that are deemed a criminal offence against this protected object. The criminal offences are: 1) environmental pollution; 2) failure to undertake environmental protection measures; 3) illegal construction and operation of facilities and installations polluting the environment; 4) damaging environmental protection facilities and installations; 5) damaging the environment; 6) destruction, damage, transfer into a foreign country or into Serbia of a protected natural resource; 7) bringing dangerous substances into Serbia and unlawful processing, depositing and storing of dangerous substances; 8) illegal construction of nuclear plants; 9) violation of the right to be informed on the state of the environment; 10) killing and wanton harming of animals; 11) transmitting of contagious plant and animal diseases; 12) malpractice in veterinary services; 13) producing harmful products for treating animals; 14) pollution of livestock fodder and water; 15) devastation of forests; 16) forest theft, poaching game and poaching fish.

Unlike the criminal offence of environmental pollution, which can be committed by any person, the environmental offence of failing to undertake environmental protection measures can be committed solely by an official or responsible officers, by failing to implement the protection measures that are stipulated by the law or imposed by the decision of a competent body. The consequence of this criminal offence can be abstract hazard, i.e. the offence is committed once the offender fails to undertake the protection measures regardless of the fact that the offence has not resulted in a consequence. The penalty for this offence is a fine or imprisonment up to three years if the offence is committed with premeditation or alternatively a fine or imprisonment up to one year if the offence is committed from negligence.

The criminal offence of *illegal construction and operation of facilities and installations polluting the environment* is committed by virtue of acting or failure to act by an official or a responsible person. Acting means allowing i.e. issuing an approval for construction, operation or use of facilities and installations or implementation of technological processes, contrary to the legislation on environmental protection, preservation and improvement, that to a larger extent and over a wider area pollute the environment. Failure to act means failure to carry out legally stipulated obligations that most often refer to inspectional supervision. The basic form of the criminal offence, which can be committed only with premeditation, implies environmental pollution to a larger extent and over a wider area, and the penalty prescribed for the offence is imprisonment of six months to five years.

The next criminal offence from this group is *damaging environmental protection facilities and installations*. The criminal offence, which can be committed by any person, includes damage (partial destruction which reduces operability of facilities or installations), destruction (complete destruction which makes inoperable facilities or installations), removal or otherwise making inoperable facilities or installations for environmental protection. The penalty for the basic form of the criminal offence committed with premeditation is imprisonment up to three years, or alternatively a fine or imprisonment up to one year if the offence is committed from negligence.

The criminal offence of damaging the environment encompasses exploitation of natural resources (exploitation of minerals, forests, water, and similar things), construction of buildings (construction of dams and similar), executing certain works (ploughing the soil, watercourse diversion, illegal mine waste disposal) or otherwise inflicting damage to the environment. Thus, this criminal offence, which can be committed by any person, does not result in environmental pollution, unlike the previous criminal offences, but in causing damage to the environment, including natural habitat degradation. The law stipulates only the basic form of the criminal offence, which entails the damage to the environment on a large scale and over a wider area. The penalty prescribed for the offence is imprisonment up to three years if the offence is committed with premeditation, i.e. a fine or imprisonment up to one year if the offence is committed from negligence.

To understand the criminal offence of *destruction, damage, transfer into a foreign country of a protected natural resource* firstly it has to be defined what a protected natural resource denotes. This is given by the Rulebook on declaration and protection of protected and strictly protected species of plants, animals and fungi. The object of legal protection against this criminal offence is a natural resource that is considered to be a preserved part of nature with special values and qualities, which has a permanent ecological, scientific, cultural, educational, recreational, tourism and other importance, and therefore enjoys special protection as a natural resource of general interest. The penalty for the basic form of the criminal offence is imprisonment of six months to five years, if the offence is committed with premeditation, or alternatively a fine or imprisonment up to six months if the offence is committed from negligence.

Bringing dangerous substances into Serbia and unlawful processing, depositing and storing of dangerous substances is a criminal offence which entails unlawful bringing into Serbia radioactive or other hazardous materials or hazardous waste, and their transport, processing, disposal, collecting or storing, i.e. allowing or facilitating by malfeasance or abuse of power, bringing into Serbia of those materials, their transport, processing, disposal, collecting or storing. The penalty prescribed for this form of criminal offence, is imprisonment of six months to five years and a fine. If an official or a responsible person by malfeasance or abuse of power allows or facilitates some of the mentioned unlawful activities the prescribed penalty for that is imprisonment of one to eight years and a fine. The aggravated forms of the offence entail destruction of flora and fauna on a large scale as a consequence of bringing into or transporting, processing, collecting or storing of dangerous substances, for which the penalty is imprisonment of two to ten years and a fine, i.e. the offences committed in an organised way will be punished by imprisonment of three to ten years and a fine.

The criminal offence of illegal construction of nuclear plants provides for criminal justice in the event of a ban on the construction of a nuclear power plant or a processing plant for used nuclear fuel. The offence entails construction or permitting the construction of a nuclear power plant or a nuclear fuel production plant, or a processing plant for used nuclear fuel, for which the prescribed penalty is imprisonment of six months to five years. The offender of this crime can be any person, but

given the nature of this matter, the offenders are usually officials responsible for issuing construction permits for such objects.

The substance of the criminal offence *violation of the right to be informed on the state of the environment* is provided for in Article 268 of the RS Criminal Code which stipulates that the offender is every person who contrary to legislation withholds information or provides false information on the state of the environment and events required for environmental threat assessment and employment of protective measure. The penalty alternatively prescribed for this criminal offence, which can be committed solely by an official or a responsible officer and with premeditation, includes a fine or imprisonment up to one year.

A part of the Criminal Code provides for the protection of plants and animals. *Killing and wanton harming of animals* is defined as a criminal offence. The basic form of the criminal offence entails killing, injuring, torturing or otherwise animal abuse. The penalty for this offence is a fine or imprisonment up to one year. The aggravated forms of the offence entail killing, injuring or torturing a number of animals or if the offence is committed against animals that belong to specially protected species, for which the penalty is alternatively a fine or imprisonment up to three years, i.e. organization or financing of animal fights between animals of the same or different species for personal gain is punished cumulatively with imprisonment up to three years and a fine. However, it should be noted that this criminal offence has always drawn and still draws enormous attention, as law theorists have quite divided opinions on the matter of this criminal offence and its object of protection. The object of protection primarily entails human feelings towards certain animal species, thus killing and torturing of just those animals that provoke pity with most people are not allowed. If this criminal offence were interpreted very strictly, some services would not be allowed to spray some animal species (mosquitoes, different sorts of insects).

The criminal offence of *transmitting of contagious plant and animal diseases* entails failing to observe legislation, decisions or orders issued by a competent body on the employment of measures during an epidemic of livestock disease that may endanger cattle breeding, i.e. during the threat of a disease or pests that may endanger plant life. The penalty for committing the basic forms of this criminal offence is a fine or imprisonment up to two years. The aggravated form of the offence is committed if it results in death of animals, destruction of plants or other

considerable damage due to the failure to act, for which the penalty is imprisonment up to three years.

The criminal offence of *malpractice in veterinary services* can be committed only by a veterinarian or a licensed veterinary technician, and it entails application of obviously inadequate means or methods of treatment of animals, thereby causing the death of animals or other considerable damage. The penalty for the criminal offence is a fine or imprisonment up to two years if the offence is committed with premeditation, i.e. a fine or imprisonment up to six months if the offence is committed from negligence.

Producing harmful products for treating animals is a criminal offence that entails production for sale or placing on the market of the products for treatment or prevention of animal diseases, which can jeopardise life and health of animals, for which the penalty is a fine or imprisonment up to one year. The penalty for the basic and aggravated forms of the offence committed from negligence is a fine or imprisonment up to six months.

An environmental offence is also pollution of livestock fodder and water. A basic offence entails contamination of livestock fodder and water, by using a harmful substance, i.e. contamination of water in a fish-pond, lake, river or canal, thereby causing danger to the survival of fish or other aquatic animals, for which the penalty is a fine or imprisonment up to two years. If the contamination results in death of animals, the offence is considered to be aggravated, for which the penalty is a fine or imprisonment up to three years. In addition, the penalty for the basic or aggravated forms of the offence committed from negligence is a fine or imprisonment up to six months.

Devastation of forests as a criminal offence entails unlawful cutting and clearing of forests or damaging trunks, or cutting down one or more trees in a park, tree avenue or elsewhere where cutting down of trees is prohibited. The penalty for that offence is a fine or imprisonment up to one year. The aggravated form entails committing the offense in a protected forest, national park or other special-purpose forest, for which the penalty is imprisonment of three months to three years.

In addition to devastation of forests, another offence is *forest theft*. The basic form of the criminal offence entails felling one or more trees in a forest, park or tree avenue with intent to commit a theft, provided that the

quantity of timber doesn't exceed one cubic meter, for which the penalty is a fine or imprisonment up to one year. If the quantity of felled timber intended to be sold exceeds five cubic meters or if the offence is committed in a protected forest, national park or other special-purpose forest, the offence is considered to be aggravated for which the penalty is a fine or imprisonment up to three years.

This Chapter of criminal offences provides for protection of both plants and animals, therefore it encompasses the offences of *poaching game and poaching fish*. The basic form of poaching game entails hunting game during closed season or in the territory where hunting is prohibited, for which the penalty is a fine or imprisonment up to six months. The aggravated form of the offence is considered to be committed against big game (bear, deer and similar), for which the penalty is a fine or imprisonment up to two years, i.e. hunting game that is prohibited or hunting particular game without a license when such license is required or hunting with an equipment which destroys game in large numbers, for which the penalty is imprisonment up to three years.

It is the object of protection that makes difference between the criminal offence of poaching game and the criminal offence of poaching fish. In the case of poaching fish, the object of protection is fish stock and other aquatic animals. The offence can be committed by any person who fishes or catches aquatic resources during a closed season and in closed waters where fishing is forbidden. The penalty for this offence is a fine or imprisonment of up to six months. When it comes to the method of fishing, if explosive, electricity, poisonous, dazing substances are employed or some other techniques harmful to fish stock reproduction or causing their massive destruction, i.e. fishing outside safe biological limits and overfishing), an aggravated offence is considered to be committed for which the penalty is imprisonment of up to three years.

Environmental pollution as a criminal offence

Environmental pollution is defined as a distinct criminal offence stipulated by the provisions of Article 260 of the RS Criminal Code. The global object of protection is the environment as an imperative that provides vital conditions for the survival of the mankind through joint protection of air, water and soil (Klaus, 1991).

The object of protection against this offence is a basic human right to healthy and relatively preserved natural environment (Stojanović, 2009). A further reason for this object of protection to be singled out is the fact that a right to healthy environment is set forth in the RS Constitution (RS Constitution, 2006).

The commission of the basic offence implies the pollution of air, water, or soil on a larger scale or in a larger area by violating the rules on the environment protection, preservation and development. Under the positive-law legislation environment, pollution implies an act of contaminating the environment with polluting substances or energy, which is a result of some human activity or natural processes that have or may have detrimental consequences on the quality of the environment and human health (Law on Environmental Protection, 2004). Pollution, for example, may be caused by burning dangerous substances that pollute air, discharging wastewater into a receiving water or soil, releasing or disposal of dangerous chemicals, etc.

The elements of a criminal offence that are necessary for determining whether a basic or an aggravated form of the offence is committed, which are not precisely stipulated by the law (larger scale, wider territory, longer time, high expenses), as a rule, are established in every individual case on the basis of the opinion of an expert in the relevant field, accredited by a competent judicial authority, or on the basis of judicial practice. Therefore, it is an imprecise and widely formulated rule that is also called a general clause in criminal law.

The aggravated form of this criminal offence occurs when the pollution of air, water or soil has resulted in an extensive destruction of the flora and fauna, i.e. has resulted in such extensive environment pollution that the removal of its consequences will take a long period of time and incur substantial costs. Also in the stipulation of this offence it remains unclear what is meant by the long period and the substantial costs.

The legislator has stipulated the sanctions in accordance with the form of the committed offence. For a basic offence committed with premeditation, the prescribed penalty is imprisonment of six months to five years and a fine, whereas an act of negligence is sanctioned by a fine or imprisonment of up to two years. For an aggravated offence committed with premeditation, the prescribed penalty is imprisonment of one to eight

years and a fine, whereas an act of negligence is sanctioned by a fine and imprisonment of six months to five years.

Empirical research on environmental offences

The empirical research that is presented in the paper comprises the study of the number of committed environmental offences in a ten-year period, i.e. from 2007 to 2016 on the territory of the Republic of Serbia, as well as environmental pollution offences in a five-year period, i.e. from 2012 to 2016. The analysed data refer to the number of registered adults, indicted adults, convicted adults, as well as the type and the severity of the pronounced sentence.

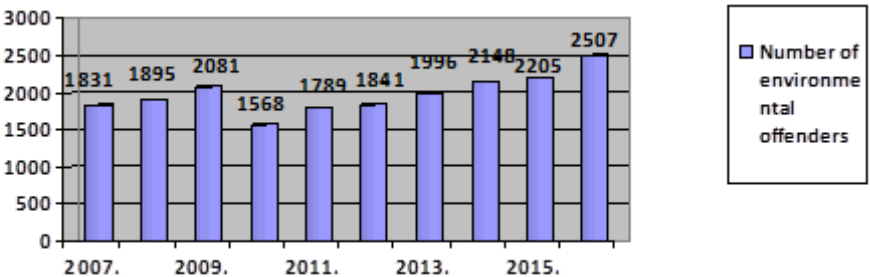
One of the reasons why the number of the registered persons is so low, and the same goes for the number of detected criminal offences in this area, definitely lies in the fact that the manner of collecting evidence in this area is quite specific and is usually based on experts’ opinions. For that purpose, according to experts and scholars, it would be advisable to set up teams of environmental forensics experts (Čavoški, 2011).

Table 1: *The number of committed environmental offences in the period 2007-2016*

2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1831	1895	2081	1568	1789	1841	1996	2148	2205	2507

Source: *Bulletin of adult offenders in the Republic of Serbia, 2016*

Figure 1: *The number of committed environmental offences in the period 2007-2016*



Source: *Bulletin of adult offenders in the Republic of Serbia, 2016*

According to the above given table and figure it can be concluded that most of the environmental offences in the observed ten-year period were committed in the last observed year, i.e. in 2016. The lowest number of environmental offences was committed in 2010. Also, it can be concluded that an annual average in the observed period was 1986 offences of this type.

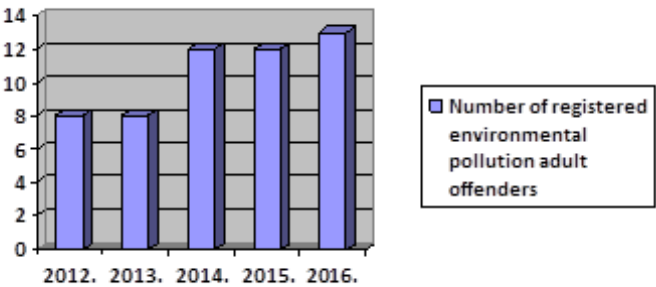
Table 2: *The number of registered environmental pollution offenders in the period 2012-2016*

2012	2013	2014	2015	2016
8	8	12	12	13

Source: *Bulletin of adult offenders in the Republic of Serbia, 2012-2016*

To gain a complete picture on the analysed criminal offence, further research is focused on the environmental pollution offence by analysing the number of registered, indicted and convicted offenders for the period 2012-2016.

Figure 2: *The number of registered environmental pollution offenders in the period 2012-2016*



Source: *Bulletin of adult offenders in the Republic of Serbia, 2012-2016*

An average number of registered adult offenders who committed environmental pollution in the observed period is 11 per year (Table 2). In 2012 eight adult offenders were registered, out of which five were known to the police and three were not. Out of eight adult persons, seven were males, and one female. Indictment was filed against three offenders, while charges were dismissed against two offenders. The same number of offenders was registered in the following year, therewith the seven persons were known to the police, while one was not. Out of eight

registered adult offenders, seven were males and one female. In 2013, charges were dismissed against even five offenders, while prosecution was suspended against one person, and charges were pressed against one person. In 2014 twelve offenders were registered, out of which two females. Nine offenders were known to the police, charges were dismissed against eight offenders, while indictment or criminal complaint was filed against one person. Out of total twelve offenders of environmental pollution in 2015, eleven charges were dismissed, and indictment was filed against just one person. All twelve registered offenders were known to the police, and one female was among them. The biggest number of registered offenders was in 2016, out of which ten were known to the police and three were not. In the year nine charges were dismissed and one indictment was filed. The next stage in criminal proceedings is the stage of filing indictment that is also observed and analysed for the mentioned five-year period.

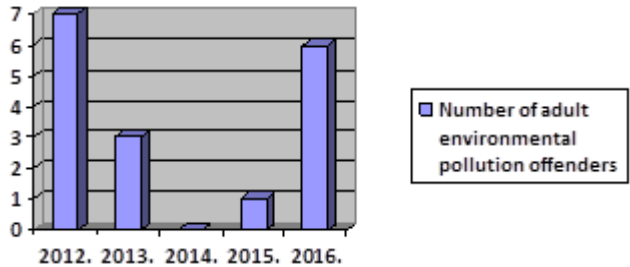
Table 3: *Number of indicted environmental pollution offenders in the period 2012-2016*

2012	2013	2014	2015	2016
7	3	0	1	6

Source: *Bulletin of adult offenders in the Republic of Serbia, 2012-2016*

The biggest number of persons indicted for environmental pollution offence was in 2012, wherein private charges were dismissed against seven persons, four persons were acquitted due to the lack of evidence, a security measure was imposed upon one person and indictment was dismissed against one person. Only one indicted person was female.

Figure 3: *Number of the indicted for environmental pollution offence in the period 2012-2016*



Source: *Bulletin of adult offenders in the Republic of Serbia, 2012-2016*

In the following year, the number of the indicted was lower, thus the research suggests that private charges were dismissed against one person, while two persons were declared guilty. In this year as well as in the previous out of three indicted persons, one person was female. In 2014, no indictment for this offence was filed, while in the following year one male person was indicted for environmental pollution. Finally, in 2016, six male persons were indicted for committing this offence, whereof three persons were acquitted due to the lack of evidence.

Table 4: *Number of the convicted for environmental pollution in the period, 2012- 2016*

2012	2013	2014	2015	2016
0	2	0	0	1

Source: *Bulletin of adult offenders in the Republic of Serbia, 2012-2016*

Every judicial proceedings end either in conviction or acquittal, thus the next part of the paper is devoted to this stage. Further to the table and graphic display of the data on adults convicted for environmental pollution it can be concluded that in 2012, 2014, 2015 nobody was convicted on this grounds. In 2013 one male and one female were convicted for environmental pollution and received suspended sentence. (On the nature and types of punishment: Danilović, Đurić Lazić (2015)) One male was fined with the amount from RSD 100 000 to RSD 200 000 in 2016.

Conclusion

The mankind and their everyday activities endanger nature and its survival to a large extent. Overall environmental protection, conservation and improvement particularly gained importance by the end of the last and at the beginning of this century when some studies suggested inconceivable consequences of an uncontrolled human impact on the environment. Water, air, soil, food pollution, i.e. the pollution of the whole environment emerges as a global problem. Human harmful impacts on the environment are even more destructive because of the existing scale and intensity of environmental pollution, as the nature cannot recover or renew on its own, or the process takes a lot of time.

Certain human activities have devastated forests and agricultural land, while industrial plants and inadequate dumps affect the environment and

its looks. Thus, it is not surprising that countries conduct different environmental actions and programmes aimed at raising people's awareness about the importance and significance of the environment. It is estimated that the forthcoming period will be characterised by tackling not only the existent, inherited but also new problems pertaining to environmental pollution that will have a negative impact on tourism development in the future.

The problems of environmental pollution are evident with every step. The particles of dust and char, volcano eruption, burning of oil, petroleum, timber add largely to air pollution. In addition, neither water nor soil is protected from this problem. Industrialisation and urbanisation processes bring about climate changes, ozone layer destruction, acid rains which result in environmental pollution. In addition, noise and vibrations are also pollutants that cause anxiety and aggression in people, which altogether have a significant impact on tourism development.

The tendency of the mankind to bring human impacts on the natural environment under control is best seen in adopting international legal standards in environmental protection. Following this trend, the Republic of Serbia has envisaged within its criminal legislation some behaviours that are deemed criminal acts against environment. From the aspect of formal law, environment protection through criminal law is appropriate. However, in the view of a factual aspect, on the basis of the empirical research there is a discrepancy between normative behaviour and real state of affairs which might have negative impact on tourism development unless some concrete measures are undertaken.

The research presented in the final part of the paper suggests a low percentage of the convicted for environmental pollution offences in comparison with the number of the registered and indicted. At the end of the paper, we express the hope that this field will develop more, more studies on ecological delicts will be done, and people's awareness about harmful effects of their behaviour on one hand, and the importance of nature and its benefits, on the other hand, will increase in time.

Since modern tourists are more and more opting to visit those destinations where they feel close to nature, every tourist destination in the Republic of Serbia which wants to attract domestic and foreign tourists has to protect its natural and cultural resources, in addition to newly-created values, in close cooperation with a local community and regional

authorities. Naturally, the state has the most important role in this process, primarily in creating an efficient legislative framework for tourism development and environment protection, then planning, creating and designing policies and preventing uncontrolled and illegal construction, particularly in protected areas. The state is the most responsible for waste management, environmental pollution, water supply construction and ecological processing of waste, as well as for energy supply from renewable sources.

Because of the importance of the environment conservation and the need to protect it, legal experts have unanimous opinion on the matter of stiffening criminal sanctions for environmental offences. Tightening of the criminal penalties for these criminal offences in the Criminal Code of the Republic of Serbia will serve the purpose of general and special prevention. The general purpose of stiffening the criminal sanctions will be to contribute to the prevention of criminal offences against the environment and will have deterrent effect on offenders and preventive effect on others not to offend against the environment (Danilović, Đurić Lazić, 2015).

Efficient and tightened criminal protection of the environment will definitely contribute to sanctioning failures in the planning and construction of eco-destinations, those who endanger sensitive ecosystems, natural and cultural environmental elements, and punishing all individuals and groups who do not protect the environment and do not use alternative and sustainable resources in water consumption and alternative energy sources during the construction of tourist and other facilities, who do not duly dispose of waste, wastewater and other harmful materials, and all those who do not contribute to sustainable tourism development.

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A SHORT SURVEY ON IMPLEMENTATION OF AGRI-ENVIRONMENTAL MEASURES IN ROMANIA AND SOME EU-28 COUNTRIES

Jean Vasile Andrei¹; Iuliana Denisa Radulescu²;

Abstract

Modern agriculture has become during the years a proactive economic branch, with a traditional impact on European Union economic system and direct implications on creating wealth and stability for the rural communities and assuring the macro-stability as well. The massive transformations of the agricultural system in the recent period have imposed new approaches in valuing the agricultural potential. In this context, the agri-environmental measures represent a new possibility for the agriculture in increasing the value added and reforming the rural communities. The main aim of the paper is undertaking a short survey on some of the influences of the agricultural agri-environmental measures and the agriculture perspectives in the larger context of the green agriculture. It considers the values incorporated in agri-environmental measures for 2013 and targets for 2020.

Key Words: agriculture, agri-environmental measures, organic farming, crops, agricultural area

JEL classification: O3, P28, Q1

Introduction

The reform of the European agricultural policy has imposed a complex process of rethinking, reasserting and modernizing the European agricultural sector (Andrei and Darvasi, 2012; Ciutacu et al., 2015), while generating ample transformations in the national agricultural sectors of the Member States. Thus, besides the fulfillment of its traditional functions, agriculture must also achieve multifunctional objectives of

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rural space. Reorienting agricultural policies in the face of their inversion, involves soil protection and judicious exploitation of agricultural land as a prerequisite for strengthening the sustainable productivity of the contemporary.

The participation of the land use owners in promoting agri-environmental measures is usually associated with the less intensive agricultural production systems, where, the financial allocation per cultivated hectare could be lower than the industrial land cultivation system. As are defined in (Uthes and Matzdorf, 2013; p.251), the agri-environment policy measures “provide payments to farmers for voluntary environmental commitments related to preserving and enhancing the environment and maintaining the cultural landscape”. (Uthes and Matzdorf, 2013; p.251).

Despite the fact that agri-environment policy measures are perceived in some studies (Bourblanc, 2011; Van Gossum et al., 200) as blockers in farm productivity, and the farmers attraction to the productivist paradigm is higher than promoting such measures, agri-environment measures gain support among numerous farmers

Agricultural agri-environmental measures represent an important policy instrument in redesigning the agricultural policies, during the last decade. Understanding the role of agricultural greening measures in the larger context of the sectorial transformations implies a change of traditional thinking paradigm. In this context, greening the agriculture has become not only an important policy measure, but also a necessity, both on the European Union level, and to the member states. As (Zimmermann and Britz, 2016), reveals in their study, due to their diversity and voluntariness, agri-environmental measures (AEMs) are among the Common Agricultural Policy (CAP) instruments that are most difficult to assess. (Zimmermann and Britz, 2016).

Starting from the reality that agriculture is the economic sector with the highest degree of dependence and equally influence on nature, the relationship between nature and agriculture is a symbiotic one. Agriculture integrates and exploits the land at the same time, exploits the weather conditions and mobilizes an important part of the labor resources in the rural communities.

The relationship between the agriculture and environment is determinant one. In this context the agricultural agri-environmental measures reflect

the intention to mediate the demands for a high agricultural output and the concerns for the environment and the future generations. Contemporary farming practices need to integrate environmental requirements in order to ensure the sustainability of agricultural production systems.

As is reflected in literature (European Commission, 2018), some of the most representative practices and examples of agri-environmental support schemes are centered on:

- promoting organic agriculture and integrated farm management;
- environmentally farming extensification by applying low-intensification techniques;
- preservation of traditional landscape and historical features;
- conservation of high-value habitats and biodiversity.

As (Pacini et al, 2015), argues, in the previous financial work frame of the CAP financial programing, during 2007-2013, and still today, the agri-environment measures have represented an determinant element in highlighting the EU environmental concerns and involvements.

Agriculture influence and contribute in improving the quality of the environment, including by creating adding value, by giving up some of the intensive practices and deepening its social dimension. Practicing mixed crops, adequate soil management or traditional application of fertilizers effectively contributes to reducing the environmental impact.

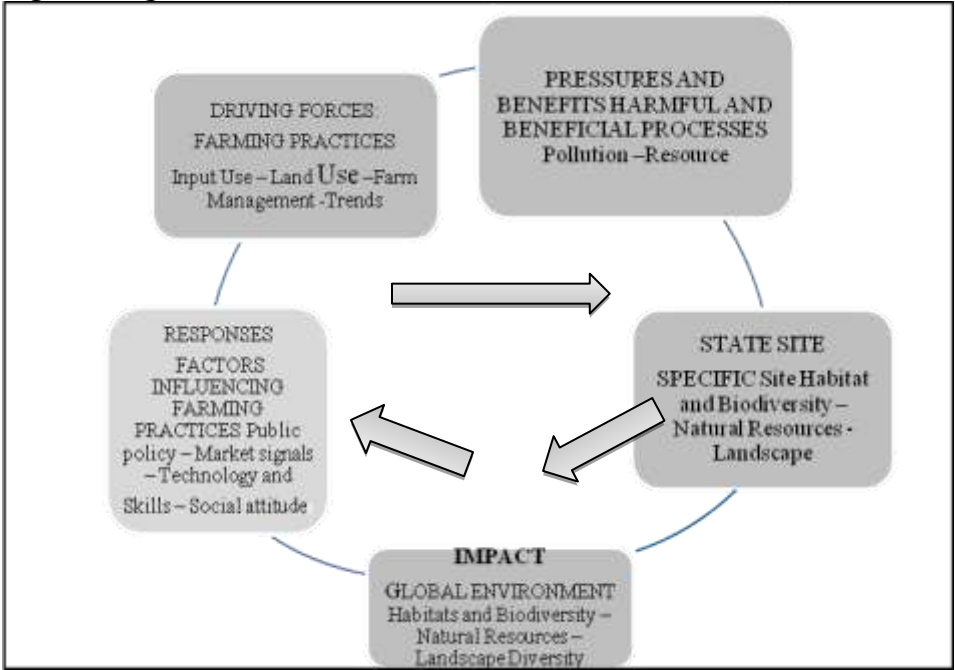
The inclusion and promotion of the agri-environment measures into the Common Agricultural Policy is a key element in strengthening the new European agricultural model. The environmental downturn in agriculture has gained increasing importance during the last policy reforms, against the backdrop of changes in the European agricultural paradigm and of the CAP reform. Understanding the influences of agriculture in shaping the environmental environment has enabled the implementation of proactive policies and measures to aid green agriculture, focusing on respect for the environment and environmentally responsible practices.

As European working documents argue (Comitetul Economic și Social European, 2008), emissions from agriculture as direct emissions account for 10-12% of the total emissions, with the perspective of 17% to 32% of the total emissions, which will represent 8.5 and 16.5 billion tons of CO₂e.(Comitetul Economic și Social European).

The design of the new financial measures to stimulate farmers for practicing environmentally responsible agriculture was a tool with dynamic sectoral influences and diverse amplitudes in the national agricultural sectors. Encouraging farmers to respect and improve green agricultural practices has led to a reorientation of the agricultural production system.

Financing farmers for providing environmental services within agri-environment measures improves significantly the income support policies for this economic category. Unay-Gailhard and Bojnc (2016) find in their study that farm productivity and capital intensity represents important barriers in adopting and implementing the agri-environment policy measures, especially in the field of dairy and other grazing livestock farms.

Figure 1: *Agricultural DPSIR model*



Source: Based on European Commission, 2000

The agri-environmental measures implemented during the policy implementation have revealed the necessity of the agricultural policy effect on the farmer's attitude. In this context, applying the agri-environmental measures implies developing an extensive system of indicators. In order

to identify proper indicators in evaluating the impact of agricultural agri-environmental measures, a five stage model was developed, which manages to capture the essentials, known as the Agricultural DPSIR model (European Commission, 2000), Fig.1.

As could be remarked form Fig.1, a functional model must include all the significant indicators for all the stages involved in the process, respectively- evaluation, impact and results` assessments.

Agricultural land resources status in Romania and in some EU countries

While supporting the possibility of applying soil protection measures and promoting organic farming, agricultural policies must be adjusted to the each EU Member State particularities, without reducing the level of sectoral competitiveness. Implementing agri-environment measures and re-orienting farmers towards environment-friendly practices, also involves a reorientation of the direct payments system under the first pillar of the CAP. The share of the land main type is important in understanding the evolution and the need of agri-environment measures implementation and necessity. In table 1is presented the share of main land types in utilized agricultural area (UAA) in some EU-28, in 2013.

Table 1: *Share of main land types in UAA in some EU-28, 2013*

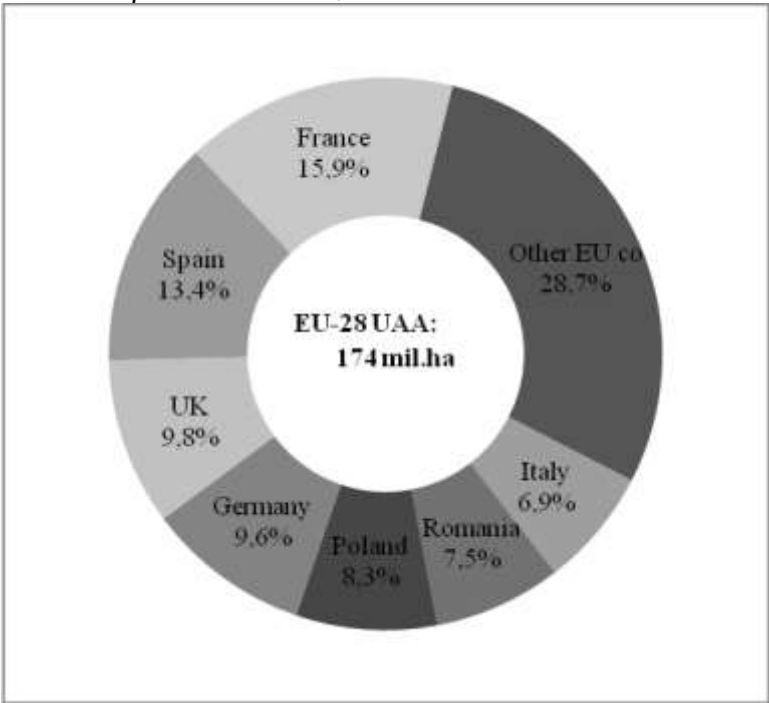
	Arable land	Kitchen gardens	Permanent grassland and meadow	Permanent crops
EU-28	59.8	0.2	34.2	5.9
Hungary	81.6	0.3	15.1	3.0
Lithuania	79.6	0.0	19.6	0.8
Slovakia	71.7	0.0	27.3	1.0
Czech Rep.	71.4	0.0	27.5	1.1
Bulgaria	70.5	0.1	27.3	2.0
Estonia	65.6	0.1	33.9	0.4
Latvia	64.1	0.7	34.8	0.4
Romania	62.8	1.2	33.7	2.3
Slovenia	35.6	0.2	58.6	5.6

Source: *Authors based on Eurostat, 2017*

As in Table 1, the land resource distribution is split in four main categories, which holds different shares and has different influences in shaping the agricultural model. The main important category as share in total land resources is arable land which holds 59.8% share in *EU-28* followed by permanent grassland and meadow with a share of 34.2%. These two categories form the determinant land use pattern distribution in the allocation of financial resources within the CAP.

All the countries presented in the Table 1 holds upper levels of arable land shares, except Slovenia (35.6%). As (Levers et al., 2016; Jepsen et al., 2015) shows "agricultural intensity varies substantially across Europe due to the pronounced differences in environmental conditions, history, ethnic composition, and economic status." (Levers et al., 2016; Jepsen et al., 2015). Fig. 2 shows the structure of UAA distribution in the EU-28.

Figure 2: *Share of UAA in EU-28, 2013*



Source: *Authors based on Eurostat, 2017*

As could be noted from Fig.2, the share of UAA in EU-28 reflects an active concentration of land utilization in case of the European states with developed agricultural sector as: France (15.9%) and Spain (13.4%). Despite the fact that Romania holds an important share of arable land

(62.8%), utilized agricultural area is just of 7.5%, under Poland (8.3%) but higher than Italy (6.9%).

According to the data provided by (Eurostat, 2017) in 2013 the total utilized agricultural area (UAA) in EU-28 was about 174 million ha, which the half of the UAA was concentrated in four countries - France (16 % of the EU-28 total), Spain (13 % of the EU-28 total), the United Kingdom and Germany (each 10 % of the EU-28 total).

Close values were registered in Poland (8 %), while Romania and Italy covered 7% (each) of the UAA of the EU-28. The remaining twenty-one countries farmed 29 % of the EU-28's UAA which represented for at most 3 % each. (Eurostat, 2017)

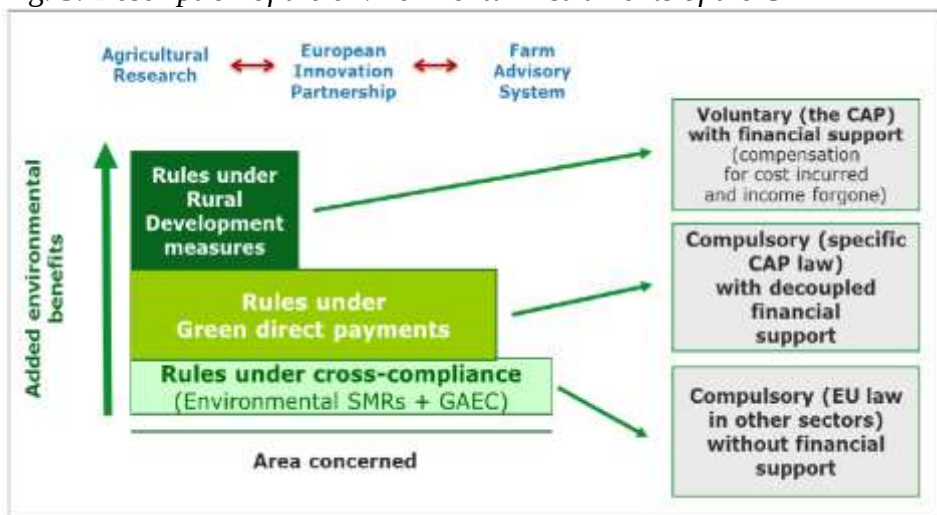
As (Ustaoglu et al., 2016) identify in their study, the EU landscape is largely dominated by agricultural land uses, in which more than 35% of all land in the EU has an agricultural use and from this perspective the agricultural plays a central role in terms of the potential impacts of land uses on the sustainability of the wider European environment. (Ustaoglu et al., 2016).

Starting from the assumption that the direct payments represent one of the most functional instruments in financing agriculture and the land utilization is highly dependent of such instruments, understanding the role and importance of agricultural resources as share of main land types in utilized agricultural area (UAA) may offer a deep contrast imagine in implementing the agri-environment measures and developing a more environmental friendly agriculture.

The reform and modernization of the CAP implies a deepening of sustainable management of agricultural land, against the backdrop of an active concern in promoting the production of ecological food and providing other specific ecosystem services among the European Union member States.

Fig. 3 provides a wide description of the environmental instruments of the CAP and their possibility to be applied in promoting a green and sustainable agriculture in EU.

Fig. 3: *Description of the environmental instruments of the CAP*



Source: *Author's capitation form European Commission, (2016)*

The agri-environment measures promoted as component of CAP contributes in preserving the environment and safeguarding the rural landscape and encourages farmers to have positive roles in rural communities. Greening the CAP through agri-environment measures intensify the multifunctional role of the agriculture by reorienting the traditional agricultural practices. The agri-environment measures aims to enhance the agro-ecosystems sustainability and prevent environmental degradation triggered by agriculture. As stated in (DG Agriculture, 2017) and described in Fig. 3, these aims could be achieved through:

- promoting agri-environment schemes and direct targeting of the rural development aid measures to the sustainable agriculture practices;
- reducing the support payments from CAP for those farmers who do not compliance with environmental requirements;
- encouraging agricultural sustainable practices and organic agriculture.

Perspectives of agricultural land under agri-environmental measures in Romania and some EU countries

During the years, under the CAP reforms the agricultural system has been influenced by insertion of the agri-environmental measures in the traditional approach of agricultural practices and numerous farmers have become beneficiaries of the financial measures associated to the

environmental measures. In table 2 is presented the agricultural land enrolled in agri-environmental measures in 2013 and targets for 2020.

Table 2: *Agricultural land enrolled in agri-environmental measures; 2013 and targets for 2020*

Country	Agricultural area under agri-environmental measures (ha)		Share of area under agri-environmental commitments on total UAA(%)	
	2013	2020 targets	2013	2020 targets
EU-28	46,854,995	40,275,490	26.3	22.5
Bulgaria	841,454	159,000	16.8	3.2
Czech Rep.	1,075,214	1,345,500	30.5	38.5
Estonia	549,764	854,000	56.9	86.0
Latvia	235,050	395,000	12.5	21.0
Lithuania	297,991	286,300	10.3	9.5
Hungary	1,156,936	649,679	21.7	12.2
Poland	2,614,808	2,504,000	18.1	17.4
Romania	2,195,185	1,577,050	15.8	11.4
Slovenia	225,589	382,810	47.1	80.3
Slovakia	359,832	396,490	18.7	20.6

Source: *Authors based on Eurostat, 2017*

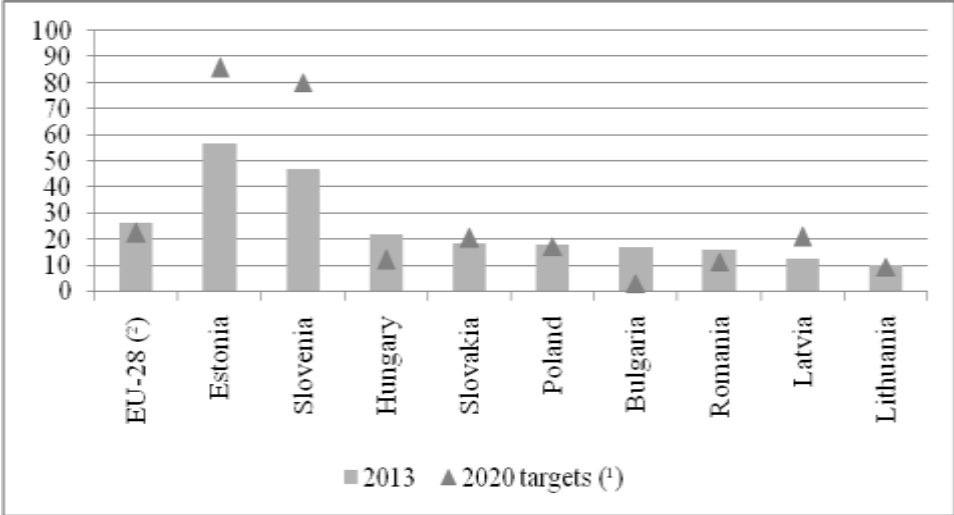
As in table above, the agricultural area under agri-environmental measures represents 26.3% of commitments on total UAA in 2013 in the EU-28, with an important expectancy target decreases in 2020 of 22.5%. Fig. 4 represents the agricultural land under agri-environmental measures as share of the country's UAA, 2013 and the targets for 2020.

As it could be analyzed from the data presented in Table 2 and Fig. 4, the agricultural land under agri-environmental measures as share of the country's UAA, in 2013 and targets for 2020 has registered important decreases. Promoting agri-environmental measures on the national agricultural system represents new orientations in valuing inland agricultural potential.

Taking into consideration that agri-environmental measure implies financial support and subsidies for the farmers who promote environmental friendly agriculture; the transformation of the traditional

agriculture under these considerations implies reconsideration of the agricultural performance and competitiveness.

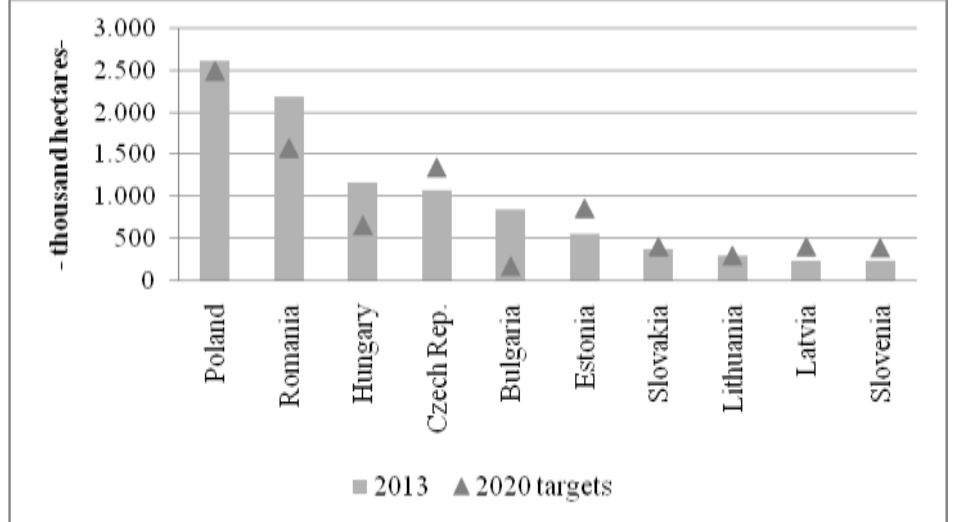
Figure 4: *Agricultural land under agri-environmental measures as share of the country's UAA, 2013 and targets for 2020*



(¹) Targets for 2020 in percentage is based on Eurostat estimates of utilized agricultural area in 2020

Source: Authors based on Eurostat, 2017

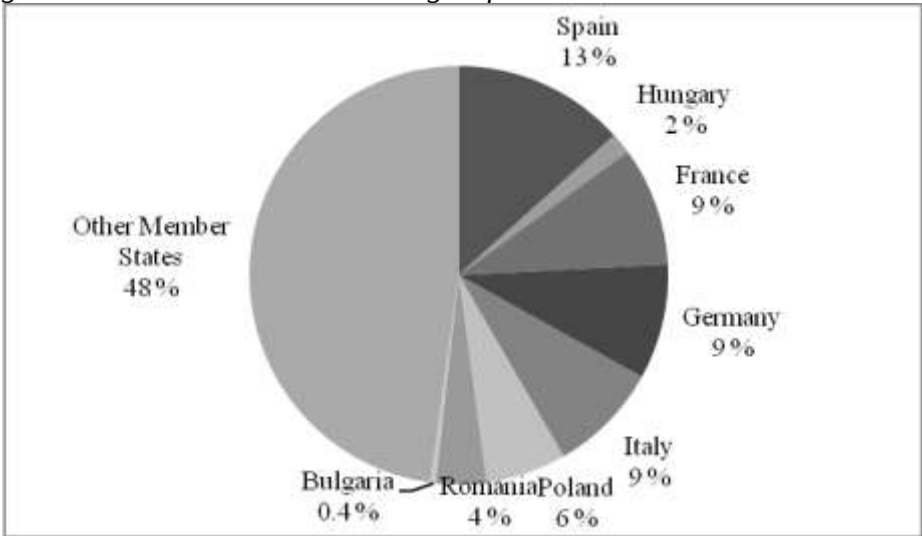
Figure 4: *Agricultural land under agri-environmental measures in some EU countries, in 2013 and targets for 2020*



Source: Authors based on Eurostat, 2017

Fig. 4 presents the land under agri-environmental measures, expressed in thousand hectares, in some EU countries, in 2013 and targets for 2020 and Fig. 5 shows Member States' targets for 2020 regarding the share of EU-28 total agricultural land under agri-environmental measures.

Figure 5: *Member States' share of EU-28 total agricultural land under agri-environmental measures - targets for 2020*



Source: *Authors based on Eurostat, 2017*

Form Figs. 4-5 it could be considered that under agri-environmental measures holds position of different importance in the agricultural production system. Despite the fact that there is massive interest in promoting a more environmental friendly agriculture, there is a determinant trend in reducing this type of measures and keeping the traditional agriculture as determinant model.

As shown in some European documents (Comitetul Economic și Social European, 2017), although almost 30% of direct payments are related to greening requirements centered on soil quality, biodiversity and carbon measures, there are still social and environmental problems that need to be resolved. (Comitetul Economic și Social European, 2017).

The ecological dimension of payments made under the first pillar of the CAP can directly contribute to the establishment of functional links between the environmental goods produced in the agricultural activity and the support of farmers' incomes. Addressing the problems of intensive

agriculture and biodiversity can be solved through agri-environment measures.

As (Comitetul Economic și Social European, 2012) argues ‘agriculture is largely a family economic activity in most Member States; four-fifths (80%) of the agricultural work force is represented by farmers and their families, and only a little over one third (34%) of permanent agricultural workers are women.’ (Comitetul Economic și Social European, 2012).

In this context, organic farming could represent a functional instrument in improving and promoting a more environmental friendly agriculture. Organic farming may stimulate the success of agri-environmental measures implementation and could be a more appropriate instrument in hands of the traditional farmers.

Table 3 and Fig. 6 present the transformations and the influences of conversion measures in promoting organic farming commitments in the analyzed countries.

Table 3: *Area under maintenance of and conversion to organic farming commitments, targets for 2020*

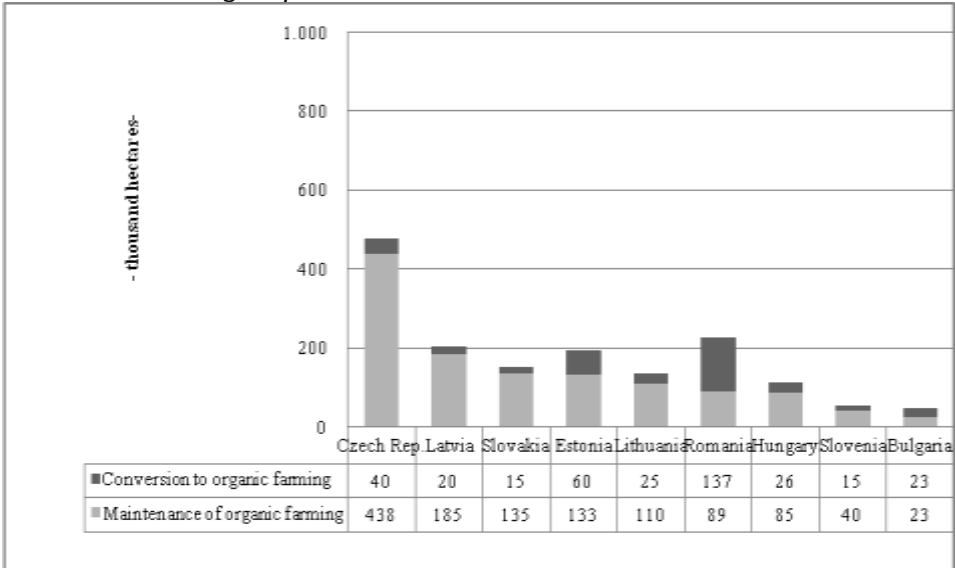
Country	Total per EU aggr. ha	MS as share of EU-28	Mainten. as % of nat. total
	10,223 ha		78.7%
	Total per MS		Mainten. as % of nat. total
Czech Rep.	478	5%	92%
Latvia	205	2%	90%
Slovakia	150	1%	90%
Estonia	193	2%	69%
Lithuania	135	1%	81%
Romania	226	2%	40%
Hungary	111	1%	76%
Slovenia	55	1%	73%
Bulgaria	46	0%	50%

Source: *Authors based on Eurostat, 2017b*

Applying agri-environment measures may lead to issues related to land resource management. The financial incentives granted under these conditions would favor renouncing the cultivation of land and the farmers'

option to benefit from agri-environment payments. At the same time, considering the proposal to use 7% of the land as an area of ecological interest, an important part of the agricultural land would run out of the agricultural production circuit, which would increase the risks associated with food security.

Figure 6: *Area under maintenance of and conversion to organic farming commitments, targets for 2020*



Source: *Authors based on Eurostat, 2017b*

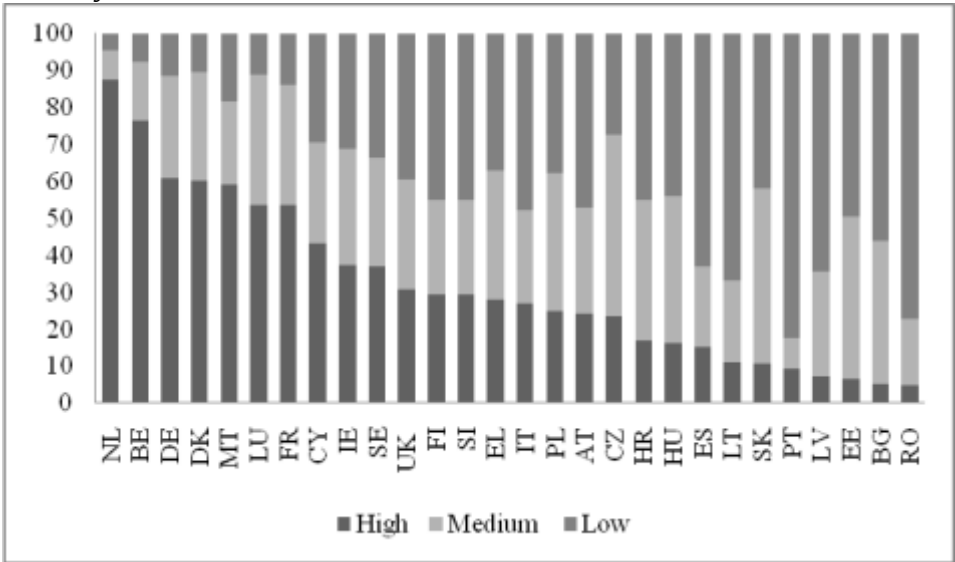
As it could be seen from the data presented in Fig.6, area under maintenance and conversion to organic farming commitments in 2020 register a dramatic perspective. Conversion to organic farming is a rather subtle concern for most of the analyzed states. Just Romania, Estonia and Czech Rep. intends to allocate somewhat larger areas to this agricultural system.

Agricultural intensity and agri-environmental measures

Another aspect related to analysis regarding agri-environmental measure is represented by the agricultural intensity. According to literature (Garnett and Godfray, 2012; Garnett et al., 2013; Eurostat, 2017a), the input intensity of a farm could usually be defined as the level of inputs used by the farm per unit of factor of production, generally referred to land resources and the intensification could be understand as the increase

farm intensity. Fig.7 shows the share of agricultural area managed with different farm input intensity in some EU countries in 2013.

Figure 7: *Share of agricultural area managed with different farm input intensity, in some EU-28 countries, 2013*

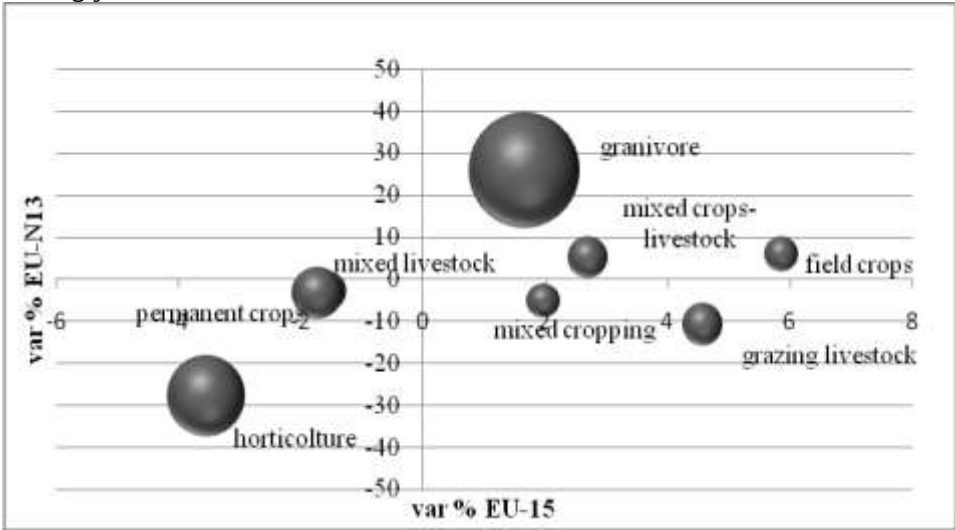


Source: Authors based on Eurostat, 2017a

The first analysis of the Fig.7 implies that the shares of UAA managed by low, medium and high intensity farms are relatively distributed among analyzed countries. The share of UAA managed by high intensity farms is higher in the older EU member states and lower in the last included member states. The share of UAA managed by low intensity farms has an opposite value. This situation reflects in a great manner the characteristics of the each country agricultural model.

The level of farm input intensity reviles the attitude of the framers for the agricultural practices applied. In achieving the agricultural competiveness, agricultural production is based intensive practices and industrialized mechanisms. Agricultural intensification is based on the increase of the agricultural inputs per hectare of land used, which determines an increased level of agricultural production. In this context, the agricultural efficiency is increasing and the farmers receive satisfactory outputs. Fig. 8 describes the inputs expenditure by type of farming, EU-15 and countries having joined the EU in 2004 or later, variation 2011-2013.

Figure 8: *Inputs expenditure by type of farming, EU-15 and countries having joined the EU in 2004 or later, variation 2011-2013*



Source: Eurostat, 2017a

As Fig. 8 shows, the inputs expenditure by type of farming offer a descriptive imagine of the status. In this case the variation during 2011-2013 is stronger for the newer EU Member States than for the older EU-15. According to (Eurostat, 2017a), “the granivore farms and the horticultural farms have the highest values of expenditure (respectively 2670 EUR/ha and 1320 EUR/ha), whereas mixed cropping farms and field crops farms have the lowest (around 230-240 EUR/ha).” (Eurostat, 2017a).

Conclusions

The agri-environment measures represent important instruments in shaping the new agricultural paradigm. Greening the direct payments and encouraging farmers to promote more environmentally friendly farming may help strengthen an environmentally responsible agricultural model that equally combines high productivity and competitiveness with the demands of organic farming.

The promotion of agri-environmental measures, although encouraging reticence on the part of farmers, must ensure a sustainable combination of the classic function of agriculture to produce food with the need for environmental responsibility.

However, agri-environment measures are not so flexible and adaptable enough to respond appropriately to agricultural market fluctuations and to support farmers' incomes. Agri-environmental instruments and measures must be designed in order to support the sustainable development of rural areas and encourage farmers to promote a more ecofriendly agriculture. The payments granted under agri-environmental measures should provide a proactive framework in promoting agricultural production methods compatible with the ecofriendly practices.

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RURAL TOURISM AS A DIVERSIFICATION FACTOR OF TOURIST DESTINATION OFFER

Ivo P. Županović¹;

Abstract

The incorporation of rural tourism in the overall tourism destination is a serious strategic shift and must contain a clear sequence of moves and predetermined key steps. The paper points to the modern trends in the development of rural tourism and offers comparative examples of destinations with developed rural tourism. The basic forms of partnership and financing arrangements for rural tourism will then be defined. Finally, the initial potentials will be presented and further measures for the development of rural tourism in the Kotor area as a destination within whose tourist offer there are adequate preconditions for its development.

Key Words: *rural tourism, destination, tourist strategy, partnerships.*

JEL classification: Z3

Definition of rural tourism

The present-day literature offers various typologies of rural tourism. They range from those basing their definition on the notion of area, which define tourism as an activity "taking place in a rural area", to those focusing on a tourism product which integrates a wide range of activities and elements, such as recreation and rural activities environment, enjoying the rural environment, enjoying nature and the beauty of landscapes, the cultural tourism, tourism in rural households, etc.

However, the concept of rural tourism is based on the following suppositions:

Rural tourism can be defined as the country experience "which encompasses a wide range of attractions and activities that take place in agricultural or non-urban areas" (Government of Alberta, 2010).

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Rural tourism is seen as the broadest term that includes all tourism services / activities / types of tourism within rural areas, including, for example, hunting tourism, fishing tourism, tourism in nature parks, winter tourism, ecotourism, health tourism, cultural tourism, etc.

Rural tourism is not necessarily complementary activity within the economic branch that generates additional income, but it can also be a professional activity (e.g. a small family hotel, a horse center, etc.).

Furthermore, despite its broad meaning, the notion of a rural area is not precisely defined; it includes the areas characterized by natural environment, rural environment, small settlements and villages, hamlets, isolated agricultural economy, agriculture and forestry as main industries (Ministarstvo turizma Republike Hrvatske, 2011).

Rural tourism integrates various forms of tourism activities such as (Ministarstvo trgovine, turizma i usluga Republike Srbije, 2005):

- Agrotourism, rural farms, farms - tourists observe and participate in traditional agricultural works,
- Activities in nature - recreation and rest (hunting, fishing, riding, cycling, hiking),
- Eco-tourism - tourism that supports the protection of natural resources,
- Rural experience - tourists are involved in everyday rural life,
- Cultural tourism - tourists learn about culture, history, archeology and other characteristics of the rural area,
- Other combined forms of tourism of special interest - events, festivals, outdoor recreation, production and sale of local souvenirs and agricultural products, etc.

Rural tourism is most often perceived and valued by tourists as the second or third holiday option and lasts for up to 10 days.

The integrated rural tourism product is mostly seasonal and peak demand is in the spring (March - May) and autumn (September - October). The price is remarkably flexible (Univerzitet Singidunum, 2007).

The development of rural tourism in relation to strategic development documents and official legislation

Development of rural tourism in relation to strategic development documents

Development of rural tourism in relation to the Master Plan-Strategy for the Development of Tourism of Montenegro until 2020

Master Plan - Strategy for the Development of Tourism of Montenegro to 2020 schedules the development of rural tourism and agro-tourism under the measure 3.2 Development and improvement of specific tourism products, with the following level of integration (Strategija razvoja turizma Crne Gore do 2020. godine, 2008):

- with integration into the host family (language barrier),
- with observing animals and taking care of them,
- consuming local foods and beverages,
- with a romantic charm of rural traditional architecture,
- with the infrastructure for free activities for practicing active holiday,
- with appropriate comfort - but without hotel service, and
- having in mind the above mentioned - with favorable prices.

The main potential target group of agro-tourism is city families with children coming from the mother-tongue market. For international markets, however, this offer is inappropriate if language barriers persist.

Despite the request for collecting their own agricultural products, the traditional rural image is the core of agro-tourism offer.

In cases when the complex itself lacks in natural attractions and experiences, the very environment must fully provide for it. Regardless of the product quality offer and traditional architecture, a real chance for success would be missed unless agro-tourism offer fulfills the requirements of providing both children and adults with enjoyment.

What should be especially borne in mind is that the Boka Kotorska Cluster, with Kotor as a tourist destination, is not foreseen as a generator of rural tourism development.

Development of rural tourism in relation to the Strategic Plan for Development of the Municipality of Kotor 2013 – 2017

The Strategic priority No. 2: IMPROVING ECONOMIC ACTIVITIES, i.e. measure 4: Development of rural tourism focuses on the forecasts of rural tourism development. It is primarily aimed at designing and developing the study of the preservation and valorization of rural areas within tourism programs. The study should include:

- Analysis and evaluation of the situation of rural tourism capacities,
- Preparation of appropriate standards and categorization,
- Educating rural hosts, and
- Encouraging and presenting autochthonous products.

The final goal of the project is to develop the revitalization plan for the villages in the Kotor Municipality and create economic conditions for social development and, furthermore, to activate local potentials and increase the motivation of the rural population to develop and regulate the rural area as a long-term perspective (Opština Kotor, 2012).

Development of rural tourism in relation to official legislation

According to the current Law on Tourism in Montenegro, rural tourism is based on the following supposition:

1. The notion of rural tourism (Tourism Law of Montenegro, 2010):
 - (1) Tourist services in rural tourism are provided for leisure and recreation of tourists and include activities related to agricultural households (harvesting of fruits and vegetables, harvesting of the summer crops, horse riding, etc.);
 - (2) Tourist services in rural tourism shall be provided in accordance with the principles and practice of sustainable development.
2. Activity:
 - (1) Tourism services in rural tourism may be provided by companies, legal entities and entrepreneurs, as well as individual entities - farmers, who are engaged in agriculture either on their own or as members of a family farm household.
 - (2) A member of a family agricultural household shall be a member of an agricultural household according to the law regulating agricultural holdings.
 - (3) Prior to the beginning of the tourist activity in a rural household, the persons referred to in Paragraph 1 of this Article shall be obliged

to submit the application form to the local government authority in charge of economic affairs according to the place of performance of the activity, for keeping records in the register of records, within at least eight days prior to commencement of work.

(4) The application form referred to in Paragraph 3 of this Article shall be accompanied by evidence of entry in the register of agricultural households.

(5) In the case of provision of accommodation and food services at the agricultural household, the facilities must meet the minimum technical requirements concerning the equipment, in accordance with the regulation on classification, minimum technical conditions and categorization of catering facilities.

(6) The form and content of the application form and register of applicants' records on the provision of tourist services in rural tourism, then the content and manner of keeping the register shall be prescribed by the Ministry.

(7) The data from the register of records referred to in Paragraph 6 of this Article shall be submitted to the Ministry, for being recorded into the Central Tourist Register, within eight days from the day of filing the application form.

3. Service delivery termination

The activity of providing tourist services in the rural household shall cease upon:

- cancellation of service provision;
- deleting from the register of agricultural households; or
- expiration or termination of the lease agreement of the agricultural household.

Modern trends in the development of rural tourism and comparative examples of developed rural tourism destinations

Rural tourism can help economic growth, employment generation, out-migration, public services' development, infrastructural developments, social contact, and protection of the environment. Rural tourism facilitates access to remote and non-urban areas. In that sense, successful examples of specific destinations are presented as a benchmark with Austria (Horwath and Horwath Consulting Zagreb, 2009).

1. Concept of standardization

There is no mandatory classification and standardization of households; however, the conditions for classification and quality standards are given by the National Federation of Rural Tourism Austria supported by relevant ministries.

The law prescribes only minimum prerequisites for a household / farm to be registered for rural tourism activity. There are 150 conditions elaborated in detail regarding the quality standards for evaluation of the quality of a farm / household, comfort and services in the household; they are further divided into the following units:

1. quality of the farm / household - includes the position of the household, the production on household, existence of a garden, way of waste management;
2. quality of furnishings - refers to the arrangement of interior intended for guests' use: rooms, sanitary facilities and bathrooms, living room, dining room, energy saving, etc.;
3. quality of additional services - includes room service, experience farms, recreational activities, etc.

Each of the 150 standards is scored so that the classification (category) is dependable upon the number of gained points. A household can get the maximum of 250 points.

The households are marked by a Margarite flower (Margerite).

All households are labeled with 2 - 4 margaritas (2 - lowest category, 4 – highest category). The households (agropans) that have the capacity to accommodate more than 30 guests are additionally marked with the sign of the house next to the Margarita:

- minimum requirements for 2 Margarita category: minimum 140 points, favorable and functionally arranged accommodation as well as the entire household. One toilet, bathroom and shower on the floor;
- minimum conditions for 3 Margarita category: minimum 170 points, comfortably arranged accommodation as well as the whole household. Most rooms or apartments have en-suite toilet, bathroom and shower. The household is completely surrounded by peace and tranquility.
- minimum requirements for 4 Margarita category: minimum 200 points, accommodation facilities in a separate building, well equipped

and very comfortable (room size). Each accommodation unit, room or apartment has en-suite private bathroom, toilet and shower.

2. Types of households

The category Urlaub am Bauernhof (agrotourism) is prescribed by Law, but with regard to the specificity of providing tourist services, or orientation of households for specific services, the National Federation thematically divides households into the following (marketing) types:

- biological farms / households (bio-production),
- farm / household wellness,
- baby & child friendly farms / households,
- farms / households with organized riding,
- wine farms / households,
- farm / households adapted for people with special needs (disabled),
- bike (cyclist) friendly farms / households,
- farms / households specializing in the maintenance of seminars,
- farms / households specializing in the collection of medicinal and aromatic herbs.

3. Implementation of standardization process

Standardization and classification are carried out by the National Federation for its members. Control is carried out every two years by a commission of consisting of three members proposed by the National Federation.

Apart from checking the fulfillment of conditions and recommended criteria, the members of the commission (controllers) also have an advisory role, i.e. provide advice to the households in terms of both standards and business activities and marketing.

If the household wants to be classified and certified, it submits the application form or a request to the National Federation. Based on control, a household receives a certificate of quality followed by household classification (Margarita number).

The control of households, or certification, is carried out biannually.

Models of partnerships and means of financing with regard to the rural tourism development

Public-private partnership

A public-private partnership is considered one of the most suitable systems for development of tourist potentials of rural regions. This attitude is supported by the following arguments (Đurđević Lukić, 2011):

1. A tourist product is a set of public and private products and services, which means that the tourist offer does not only determine the services offered by tourism companies (accommodation, food, entertainment, transportation), but also the infrastructure, health and education system, public services security, etc.
2. The success of the private sector in a tourist destination is linked to all the above mentioned elements, for which the public administration is responsible.
3. Tourism is an activity that plays an important role in the sustainable development and integration of rural areas in the national and international economies, but it cannot be developed solely on the basis of actions of private entrepreneurs.
4. Sustainable position on the tourism market depends on the way in which a destination achieves an integrated management of tourist quality in relation to the three main components: tourism offers, the local community and the environment.
5. Rural tourism is, on the one hand, unfolding in a natural environment of a certain high value, and, on the other hand, in a community that is very specific and sensitive in a social sense.
6. As a rule, local administration does not have necessary resources and opportunities to take one-sided responsibility in making individual decisions concerning the development of a tourist region.
7. It is necessary to jointly shape and promote a tourist identity.
8. Public-private partnerships enable the public sector a significant benefit from the commercialization of tourism products and services, as well as from the dynamic growth of employment that tourism carries with it.
9. The growth of private sector activities will increase consumption, investment and innovation, and strengthen and expand the network of business partnerships at the local level. The local community, in such circumstances, benefits from taxes, land value growth and the growth of local population standards.

Agenda 2000 is thus prompting a new generation of rural development programs, both within the existing EU and in the accession countries. These programs are not standardized, in that governments are free to choose the features within the EU 'menu' that they wish to pursue. Moreover, many of the governments have their own rural development programs, in addition to those which are part-funded by the EU (European Summer Academy for Sustainable Rural Development, 2003).

The development of rural tourism based on the IPA program

The IPA comes from the Instrument for Pre-Accession, and as we can conclude from the name itself, it is a program aimed at enhancing the activities and efforts that a candidate country makes in the pre-accession period for membership in the Union.

IPA has 5 components (Učilište Algebra, 2013):

1. Transition Assistance and Institution Development
2. Cross-border cooperation
3. Regional development
4. Human resources development
5. Rural development.

This is a hybrid program, which, in contrast to its predecessors (CARDS, PHARE, ISPA, SAPARD), is according to certain properties, more advanced or more similar to structural funds and is therefore considered a better instrument for preparing for membership. One of the main objectives of the IPA program is to serve as a kind of exercise for all involved in the use of the future system of structural funds.

a. IPA V - Rural Development and Rural Tourism Development

Rural development is a special area of the IPA program, which has continued from the previous period to the SAPARD program, and under the terms of membership it is transferred to the so-called Common Agricultural Policy (CAP). The funds from this component as a rule are fully managed by the Ministry of Agriculture and Rural Development.

The development of rural tourism within the IPARD program, measure 302, allows us investing in the following activities that are eligible for co-financing (Bosnić, 2012/2013):

- Construction and / or reconstruction of apartments, rooms, sports recreation facilities, swimming pools, horse riding facilities and halls, facilities for freshwater fishing, sales areas within the winery, campsites, facilities for preparing and serving food and beverages, for tourist purposes, marking paths and roads, old traditional houses and commercial buildings, sanitary facilities, access for disabled people, parking lots.
- It is possible to finance the purchase of equipment for the purpose of developing rural tourism, from equipment for rooms and suites, for sports grounds, for preparing and serving food and beverages, riding equipment, feeders and animal drinkers, fishing platforms.

Initial potentials and further measures for the development of rural tourism in the area of Kotor

Natural potentials for the development of rural tourism in the area of Kotor

The interest in dealing with rural tourism is constantly increasing with regard to the existence of still attractive and "untouched" rural areas with a definite way of life, culture and customs, a great need to preserve such areas, giving the population the possibility of income through tourism services and the preservation of the original services and products by creating offers for a different holiday.

Thereby rural tourism strongly builds on the specific rural world's features and comprises a continuum of different forms of tourism subject to the region/location where it is taking place (Neumeier & Pollerman, 2014).

Every project in this sense is more than welcome and every farm that based its services and products on quality and authenticity, individual approach and creativity, can expect a good market penetration.

For this, it is necessary to satisfy certain conditions. The first and basic condition for the development of rural tourism is a natural potential. In the hinterland of Boka Kotor Bay, natural potentials for the development of rural tourism can be considered ideal, where a special role is played by the Mediterranean climate, which does not limit rural tourism activities only to the summer season.

The Kotor municipality is located in Montenegro, in the Bay of Kotor, which occupies a specific position in the Adriatic Sea and represents the most diverse part of the southeastern part of the Dinaric Littoral. It is composed of four smaller bays that interconnect one another (the Bay of Herceg Novi and the Bay of Tivat, which comprise the outer part, and the Risan and Kotor bays, which make up the inner part) and two breakthroughs, the first connecting the open sea with the Bay of Herceg Novi and the other (Chains) connecting Tivat with the Risan and Kotor bays.

In the southeastern corner of the Bay of Kotor, where the sea is 29.6 km long, the city of Kotor (42 ° 26'N 18 ° 46'E) is located, which is the seat of the Municipality, the cultural, educational, scientific, health, business and sports center. The territory of the municipality includes a belt of open sea in the length of 25.6 km (from the Bigovo Bay on the border of the municipality of Tivat to Jaz Island) and the coast of the inner Kotor-Risan Bay, 47.6 km long. Kotor is on the south-east side of dangerous limestone massifs of the mountain Lovćen, surrounded on the northwest by the branches of the mountains of Orjen, Radostak and Dobroštica.

Near Kotor there are also two peninsulas, Vrmac and Devesinjsko, which separate the vertex of Verige.

The Municipality of Kotor (33,500 ha) is surrounded by the area of branches of Lovćen and Orjen massifs, and includes the mountain area of Krivošija with Dragaljsko polje, the area around the Kotor-Risan-Morinj Bay, the ridge of Vrmac and the branches Lovćen, Donji and Gornji Grbalj with fertile areas and the coastal area of the open sea. Mountain wrecks spread alongside the shoreline dividing the municipality area in several parts.

The main potentials are:

- exceptional geostrategic position,
- good traffic connections (airport, port),
- unique cultural and historical background,
- dynamic landscape, sea and environment,
- variety of climate in a small area, oases of high-quality soil for processing,
- and old-day settlements of great ambience value, as elements for a highly developed tourism offer.

This rich difference is concentrated in the Kotor municipality, the potential and quality are worth keeping and improving.

Plan of activities and proposed measures of the local tourist organization in terms of improving the development of rural tourism

In order to get acquainted with the concept of rural tourism, the significance and way of developing rural tourism, that is, individual rural tourism products and opportunities that this type of tourism offers today, local residents have to be informed and referred to the options at their disposal. They should be informed how to register, with whom, how to register their activities, how they can present or advertise their own rural product.

One of the biggest problems for the development of rural tourism in Kotor is that the interested entities find it difficult to obtain valid information on this topic. Therefore, there is an immediate need to prepare a Handbook for rural tourism in the territory of the Kotor municipality that will rely on the existing Montenegrin legislation, by-laws and municipal decisions. The aim of such a publication would be to explain to the potential worker in the field of rural tourism in one place all the conditions that need to be met in order to begin to work in rural tourism, as well as all the possibilities for incentives and support.

In order to develop all the activities related to rural tourism and assist citizens or businesses wishing to engage in rural tourism, a local education center should be opened or, at least, supported.

In order to continuously work on these activities and to help citizens and businessmen develop their own rural tourism capacities, it would be desirable to organize the opening of an ethnographic setting that would represent an extraordinary tourist attraction, offering tourists the opportunity to experience the past of these areas by getting acquainted with items of furniture and objects used in life and work of the local population for centuries.

It is, then, necessary to provide space arrangement (sightseeing) where it is possible to spend a short or longer stay in nature with a view of the sea and the surrounding hills. Furthermore, a children's playground and a picnic zone should be conceived on one of the municipal plots in the villages. It is known that there is the lack of green areas and parks within

the city, so it would be very interesting for both tourists and the local population to provide this additional content in one of the villages located at a few kilometers distance. The park should be in an attractive location in green environment with natural shade. The mobile and game inventory should be made mostly from tree in order to better adapt to the environment. The picnic area must contain benches, tables and a clearly marked part where it is possible to organize a barbecue. Within the park and the picnic area, there should be a sufficient number of waste bins. With the anticipation of an increase in the number of tourists in the rural area of Kotor, adequate information support for tourists should be developed. Wooden cottages should be made in villages where the Tourist Organization would have a representative who would offer free brochures, magazines, maps and other necessary information for guests.

Activities:

- relations with the media press conferences,
- round tables, TV and radio programs,
- education of persons involved in the project,
- production of promotional materials (leaflets, brochures, informers, etc.),
- web campaigns,
- engagement and training of officers,
- preparation of annual work plans,
- preparing and completing forms,
- connecting citizens and businessmen from the territory of Kotor municipality with similar subjects in the country and abroad,
- preparation of the necessary planning documentation,
- preparing a project design,
- obtaining necessary permits,
- construction works and landscaping of the observed areas for rural tourism,
- introduction of a free internet zone on the viewpoints, and
- maintenance.

Potential partners:

- Ministry of Tourism and Sustainable Development
- Ministry of Information Society and Telecommunications
- Local government
- Non-governmental organizations from the country and abroad that deal with the development of rural areas and rural tourism.

Expected results:

- better information of the local population, businessmen and investors about the possibilities for development of rural tourism, advertising of their capacities and informing tourists about the possibilities for arrival and stay and the rural area of the Kotor as well as the activities that they can do during their stay;
- a better and healthier life for the local population, especially children;
- space for children's animation and opportunities to get acquainted with nature.

Promotion of Kotor as a separate part of the Montenegrin coast rich in cultural heritage and tradition:

- protection of agricultural products and other autochthonous foods produced in the countryside;
- encouraging the development of rural tourism;
- increasing the workforce and living standards of the local population;
- encouraging domestic production;
- reduction of imports of products and budget deficits.

Integral findings and expectations should be in line with statements of Demonja and Ružić that the main goal of rural tourism should be to raise the quality of life and to prevent depopulation, taking on the requests of the demand, but also in the rural areas, the state of social and economic security, i.e. full equality with urban residents. (Demonja & Ružić 2010). Mihailović and Simonović pointed out following benefits of rural tourism development, which also can be applicable in the observed case (Mihailović & Simonović 2016):

1. increase the employment of the local population,
2. additional income for rural households,
3. development of production and service activities,
4. prevent migration at the village-city level,
5. protection and preservation of natural and cultural heritage and
6. integral development of rural areas.

Final considerations

Despite the fact that the Master Plan - Strategy for the Development of Tourism of Montenegro until 2020 - does not foresee the development of rural tourism, natural potentials and modern tendencies within the tourist

destination of Kotor, as well as some comparative examples impose a call for it. It also requires the development of the current Development Strategy of Kotor Municipality. Therefore, a retrospective is given from the definition of rural tourism, through the foundation within the legal legislation from the field of tourism to comparative examples of successful concepts of rural tourism development and eventually potential sources of financing that would enable sustainable development of this type of tourism.

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TV AS A FACTOR IN DEVELOPMENT OF RURAL TOURISM

Aleksandra Šarković¹;

Abstract

The preserved environment with functional ecological systems is the basis for the development of rural tourism. For such an approach, the local community plays a major role in creating a rural tourism product.

This paper will try to highlight the role of television as an auxiliary tool in raising the level of ecological awareness of the rural population, which besides natural resources is a decisive factor for the development of tourism in rural areas. The research is based on the assumption that the media play a major role in developing ecological awareness, and that television is the most important among them. The aim is to determine how television uses its power in the function of achieving a certain public interest what is the ecologically responsible behavior of the rural population and its contribution to the development of rural tourism.

Key Words: *Ecological awareness, rural inhabitants, rural tourism, television*

JEL classification: Q56

Introduction

Television is the most influential medium and has the most numerous auditorium (McQueen, 2000), which provides it with deep penetration into all spheres of society. Media theorists speak of the diverse functions that the media perform, (fun, escapist, distracting, socializing and ideological), and the informative and educational function of television is distinguished as primary (Lorimer, 1998, McKuley 1976, McQueen, 2000). The informative function of television is done by collecting a variety of information and transforming them into audiovisual messages that are receptive to viewers. Television can be a very good educational

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resource, through special programs (Oljača,1992), such as the programmes that were analyzed in this research.

Lemiš (2008) states that „because of the educational function and the fact that it is constantly present in all social spheres, many people perceive television as the potentially most influential factor of social change, national development and modernization of society "(Lemiš, 2008, page 253). According to Potter's opinion, television and mass media are factors that affect our attitudes, forming and strengthening existing ones; affect emotions, cause fear, pain, sorrow, happiness; stimulate physiological reactions (Poter, 2008).

According to Jarvis, television becomes a significant resource for the process of transforming the experience into knowledge, skills, attitudes, values and feelings (Jarvis, 1995), which can represent a part of the education needed by rural dwellers in the protection of the environment. Improving of rural economy is increasingly based on rural tourism, which, due to its many advantages in relation to some other activities, has been singled out as one of the most important activities. The experiences of some European countries (eg Austria and Italy) have confirmed that village development models which are based primarily on the synergy of agricultural production and rural tourism can contribute to the revitalization and economic revitalization and strengthening of underdeveloped rural areas (Boskovic, 2012).

For such changes, apart from appropriate policies and effective institutional regulations, it is necessary to encourage rural residents, encourage and guide activities such as all types of rural tourism, but it is also necessary to work on their education and development of ecological awareness.

Environmental awareness, as a condition of building an ecological culture based on knowledge, valuation and behavior, contributes to the promotion of sustainable agricultural and rural development in terms of harmonizing agricultural production with the laws of nature and improving rural income on the one hand, as well as reducing the risk to natural ecosystems, on the other (Agenda21, Chapter 14, see Miltojević, 2006).

This paper deals with the role of special television programs in the process of forming of environmental awareness of inhabitants in rural areas, as a decisive factor for the development of rural tourism.

The paper starts from the following hypothesis:

- Television is the main source of information for the rural population about the importance of preserving the environment in rural areas.
- In Serbia, the possibilities of positive influence of television on the development of environmental awareness of inhabitants of rural areas have not been used in order to promote rural tourism as part of sustainable rural development.

Rural tourism - definition

Rural areas have been considered for some time now to be attractive tourist destinations, although by the middle of the 20th century it was a relatively passive activity that was practiced by a small number of people. Since then, the scope and nature of rural tourism, but also the socio-economic structure of the villages have gone through some fundamental transformation. In many countries, rural tourism has become a significant tourist activity, and for a quarter of Europeans, rural areas have been selected as a holiday destination (Grolleau, 1987).

Smith et al. (2010) provide the following definition of rural tourism: "Rural tourism describes the forms of tourism activities that take place in rural areas and include local culture, traditions and economic activities as well as open-air activities and experiences achieved in an uninhabited rural environment. As a market niche, rural tourism obviously 'covers' narrow niches such as eco-tourism, nature tourism, agritourism, sports and adventure tourism, gastronomy and wine etc". (Rabotić, 2012).

In a wider context, rural tourism contributes to the preservation of the natural and cultural-historical heritage of the local community, prevents eviction from the so-called. "passive regions" and encourages the revalorization of the autochthonous values of the area (Krajinović et al. 2011)

Efficient and effective development of rural tourism is inconceivable without the preserved environment and spatial area in which ecological systems function without special disturbance. Rural tourism depends on a number of natural and cultural assets in the process of its development must be preserved, used in a sustainable manner and continue to improve. So, in addition to economic progress the rural tourism should establish responsibility for rural development in order to preserve the environment as a resource. For such an approach to the problem of the great

importance of human resources, i.e. the existence of awareness, knowledge and practice in the use of material (natural and built) resources and commitment for change in local communities (see: Leader, 1999; 2000).

The main activity of the rural population is the agrarian and in this sense its life and work can significantly affect the natural environment. Rural areas are also seen in literature as a good basis for the development of rural tourism, consisting of preserved landscapes and traditional features, such as architecture, cultural and historical monuments, local gastronomic specialties and traditional crafts. In most cases, farms engaged in farming within their household are also engaged in rural tourism. Bela Muhi insists on rural tourism as a component of sustainable rural development, as it can significantly contribute to the protection of nature and to provide resources for the survival and development of the village (Muhi, 2013).

That is why the ecological awareness of the inhabitants of rural areas is an important factor that influences the state and quality of the environment as one of the important capacities for the development of rural tourism.

Ecological-educational function of television

According to many sources, television as the medium is the most important source of information and knowledge for the audience on environmental issues (Akca et al., 2006). Television through its basic didactic functions, such as convergence of reality that is not available in other learning processes, the awakening of interest in the subject of knowledge (in this case ecology) and the development of the ability to perceive, activity, imagination and thinking can be a significant auxiliary tool in ecological education, encouraging the development of sensitivity, awareness, understanding, critical thinking and the skills to solve the problems (Đorđević, 1979: 28).

The quality information that will cover different environmental areas of the media will influence the understanding of the problem, the quality and quantity of knowledge about the environment and the awareness of the viewers, because video material is the most effective way of learning (Padrao, 2012).

The significance of the media in realizing the public interest as responsible ecological behavior of people is proclaimed at the UN

Conference on Environment and Development, held in Rio de Janeiro in 1992. The Action Plan for Sustainable Development Agenda 21 was received, which states that it is the obligation of states and the United Nations to promote joint action with the media on improving the behavior, values and active participation of people in the protection and improvement of the environment. Chapter 36, Agenda 21 is dedicated to education and declares it by the following definition: "Education is critical to promoting sustainable development and improving people's capacity to tackle environmental issues and development".

Therefore, information and education on television plays an important role in the formation of ecological awareness and ecological culture. It is indisputable that "with the development of science and technology, the improvement of socio-economic relations, the spread of educational opportunities on the one hand and the development of the ecological crisis on the other hand, the means of mass communication, in particular television, receive important tasks in information and education for the protection of life environment." (Nikolić, 2012).

As environmental degradation in rural areas has an increasing dimensions and intensities, the ecological educational function of television for the rural population (despite the emergence of the Internet) continues to have an extremely high significance.

The importance of television ecological content for the rural population

A key element of the sustainable development of rural areas and individual farms is the raising of ecological awareness among farmers in which the role of television is undoubtedly important, which informs about the harmful effects of human activities on land, water, air, plant and animal life and quality of life and thus influences the awareness of the need and importance of preserving these values. In addition to information, television has exceptional potentials for conveying advice and opinions from the domain of ecology, the population living in rural areas and where agricultural production is the mainstay of economic development. Television thus influences the formation of ecologically positive attitudes, ecological awareness and culture. The meaning of television content for the rural population in addition to information and education must also be a motivational character in order to bring viewers to personal action and behaviors that are environmentally friendly.

The potential influence of the media in acquiring knowledge on environmental protection, public attitudes and behavior have been recognized and investigated by several authors (Prathap, Ponnusamy, 2006) The superiority of television as a channel for acquiring knowledge over other media may be explained by its visual effects providing ease of learning (Prathap, Ponnusamy, 2006).

The largest part of research on the influence of media on the ecological awareness of spectators has been achieved in the developing countries where television is still, regardless of the increasing presence of the Internet and its influence, the most important mass media in information, entertainment and in the field of environment information and education. Among the researchers in this area is India. Surveys conducted in India on a random sample of 400 respondents focused on the impact of the media and their importance in spreading environmental awareness among 200 respondents from rural and 200 respondents from the urban area. Urban residents exposed to the influence of a large number of media show a higher level of awareness of environmental protection than those living in rural areas who are exposed to fewer media (Kappor, 2011).

Kappor states that in order to assess the efficiency of television programs in the three villages of Hisar district, a survey was conducted with the aim of investigating, examining and determining the usefulness of information in programs aimed at rural audiences. Among other things, the results of the research showed the following:

1. Specialised programmes for the rural population are not attractive as most programs because they are based on monoliths with low visual content;
2. Much more of the recommendations of TV specialists are intended for large producers than small farmers who make up the majority of the rural population (Kappor, 2011).

Hoerisch states that politicians understand better than the media editors how important environmental protection is, especially in rural areas where natural resources are most often located (forests, protected natural assets, mineral resources, land, etc.). Through many years of practice, politicians have realized that the field of environmental protection is suitable for promotion even through an active political campaign, while many editors of the media believe that programs that educate viewers on environmental issues cannot achieve a commercial effect (Hoerisch, 2002).

In India, the media are officially recognized as an important component of the long-term strategy and plan for the revitalization of rural areas. In this case, the goal of the media is to contribute to the lives of local communities and to focus on issues relating to education, health, the environment, agriculture and rural development of the community (Ghatak, 2010). The Ministry of Environment and Forestry of India, finances 50 seconds of information content that emphasizes the importance of preserving the natural resources prepared by the Discovery Channel and is broadcast on national television of India, four times a day, with the content changing for a month.

Kushwaha emphasizes that changing the current media structure and accessing problems can provide this sector with a better position and achieve the goals of adequate environmental education. He states that emotions and exaggeration in reporting are often the source of problems, and disagreements and conflicting opinions between experts are also being exploited skillfully. Making extreme views even by the scientific and professional public can be useful only to draw public attention and warn of danger (Kushwaha, 2015).

Many television programs in the world are aimed at precisely informing about the state of the environment and motivating inhabitants of rural areas to accept pro-ecological behavior. However, all research indicates that neither individuals nor societies are ready or even able to change habits and behavior overnight. The media therefore have the responsibility to systematically, objectively and accurately inform of the change in the environmental awareness of the rural areas inhabitants.

The British public service BBC has been broadcasting the show "Countryfile" (in translation, Dosije Selo) on its first channel since 1988 once a week. The show initially lasted 30 minutes, but due to its good reception, was extended to 60 minutes. Premiere is broadcast on the first channel, Sunday at 7 pm, and recorded in England, Scotland and Wales. The issue is described as "exploring issues of interest to the rural population, while showing and glorifying the beauty of the British village." Each program deals with a specific area, characteristics of plant and animal life, nature conservation, rural tourism, agriculture and food production in a sustainable manner, crafts, history, culture and social activities of the population. Support for the preservation and development of the village is also provided by the public figures that appear in the show.

The Austrian Public Service (ORF) broadcasts the Earth & People (*Land und Leute*) programme (26 minutes) every other Saturday, 16:30, on the ORF2 channel. This magazine presents rural areas in Austria and their rural development in an affirmative way. The show has no advisory approach and has village life in its focus, displayed through the culture, tradition and customs of the village as an important part of the cultural heritage of Austria.

The Italian National Television RAI (RAI) broadcasts a special program dedicated to agriculture and the development of the village with special topics for each program on its first channel every Sunday at 12:20. The series is called the "Green Line" (Linea Verde), and each program lasts for about 56 minutes and contains an ecology and environmental protection topic because authors consider that "the relationship between a man and the environment is important not only for the preservation of soil and water and food production, but also because of an attractive nature suitable for the development of tourism.

Television Slovenia broadcasts the "People and the Earth" program at its First Channel every Sunday at 12:05. The show features farms throughout Slovenia, deals with seasonal agricultural issues, brings plenty of useful technical advice, informs about measures of agrarian policy and innovations in the field of legislation. A number of experts from faculties, schools and institutes working in agriculture, food industry or the rural development sector are involved in the preparation of the program. The show "People and Earth" is one of the oldest and most watched TV shows in Slovenia, which is shot three times a month in Maribor and once a month in Koper.

The primary goal of all these programs is to improve life in rural areas. Although modern agricultural production relies on agroecological approaches through the principles of good agricultural practice and measures of sustainable rural development, which are partly promoted in these programs, it cannot be said that these programmes are primarily focused on ecology and environmental protection in rural areas.

Ecological television content for the rural population in Serbia

Previous research of media coverage of environmental issues in Serbia shows that the media primarily deal with this issue at the moment of accidents or natural disasters. As Marković states in his paper, although

environmental information is not represented in an appropriate way on individual television channels, it can be noted that environmental broadcasting on television programs is gaining in quality and that television is becoming one of the institutions that participate in informal education of people (Marković, 2010).

Although the number of specialized broadcasts with ecological topics is relatively small, this issue is dealt with well in the informative and educational program. At the RTS public service within the Scientific and Educational Program there is an Ecology Program dealing with the issues of ecology, environmental protection and sustainable rural development.

The tradition of preparing and broadcasting shows about the countryside and agriculture has been in Serbia since the creation of national television in 1958. The main goal of the program was modernization of agriculture, education of rural population and affirmation of positive aspects of tradition and culture of the village. The first show titled "For the Farmers" was prepared and broadcast since the beginning of the television operation in 1958. The programme „Znanje imanje” (“Knowing–Having”), has been produced by the Serbian public service broadcaster since 1972 until today. It has been the most popular one all along. Its high rating was first recorded in the 1974 audience survey (Babić-Erleman, 1974).

The show “Furrows”, ("Brazde") which was first prepared by TV Novi Sad, followed by Radio Television of Vojvodina, also has a long tradition. The programme “Furrows” has been broadcasting since 1975 on the public service channel of Vojvodina as a product "in the service of farmers, livestock farmers and other producers", which, through field records and the participation of competent guests, analyzes current topics and presents the opinions of agrarian employees.

Commercial television channels have recognized their niche in the rural population program relatively late. The first show outside the state TV system was the programme "Knowledge as a Gift" (“Znanje na poklon”) since 1997 on local TV channels in Serbia that were members of ANEM. Since 2000, the show has been regularly broadcast on TV B92. The show is broadcast on the same TV today as "Good Land" (“Dobra zemlja”).

The "Host" (“Domaćin”) show has been broadcast on TV Fox since 2007, which later changed its name to TV Prva. Its producer, however, is not

this television, but an independent production company RAF. The numerous programmes confirm that television in many parts of the world accepts that in addition to the informative function, it has the function of educating viewers. In order to determine the importance of television for the ecological consciousness of viewers, an interdisciplinary research was needed to combine elements of social ecology, agroecology and communicology. On the other hand, the commitment to timely informing about the causes of the ecological crisis and the imperatives of environmental protection should be a sufficient reason for the commitment of TV channels to broadcast as much of the content as possible for the formation and spreading of environmental awareness of the inhabitants of rural areas.

According to the survey, which included the entire auditorium in Serbia in the period of January-December 2012, programmes about agriculture and village that were broadcast on the second channel of the RTS were more in comparison with the programmes of similar thematic content that were broadcast on TV B92 and TV Prva. The most watched was the “Knowing-Having” programme, rated at 2.4, which was twice the rating of Host (1.2) on TV Prva (Josifović, Senić 2013).

In 2014, a survey was conducted in Serbia on a sample of 314 inhabitants of rural areas. The results of the survey showed that most of the respondents (42.4%) had radio and television as the most important source of information, and that through PSSS (agricultural expert advisory service) about environmental pollution as a consequence of agricultural production informed only 13.7% of respondents (Šarković et al., 2016).

Table 1: *Annual rating of special TV shows for residents of rural areas*

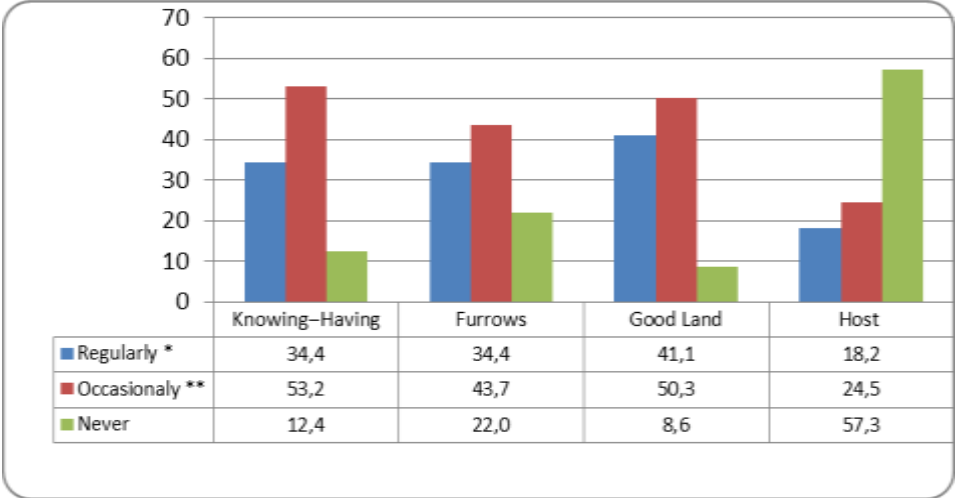
Programmes	Rating	
	Average number of viewers per minute	%
Host	81.000	1,2
Good Land	112.000	1,6
Furrows	123.000	1,8
Knowing-Having	166.000	2,4

Source: Šarković, 2016

The research, which covered 314 inhabitants of rural areas in Serbia, analyzed four special programs aimed at rural residents. All four analyzed

broadcasts were broadcast on televisions with national coverage. The results showed that the show "Good Land" had the highest percentage of regular viewers (41.1%), and the show "Host" the smallest (18.2) (Figure 1) (Šarković, 2016).

Figure 1: *Frequency of viewing broadcasts for rural residents*



Regularly *- two to four times a month

Occasionally**- once in three months

Source: Šarković, 2016

The research shows that none of the four analyzed programmes on environmental topics were for a specific thematic group. The ecological dimension of rural development was processed through examples of rural tourism and supplementary activities in farms, with the emphasis being on individual, positive households in mountain villages or in the villages in Vojvodina (Šarković, 2016). Emissions were not directed at the special treatment of rural tourism as a relevant topic in terms of emphasizing its particular importance and the problems that accompany it.

Conclusion

The development of rural tourism is based on the preservation of natural and cultural assets that need to be further developed in the development process in a sustainable manner. For such an approach to the problem, there is a great significance of the existence of awareness, knowledge and practice of using material (natural and constructed) resources as well as definitions for implementing changes in local communities.

Media has an irreplaceable role in education of rural residents, because they are faster and more accessible than other sources and can reach a large number of people.

Bearing in mind the importance of television as a medium, it has been found that specialized contents intended for the rural population are a convenient means of acquiring environmental knowledge and in that way they influence the change of the ecological awareness of the inhabitants of rural areas.

Environmental protection represents a global commitment in the new millennium, and sustainable rural development in Serbia is covered by different strategies and action plans. Nevertheless, there is no specialized broadcast on national TV channels whose focus is on the ecological awareness of the inhabitants of rural areas. Especially information and education programs on agriculture are specialized. The concept and thematic structure of these programs are adapted to agricultural producers and deal mainly with topics related to the improvement of agricultural production. They are not adapted to the goal of developing the ecological awareness of all inhabitants of rural areas as an important factor for the development of rural tourism.

Specialized educational television content for the rural population in order to improve their pro-ecological behavior will contribute to easier and faster acceptance of the principles of sustainable rural development and the improvement of rural tourism.

In order to have specialized media content on ecological topics, ecological values and pro-ecological behavior, they must be synchronized with other media content and activities of other social actors.

This work has confirmed both specific hypotheses: that television is the most important source of knowledge of the rural population about the importance of preserving the environment and that possibilities of positive influence of television on the development of ecological awareness of rural areas inhabitants are not exploited in Serbia. It points to the need to develop a new concept of TV shows that have an impact on the ecological awareness of the rural population as a decisive factor in the promotion of rural tourism in Serbia.

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CURRENT FORMS OF RURAL TOURISM IN SERBIA AND MODALITIES OF FINANCING

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Abstract

The aim of the paper is to present the current forms of rural tourism in Serbia and the ways of their financing. In addition to the field research method, the descriptive method as well as the methods of analysis and synthesis are used in the paper. Forms of rural tourism are defined and differentiated according to the motives motivating tourists' arrival to rural areas. It is estimated that today in Europe there are over 50 different forms of rural tourism. According to the Organization for Economic Co-operation and Development (OECD), the most common form of rural tourism is agrotourism. According to the results of the research, agrotourism is also the most frequent in Serbia as well. There are also developed the szallas tourism, the beekeeping tourism, bio-agrotourism, eco-tourism, as well as the other forms of rural tourism. The dominant way of financing all forms of rural tourism in the past period was self-financing. For their future development it is necessary to define innovative financing modalities.

Key Words: *rural tourism, forms of rural tourism, financing modalities, Serbia*

JEL classification: R59

Introduction

Rural tourism today is a significant economic and financial segment of the global tourist offer as well as that of many individual countries. It is estimated that rural tourists make up 3% of the total number of tourists on the world level, and 25% within the European Union. This type of

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tourism has an annual growth of 6% on a global level, while the annual growth of total tourism is about 4% (Bartlet, 2006). The early forms of rural tourism were developed in the 11th and 12th centuries and were linked to the development of hunting. The first forms of modern understanding of rural tourism appeared in the second half of the 18th century in England. Increased interest in rural areas is the result of accelerated industrialization and urbanization (Ružić, 2009). Rural tourism began to develop more intensively in the 1970s, as part of rural development strategies.

Forms of rural tourism are defined and differentiated according to the motives behind which tourists come to rural areas. It is estimated that today in Europe there are over 50 different forms of rural tourism. According to the Organization for Economic Co-operation and Development (OECD), the most common form of rural tourism is agrotourism. In addition to agrotourism, tourists from urban areas are very interested in ethno-tourism or "heritage-based tourism" (Brooks, 2000). This form of rural tourism represents a journey due to natural, historical and cultural attractions, i.e. out of desire to study the past, but also to seek the answers to how local and regional art, the natural environment and culture affect the present. According to the cited author, this is a form of rural tourism, the heritage-based one, which is an integral part of the new economic strategy focused on the development and promotion of cultural, historical, geographical and natural resources of communities or regions.

A common feature for all forms of rural tourism is seasonal demand, which results in low capacity utilization on an annual basis. It is also required to implement the concept of sustainable development management of rural tourism in Serbia, organize continuous education of farmers engaged in rural tourism, as well as incite joining and specialization in rural tourism (Radović, 2017). It is therefore necessary that, in the future, the Strategy for sustainable development of rural tourism in the Republic of Serbia should be adopted as a special development planning document with clearly defined development priorities and modalities of financing the development of all rural tourism offer segments. It is furthermore necessary that the Strategy for sustainable development of rural tourism defines development priorities, i.e. the forms of rural tourism that should be developed in particular parts of the Republic of Serbia. The development should be based on the

principles of sustainability taken from the ecological, economic and sociological points of view (Radović, Vasiljević, 2016).

Forms of rural tourism

The current forms of rural tourism listed in the available literature are shown in Table 1. In the table are also presented some new forms that were noticed in the area of Serbia within the framework of the conducted research (Radović, 2015). According to the length of stay, all forms of rural tourism can be divided into residential and excursion rural tourism.

Table 1: *Forms of rural tourism*

FORMS OF RURAL TOURISM		
Agrotourism	Religious	Cultural
Eco-tourism	Health-spa	Fishing
Ethno-tourism	Hunting	Historical
<i>Szallas</i> tourism	Beekeeping	Rural-congress
Wine	Creative	Agro-bio-tourism
Gastronomic	Residential	Sport-recreational
Artistic	Homeland	Archaeological
Oenological-gastronomy	Transit	Ornithological
Manifestation	Adventurous	Botanical
Educational	Camping	Nautical-continental

Source: *Radović, 2015.*

In addition to agrotourism as the most widespread, with the main motive for the arrival of tourists to get acquainted with life and work in agricultural households, further forms of rural tourism will be presented in more detail in the following parts of the paper.

The *szallas* tourism is a form of rural tourism taking place at the *szallases*. The motive for the arrival of tourists in rural areas in ethno-tourism is the introduction of folk customs and folklore, and in the gastronomic one is consumption of traditional foods of a particular rural area. Art tourism, as a form of rural tourism, in its offer has an introduction to naive art, a visit to fine art colonies that take place in rural areas etc. In the case of oenological-gastronomic tourism, tourists come for the consumption of autochthonous types of wine and food, and in the case of the manifestation tourism in order to visit the manifestations. Educational tourism aims to familiarize tourists with the life and work of

rural residents. The motive of arrival of tourists in religious tourism is the sightseeing of religious sights, in the cultural one it is the sightseeing of cultural sites, and in the historical tourism it is tour of historical monuments in rural areas.

Wine tourism in modern forms is most often manifested through wine routes that develop in rural areas, which, along with the development of viticulture, have potentials for tourism development. Wine tourism includes a wide range of vine cellars and wine region visitors' experiences, such as wine tasting, wine and food, enjoyment in the surroundings, recreation, cultural activities in the wine region (Vasiljević, Vujović, 2012). According to Pivac (Pivac, 2012) the wine route is a special form of sales of wine, catering, touristic and agricultural products of a wine region, while the touristic offer of the wine route includes closer touristic attractions, which are not directly on the route, but they increase the ethno-tourist offer. It is necessary for the wine route to contain a "guest movement scenario, as well as organization of various events" (Kušen, 1999).

Agro-bio-tourism is developing within the agricultural holdings dealing with organic production, and beekeeping one within the holdings dealing with beekeeping. The residential tourism represents a sojourn and repose in their own facilities located in rural areas – weekend-houses, and homeland tourism a sojourn and repose with relatives or the rural tourism service providers for nostalgic reasons. In hunting tourism, the motive of arriving tourists is hunting, and in fishing tourism it is fishing in a selected rural tourist destination. Rural-congress tourism includes the organization of smaller seminars - up to 50 participants in a rural tourist destination.

Ecological tourism or eco-tourism represents a sojourn or trip to protected natural areas "for enjoying nature and other cultural values" (Novković et al., 2012). Transit tourism means staying in rural areas only for the purpose of lodging, while the camping tourism means camping in rural areas. For example, camping is a very common form of rural tourism in the Netherlands. In adventure tourism, the motive of arrival of tourists in the rural area is enjoyment in extreme sports, while in the creative one it is acquaintance with the skills of old crafts, the production of folk handicrafts and the like.

In the nautical-continental tourism, tourists use boats or yachts for their accommodation, while they rest themselves on the rivers or lakes in rural areas. In botanical tourism, the motive of tourists' arrival is the observation of the flora richness, and in ornithological one it is watching of the birds characteristics for the particular rural area. In the archaeological tourism, the goal of arriving tourists is the archaeological research that is being carried out in the rural area. In the sport and recreational tourism, the motive of arriving tourists is to engage in sport in a selected rural tourist destination, and in the health-spa one the motive of tourists' arrival is a concern for health and stay in spas or mountain centers located in rural areas.

It is also worth to mention a new form of rural tourism - a diffuse hotel. This is a developed form of accommodation in Italy, which was designed in 1989 as a new element of the rural tourism offer, and whose theoretical foundations have been established by Professor Giancarlo Dall'Ara by introduction of the term "*albergo diffuso*". The diffuse hotel is characterized by the fact that its accommodation units are in different houses or buildings, which are spread all over the settlement. It does not have a classic reception desk, and its essence is in the "symbiotic relationship between the service providers". A diffuse hotel may have one owner, but the most common case is that one family makes the lease contracts for leasing the houses or rooms with other families or more families are joining and forming a cooperative that jointly operates a diffuse hotel. The local community can also participate in the ownership structure. The diffuse hotel allows development of the whole community. The existing capacities are used for accommodation, tradition is valorized and it is strengthened the cooperation of the tourist services' providers (Demonja, Ružić, 2010).

3. The aim of the paper and research methods

The aim of the paper is to present the current forms of rural tourism in Serbia and the ways of their financing. For this purpose, a field research was carried out through which good practice examples were defined. In addition to the field research method, the descriptive method as well as the methods of analysis and synthesis are used in the paper.

Results of the research

The field research has been carried out with the subjects dealing with rural tourism and which are located in the areas of South Bačka, South Banat, Kolubara, Mačva, Moravica, Pirot, North Bačka, Srem, Šumadija, West Bačka and Zlatibor districts. In the mentioned districts, the surveyed entities are located in the territory of the following municipalities: Arilje, Arandelovac, Bajina Bašta, Čajetina, Dimitrovgrad, Gornji Milanovac, Irig, Ivanjica, Kosjerić, Kragujevac, Kovin, Kula, Kovačica, Knić, Loznica, Ljig, Ljubovija, Mali Iđoš, Mionica, Novi Sad, Nova Varoš, Osečina, Prokuplje, Prijepolje, Pirot, Požega, Sombor, Subotica, Srbobran, Užice and Valjevo.

Agrotourism

According to the results of the research, agrotourism is the most frequent form of rural tourism in Serbia. Financing of agrotourism is a complex process, which must include the financing of two different but complementary activities: agriculture and rural tourism. Financing of agriculture is the biggest and the most complex problem of this economic activity in Serbia. By defining possible innovative models of agrarian financing, it will be provided conditions for the rural, regional, and overall economic development of the Republic of Serbia (Radović, 2014).

The dominant modality of financing agrotourism in Serbia in the recent period was self-financing. In addition to this modality, the rural tourism households also used the following ones: subsidies provided by the Ministry of Agriculture, the loans provide by the Development Fund of the Republic of Serbia, bank loans, as well as the joint ventures (Radović, 2015). Also, most subjects did not realize their investments owing to the lack of financial resources caused by insufficient accumulative ability of rural tourism and agriculture and absence of good external sources of financing (Radović, 2016).

Examples of good practice

Gostoljublje (Hospitality) rural tourist household in the village of Mionica, Kosjeric municipality is one of the most successful agricultural and tourist households in the Kosjeric municipality. Agriculture is the main activity in this household, while rural tourism and the sale of agro-food products are additional activities that have begun to develop since

2005. The primary form of rural tourism is agrotourism, but the hosts also develop parallel form of tourism which can be called "rural-congress" tourism as the business meetings and seminars (up to 50 participants) are organized here as well. This household also plans development of an adventurous form of rural tourism.

Gostoljublje rural tourist household has available accommodation for 30 tourists. Five small and one large *vajat-type* facilities are used to accommodate tourists, and each has its own bathroom. The household also has a restaurant, which has 50 seats, and offers full-board tourist services. The tourist season lasts from mid-June to mid-September. Guests come usually with family, but they are also coming the business people, often diplomats as well. The team-building meetings can be organized in Gostoljublje as well as smaller seminars. The household has its website, but it has been promoted through tourist organizations and associations for rural tourism as well. The hosts plan to build a parking place and a park for extreme sports. They pay great attention to the permanent education and improvement of the quality of services. The tourist offer includes numerous facilities: a park with a children's playground, an outdoor swimming pool, preparing the winter hand-processed food from the agricultural products of their household, as well as the possibility of visiting the surroundings, walking and hiking on Divčibare, a mountain that is nearby.

The rural tourist household of Tri hrasta (Three oaks) in the village of Klatičevo, Gornji Milanovac municipality has been involved in rural tourism since 2004. In the case of this household it is a primary tourist activity, and the agricultural sector is developing in the function of tourism development. The Tri hrasta household is a mixture of traditional and modern. The quality of tourist services was awarded in 2012 by the Tourist Organization of Serbia, which awarded this household the Turistički cvet (Tourist Flower) Prize in the category of rural tourism households. This household is located in the village Klatičevo, which is 6 kilometers away from the town of Gornji Milanovac.

The rural tourist household Tri hrasta deals with fruit growing, vegetable growing and chicken breeding. Agricultural products are placed through catering, and tourists can also pick fruits and consume them by themselves. The household has an accommodation capacity of 29 beds, located in two separate buildings and three *vajat-type* facilities. The tourist services are based both on half-board or full-board, and the

specificity is that the housewife prepares meals according to the wishes of the tourists. The tourist season lasts from the beginning of May to the beginning of October. The owner of the household speaks foreign languages (Italian and English), which contributes to a higher visitor's share of foreign tourists. Within the household there are an outdoor swimming pool and a sauna. Among other tourist facilities there are also possibilities of walking and cycling in the surrounding area. Foreign tourists can be informed about "Tri hrasta" via the Internet. The household owns its website, but it has been also promoted through tourist organizations and associations for rural tourism, e.g. Tourism in the villages of Serbia from Gornji Milanovac and The Association of entrepreneurs in rural tourism of Serbia.

The rural tourist household in Podbukovo, Valjevo municipality has been involved in rural tourism more than 10 years. The primary activity is agriculture, and tourism has been developed as an "upgrade". The owner of this household believes that in the village of Podbukovo "rural tourism can be a branch of agriculture" and he tries to interest locals for development of tourist activity in order to jointly provide 50 beds of accommodation capacities. This household is a member of the Host Association of Valjevo, which actively works on education of the hosts, but also on the promotion of the rural tourism product of this region.

This rural tourist household deals with the livestock breeding, vegetable and fruit growing and it independently produces almost all foods for catering purposes. The household has a total of 8 beds for touristic purpose and it offers tourists both services of lodging and meals. The tourist season lasts from April to October. Within the tourist facilities it offers the collection of medicinal herbs and mushrooms, swimming in the Black River, as well as the possibility of fishing in the lake that was made by the host for the purpose of tourism development. According to the owners' opinion, the limiting factor for the development of rural tourism in this region is poor infrastructure quality, as well as the problems with telephone traffic and internet connections. The host considers that the conditions of business in rural tourism are encouraging, provided that the individual has a good project and vision, while the role of the government in terms of stimulating the development of rural tourism is only partially satisfactory.

The *szallas* tourism

The *szallas* tourism as a special form of rural tourism is characteristic for the territory of the Autonomous Province of Vojvodina and it represents a well-developed, promoted and popular rural tourism product.

Based on the results of the conducted survey research, it can be concluded that the service providers within the *szallas* form of rural tourism used in the past period very heterogeneous modalities of financing: self-financing, subsidies from the Ministry of Agriculture, subsidies from the Ministry of Economy, subsidies from the Provincial Secretariat for Agriculture, subsidies from the Provincial Secretariat for Economy, subsidies from local government bodies, loans from the Development Fund of the Republic of Serbia, bank loans, international grant funds, and IPA cross-border projects (Radović, 2015).

Examples of good practice

Dida Hornjakov szallas (The Grandpa Hornjak' szallas), Sombor municipality, is located three kilometers from Sombor, built in 1901 and owned by the Hornjak family since 1929. Thanks to the owner's love for the traditional *szallas* way of life, persistence and continuous financial investments in restoration, the *szallas* has retained its original appearance even today, but at the same time it can offer guests the modern comfort as well. The *szallas* is registered as a rural tourist household and a major problem in business is the legal provision that rural tourist households cannot independently charge for food services, but must have concluded a contract with an economic entity.

Agricultural activity was the main activity of the *szallas* until 2010, and since then rural tourism has been developed. Agricultural activity is a platform for tourism activity, both in terms of supplying the necessary foodstuffs and in terms of financing, since this subject from tourism cannot yet earn sufficient quantity of money, as much as it is necessary for the continuous restoration of the *szallas*. The Hornjak family cultivates 120 hectares of land, of which 10 hectares are in the immediate vicinity of the *szallas*. They are engaged in crop production, livestock breeding, and they have sheep, pigs, ducks, geese, guinea fowls and numerous poultry. Vegetable production is in the function of provision the necessary quantities of products for tourist activity.

Concerning accommodation capacities, the *szallas* has 5 beds in in two rooms that have separate bathrooms, and the owners do not plan to increase their accommodation capacities, as this would violate the authenticity of the *szallas*. The central heating is introduced, and the boiler heats the water by the soybean straw. The tourist season on the *szallas* runs throughout the year, but every visit needs to be announced beforehand. Guests are offered by the services based on full board, and the price includes all that is offered outside regular meals (fresh fruit, homemade fruit brandy, juices, etc.). The housewife prepares the food meals by herself and offers traditional food meals characteristic for this region: the guinea fowl soup, the boiled beef meat (*“rinflajs”*), sauces, steaks of minced meat, stuffed duck, fried chicken in mixed eggs, as well as the poppy or sour cherry strudels.

In the restaurant there is an ethno setting with a traditional Bunjevac costume. Tourists can visit a souvenir shop or engage in the work of old crafts workshops. In addition to the woodcut craft, they could learn here how to paint on the oldfangled type of *“pepper tiles”*, as well as on the bottles, but they also could learn here *“trukovanje”* (type of needlework), a craft that has almost disappeared in Vojvodina villages. Tourists can learn several techniques of the needlework, and the housewife's desire is to provide a small loom for weaving.

Majkin szallas (Mother's szallas) and *Cvetni salaš (Flower szallas)*, Subotica municipality - *Majkin salaš* ethno park is about three kilometers from Palić; it extends to 30 hectares and includes two *szallases*: *Majkin* and *Cvetni*. The *szallases* are owned by the Gabrić family, which has been successfully developing agriculture and tourism since 2003. The *Majkin salaš* Ethno Park is currently employing more than 20 workers, and with the realization of planned investments this number will be higher. This is a testimony to the importance of rural tourism development for employment and the provision of additional income to members of the local-economic community.

Before 1998, the agricultural production on the *Majkin szallas* was predominantly based on livestock breeding, but since then it has been diverted to fruit growing. Today the apple and plum plantations are dominant, and the hosts have also developed vegetable growing. Half of the foods for the needs of tourism are produced by themselves. Even today there is a livestock breeding as well, the *mangulica* pigs have been grown, and every autumn there is a famous Bačka pig slaughter

(disnotor), which is extremely interesting for the tourists. *The Cvetni szallas*, which is only 50 meters far from the *Majkin szallas*, was built for the purpose of tourism and within it there are accommodation capacities. *The Cvetni szallas* has 15 comfortable rooms, each air-conditioned and with a bathroom. There is also a dining room, a reception desk, a TV room, a meeting room, a sauna, a mini gym, and a swimming pool. There are numerous facilities in the tourist offer. Within the ethno park there is a mini haras, a fish pond, a traditional village yard, an orchard, a vegetable garden, a children's playground, a swimming pool, a golf course, a volleyball court and a small football court, as well as a souvenir shop and an art gallery. Art colonies are organized here as well as the workshops of old crafts.

At the *Majkin szallas* there is a local cuisine restaurant, which can serve up to 500 people. The specialties of the restaurant are the apple wine and apple *ajvar*. The owners are planning to invest in expanding accommodation capacities and building of a small Wellness Center and a gym, which will complement the tourist offer. The investment into the biological wastewater purifier has been realized. It was primary task because there is no sewage in the *szallas*. The tourists are mostly domestic, but also from Croatia, Macedonia, Slovenia, Germany, France and Hungary.

Eco-rural tourism

Eco-rural tourism is a special form of rural tourism, where the motive of arrival of tourists to rural areas is related to visiting protected areas, nature parks and special reserves, in order to watch or study rare flora and fauna. Tourists can be offered by accommodation in agricultural households, which are often nearby protected nature areas. Such a tourist offer can be called eco-agro tourism, since it is the product is two forms of rural tourism: agro tourism and eco-rural tourism. Based on the conducted survey research, it can be concluded that the modalities of financing of subjects engaged in eco-rural and eco-agro-tourism in the territory of the Republic of Serbia have been very different in the past. In addition to the self-financing, as the most common financing modality they also used the governmental subsidies, bank loans, as well as the funds from IPA cross-border projects (Radović, 2015). In terms of financing, the advantage of this form of rural tourism is that its attractiveness enables it to apply for funding from various international projects and donations.

Examples of good practice

Rokin szallas is located in the area of Ludaško jezero (Ludaško lake) Special Nature Reserve. The name was given according to the Hungarian word "*roka*", which in translation means a fox, which used to be a lot in this area. The *szallas* has been in existence for 170 years, and since 1987 it has been owned by the families of Hulo and Čeke from Subotica, which renovated it in 1993 and returned it its original appearance. Today there is a triform house, which is more than one century old, which represents a protected immovable cultural property. This is a typical triform Pannonian house, which consists of three rooms. Within this ethno house there are ethnographic and archaeological collections, as well as a collection dedicated to the natural values of the reservation. *Rokin szallas* is a protected monument of culture. Eco-rural tourism has been developing on this *szallas* since 1993.

The tourist offer of the *Rokin szallas* can be called eco-agritourism, since it also includes agricultural production. The owner of the *szallas* considers that the expansion of the tourist offer can be realized within the development of rural tourism of the whole micro-region Ludash-Kireš. To that end, it is necessary that a large number of households organize themselves and create a serious network, which would enable the creation of new jobs, but also the preservation of the tradition and architecture of the *szallases* from the north of Vojvodina.

The livestock breeding is also present on the *Rokin szallas*. Here is a farm with about ten *mangulica* pigs on average, as well as with turkeys, ducks, geese, guinea fowls and chickens. There is also present own production of vegetables and fruits. The *szallas* has almost all kind of fruits that have been grown in this area, but also the aronia plantations. Agricultural products produced on the *szallas* are sold through the catering offer, and the missing products are purchased in the surrounding area.

Accommodation facilities include 30 beds, and the restaurant can accommodate 150 people. In the gastronomic offer there are traditional homemade dishes characteristic for the Hungarian cuisine, prepared according to old recipes, while drinks are held in archaic cellars. The tourist season lasts from mid-April to October. The tourists are mostly children of school age. There is no electricity on the *szallas*. Water for hygiene is heated by solar panels, or through renewable and ecologically clean sources of energy, which is the only modern detail on the *szallas*.

Within the *szallas* there is a souvenir shop, where the handmade processed food is sold as well, which is personally prepared by the lady who is the owner of the farm according to traditional folk recipes from this region.

Rokin szallas has a valuable ethnographic collection, which is located in the ethno house, encompassing about 800 objects and represents a collection of objects that depict the lives of people from this area since the beginning of the 20th century. The collection includes furniture, photographs, home items, and there is also an original old instrument - cither. *Rokin szallas* has also a collection of the reserve natural values, and the largest part of the exhibition is dedicated to birds, since this area is their significant habitat. On *Rokin szallas*, there are organized schools in nature, as well as ecological camps, the national, historical and language camps (in Hungarian language) for children of school age. In addition to pupil' education, there are also organized courses of weaving, earthenware and other old crafts.

Agro-ornithological tourism

The term "agro-ornithological" rural tourism does not exist in the literature. The existence of this form of rural tourism is confirmed by the results of the conducted survey research. At the territory of Serbia there are subjects that are engaged in rural tourism in addition to agricultural production, whose basic tourist content is bird watching. The current modalities of financing this form of rural tourism are: self-financing and subsidies from the Ministry of Agriculture (Radović, 2015).

Example of good practice

Kuća na Orlovoj steni rural tourist household (House on the Eagle's Rock), Komarani village, municipality of Nova Varoš is located at an altitude of 1,200 meters, near the Uvac Special Nature Reserve, which represents the natural good of the first category and habitat of 104 species of birds. Among the most important species of birds is included the griffon vulture eagle, one of two remaining species of vultures, which is nesting today in the territory of Serbia. The household has been engaged in agro-ornithological tourism since 1996. The beginning of tourism was not planned, but it happened due to the circumstances, and the first guests came to watch the griffon vulture.

In addition to agriculture, which is the basic economic activity in this holding, the owners are also dealing with rural tourism. Agricultural production in this holding is based on livestock breeding.

The household has an accommodation capacity consisting of two *vajat-type* facilities with a total of eight beds, each with a separate bathroom. Over the past two decades this rural tourist household hosted tourists from almost all parts of Serbia, but also from France, England and Latvia. On the rich table there is home-made food, where there have to be stressed especially high quality *kajmak* and specialty of this region - buckwheat pie. Tourist facilities include watching of the griffon vulture eagle, boating on Lake Uvac, fishing, hunting, hiking and climbing.

Bio-agritourism

According to the results of the conducted survey research on the territory of Serbia there are subjects dealing with bio-agro-tourism. Bio-agritourism can be defined as a special form of rural tourism. This term refers to tourism activity within households engaged in agriculture in the organic food production system. The current modalities of bio-agritourism financing are: self-financing, subsidies by the Ministry of Agriculture, as well as the subsidies from the Vojvodina Provincial Secretariat for Agriculture (Radović, 2015).

Example of good practice

44 Nadalj Bio Szallas, municipality of Srbobran – where the hosts develop organic agricultural production, and parallelly the rural tourism as well.

Agricultural production is primary at the *szallas*. There are 4 hectares in the organic farming system. The conversion period has expired, and the entire production is controlled by an authorized certification institution. The vegetable production is significantly represented in the structure of production, precisely in order to develop tourism activity. Almost all crops are produced at the *szallas*, which are partially used for feeding large cattle, but also there are grown chickens, guinea fowls and turkeys.

In this agricultural household, rural tourism has been developing since 2013. The household has ten beds capacity. Among the tourist facilities it

is offered fishing on the nearby pond, as well as participation in all agricultural activities that are performed on a daily basis at the *szallas*.

Beekeeping tourism

According to the results of the research carried out on the territory of Serbia there are subjects dealing with beekeeping and rural tourism. Since beekeeping is a touristic content that is of primary interest for some tourists, the beekeeping tourism can be considered as the special form of rural tourism. The most frequent current modality of financing the beekeeping tourism is self-financing (Radović, 2015).

Example of good practice

The rural tourist household in Bački Monoštor, the municipality of Sombor, has been practicing beekeeping traditionally for almost five decades. The household is dealing with ecological production of honey. Production is traditional, but this activity can no longer earn revenue as before. Therefore in this household rural tourism has been developing since 2011.

The household only deals with the excursion rural tourism. The guests are mostly pupils of elementary schools, who come here within pupils' organized excursions in order to get acquainted with beekeeping and honey production. The household receives additional income from the sale of souvenirs, the wooden objects manufactured by the woodcut technique, as well as the sale of honey cakes.

Conclusion

According to the results of the conducted survey research, agrotourism is the most represented form of rural tourism in Serbia. The results also point to the following developed forms of rural tourism: the *szallas* tourism, beekeeping tourism, bio-agritourism, eco tourism, as well as some other forms of rural tourism. The dominant way of financing them so far has been self-financing. Bearing in mind the limited accumulation capacity of rural tourism subjects in Serbia, we consider this a limiting factor of development, which imposes a necessity for defining innovative financing modalities.

The innovative modalities of financing the existing forms of rural tourism in Serbia, but also the potential ones, could be the microcredit organizations, the savings and loan cooperatives, as well as a specialized agricultural bank. In order to incorporate these institutions into a domicile financial system, it is necessary first of all to adopt adequate laws.

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THE CONCEPTUAL FRAMEWORK OF THE PROJECT APPROACH IN THE RURAL TOURISM IN SERBIA

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Abstract

The aim of the paper is to analyze the process of application of the project approach in the development of rural tourism in Serbia, which has contributed significantly to the growth of tourism GDP in recent years and has great potential for further development. The potential value of rural tourism in Serbia is briefly described, followed by the methodology of the project approach to the development of rural communities through a concrete example. The paper presents a concise overview of the project study for the production of the development plan of the community of rural households in the municipality of Gornji Milanovac in the region of Central Serbia. The final remarks highlight the importance of the participation of the population in the development of development plans, which is one of the basic features of the applied method.

Key Words: *project planning, rural tourism, efficient management, strategic*

JEL classification: *L38, O21, P41, P43, P51, R58*

Introduction

Rural tourism is already present in some parts of Serbia, also diversifies the rural economy with good examples of the integration of rural tourism and agricultural products. The Tourist Organization of Serbia created products such as "Life in the countryside" and others such as "Cultural Tourism", "Nature and Country," which are highly correlated with rural tourism. (Master Plan for Sustainable Development of Rural Tourism of Serbia, 2011) The idea of a project approach to the development of rural

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communities in Serbia is limited by the lack of structural support and limited resources. We have been waiting for many years in the theoretical and practical approach to "integral rural development" for the countries of the European Community (Ulbricht, T. 1986).

Adverse demographic situation (depopulation and aging of the population is not only a problem of population policy, but a comprehensive development approach, whose basic postulates are natural resources and cultural heritage, population (lifestyle, standard, value systems) and economic activities based on them that will contribute to better quality (Barbič, A. 1992). The strategic approach to development presupposes interdisciplinarity, which requires the horizontal connection of different professions and experts in the project area, the vertical monodisciplinary of the relationships of certain professions, with higher levels of the social community, as well as their interdisciplinary harmonization at certain levels (Volker, K.1992). In this particular case, vertical connection with the Serbian Rural Development Strategy, alignment with the action plans of the Central Serbia region and horizontal connection with the Development Strategy of the municipality of Gornji Milanovac.

The first phase of each development project is the so-called "The project study," which identifies the situation and problems within these three basic project components (space, population, economic activities) and forms recommendations for future direction and removal / reduction of identified problems. In Serbia, there are many disparities in the value chain of rural tourism. Also, human resources are very limited in terms of both the need for capacity and the development of awareness, organization and management of rural tourism. The needs for structured and holistic products and experiences of rural tourism, which include activities, accommodation and created facilities (lack of created facilities providing an integrated tourist offer), were identified. There is a lack of international standards and quality guarantees, as well as the need for improvement, standardization and diversification of rural accommodation. Then, there is the need to develop synergies between the agricultural sector and tourism, including local crafts. High seasonality with low occupancy rate (average occupancy rate for rural units is 4% and 21% for other accommodation units). There is a need to improve local infrastructure (especially rural roads to rural resources).

Center for rural development in the region of Central Serbia - role and importance

The Central Serbia Region consists of 5 target municipalities: Valjevo, Ljig, Gornji Milanovac, Kosjerić. This region offers a variety of natural and cultural resources, such as the Valjevo mountains, the rivers of Ribnica, the mountains Rudnik, the Gradac river with a natural reserve, numerous monasteries, festivals and events. Valjevo mountains spread through 5 municipalities that form the target region of Central Serbia. The territory of this region is predominantly mountainous with green valleys and hills. Rural tourism already plays an important role in Central Serbia and already generates a significant part of revenues. Central Serbia has 5,600 beds (general and rural), of which 1,150 are rural. It is estimated that the total number of beds annually generates more than 305 million dinars from accommodation and contributes with around 297 million dinars of direct revenues to the tourism sector. The main drivers for the development of the region are the Valjevo mountains, although there are still parts of the region that are attractive for rural tourism (Master Plan for Sustainable Development of Rural Tourism of Serbia, 2011). In this paper, we will present an operational plan for the creation of the Center for Rural Development in the municipality of Gornji Milanovac, which in terms of its surface, geographical position, natural conditions, historical events and cultural heritage, with ecologically preserved environment, at created infrastructure and human resources, creates preconditions for serious and long-term tourism development (TO Gornji Milanovac Report, 2016). Bearing in mind that using tourism potentials is a strategic element of development and better life, the municipality of Gornji Milanovac established the Tourist Organization as a public service in 2000, which promotes, preserves, develops and protects tourist values, and in 2006 adopted the Strategy for Sustainable Development tourism of the municipality of Gornji Milanovac. The strategy, among other things, defines priority forms of tourism in this area, such as: rural tourism, cultural manifestations, hiking, hunting, sports-recreational, excursion, transit and similar. Thanks to the activities of the TO, the interest in categorizing households that want to engage in tourism increases, and the quality of accommodation is improved every year, and new categorizations are made, in addition, statistics on stay and nights are kept, growth is recorded up to 50% annually, with a noticeable increase in the number of foreign tourists.

Operational plan for creating a center for rural development

The Center for Rural Development is the result of a focused platform for improving the economic and social fabric of rural communities. It has a vital role in addressing key challenges such as international competitiveness, food quality, efficient education of young secondary vocational education and recognition of the need for lifelong learning, job creation, development of ethno-tourism, introduction to the possibilities of using new forms of energy and environmental protection. Through the employment and creation of the CRD program, it will become a powerful factor for the cohesion and economic integration of the region. "The project study", as mentioned before identifies the situation and problems, stakeholders, activity plan, evaluation and monitoring plan, and develops recommendations for future direction and removal / reduction of identified problems. The territory of the municipality of Gornji Milanovac includes 63 settlements, which are organized in 51 local communities, of which 1 are urban settlements, and 62 are rural settlements. The characteristic of the municipality of Gornji Milanovac is that it is valid for one of the most developed economies in the Republic of Serbia, where is the most common processing sector, and then trading and service activities. Based on the agro map this is the area characterized by natural characteristics for the production of fruit trees (with an emphasis on plum and apple cultivation) of potatoes and livestock production. Agricultural farms are fragmented, with outdated mechanization, low application of agro-technical measures and poor organization of agricultural producers. This region is recognizable as a mining region, it has many natural beauties, and the basic presumption of further development of tourism in this area is: preserved nature, rich cultural and historical heritage, good geographic traffic situation, developed infrastructure and traditional hospitality of the people of this region (Strategy development of the municipality of GM, 2011). With this project, the implementation team is able to provide basic guidelines in the field of rural development and should certainly be a tool for more efficient and successful management of the development of agriculture and rural areas of the municipality of Gornji Milanovac. For the needs of the development of the Center for Rural Development program as the first activity, the project team of the Center should make a WEB site in Serbian and in English and in all the languages of national minorities (Romanian, Italian, Slovak, Hungarian, Bulgarian, Roma...) The web site should enable all stakeholders to know about the existence of the center, and also to ensure active public participation and quality information exchange. Mobilizing key actors is

another important step in the project approach because it identifies individuals who are interested in this concept, they also control resources, have access to the decision-making process and all important information, and therefore can provide support for the success the project in the wider community. (Maksimović, S. 2016) The partners in the project would be, say:

- MZ _____ represents _____
- Foundation _____, it represents _____
- Forum for _____,
- Agency _____
- Fund for the upgrading of young farmers - _____,
- Representation of partners from EU _____

Partners in the project form a consortium based on the agreement of all representatives. The consortium management board consists of one representative of each organization and a representative of the municipal assembly. The Board of Directors approves each project. The project coordinator also enters the board. In addition to the project coordinator, the implementation team consists of representatives of the Tourist Organization of Gornji Milanovac and a working group. The next activity is the production of situational analysis, taking into account the specificity of the center zone. The synthesis and summary of situational analysis will be done according to the SWOT principle. This form depicts: strengths, weaknesses, business opportunities and dangers for the successful implementation of Rural Development Center projects. Then it follows: defining the basic CRD mission, action planning and preparation of monitoring documents. For the purpose of drafting this planning document, it is necessary to organize the following workshops:

Table 1: *Activity plan*

Activities:
Workshop 1. Creation of a WEB site
Workshop 2. SWOT analysis of stakeholders
Workshop 3. Defining the mission, vision, values and goals of all levels
Workshop 4. Action Planning
Workshop 5. Preparation of documents and monitoring plan

Each of these workshops should provide the collection of a large number of data and information needed for the development of this project. Team leaders were identified during the third workshop, and during the fourth

workshop the action planning which defined basic program objectives and concrete projects. The fifth workshop aims to produce documents and a monitoring plan, since all in the work team have been past previously all project phases

Project link with the Rural Development Strategy of the Republic of Serbia and the rural development policy of the European Union

During the development of program activities and projects of the Center for Rural Development, it will be taken in accordance with the Rural Development Strategy of the Republic of Serbia. The account will also be taken of the basic guidelines given in the Rural Development Program 2014-2020 approved by the European Commission (www.seerural.org/wp). In the strategic analysis, a particular attention is given to the priority areas of development according to the LEADER approach:

- Use of know-how and new technologies to improve the competitiveness of product-services,
- Living conditions in rural areas,
- Added value for local products and market access,
- Use of natural and cultural resources.

EU rural development policy for 2014-2020 focuses on three thematic areas (known as "axes"). These are:

- Improving competitiveness in the agriculture and forestry sector,
- Improving the quality of the environment,
- Improving the quality of life in rural areas and encouraging the diversification of the rural economy.

The European rural development model is based on the "top-up" approach (bottom up), respecting local specificities and establishing local development partnerships (local action group) in which representatives of all three sectors participate in the development and implementation of a local development strategy. The strategy is implemented through the implementation of projects aimed at solving specific local issues.

General Objective of the Project - Center for Rural Development "Gornji Milanovac Area"

The overall objective of the project is to contribute to the successful implementation of the EU agricultural policy in the National Agricultural

Program by establishing the Center for Rural Development of the Gornji Milanovac area. The main mission of the project is to improve the quality of the rural population in the region. In order to realize the project, it is necessary to provide leadership that stimulates innovation: in economic development, in promoting competitive agriculture, in food processing, in the use of renewable energy sources, in the preservation of the environment. Data types for estimating the local economy:

- Demographic (population, education, age),
- Economic and social (employment, skills, pre-qualification readiness),
- Environment suitable for business development,
- Solid and soft infrastructure
- Sub-regional, regional and national ties

It is necessary to establish a model of local self-government for the purposes of space design. The so-called village workshops could shape the vision of local spatial development. In them, the inhabitants would with the help of experts, introduce high-quality spatial solutions and form awareness of the importance and value of space. (Vukajlović, Đ., Stamatović, M., 2013.) In order to successfully solve the problem of spatial planning, it is necessary for each spatial type to prepare recommendations for encouraging agricultural production while preserving the ecological balance, recommendations for building typical objects of different purposes with the features of rural culture and appropriately presenting and popularizing them.

Strategic analysis

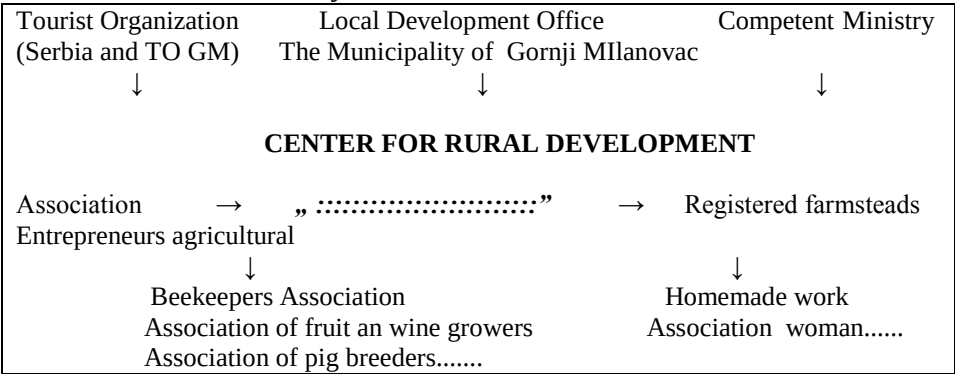
For the purposes of strategic analysis, familiar techniques of strategic management will be used, where the following questions need to be answered:

Table 2: *Situation analysis*

Where are we now?	Situation analysis, PEST analysis / SWOT analysis	Strategic analysis
Where do we want to be?	Vision, mission, values Strategic goals, Special, basic and specific goals	Formulating strategy
How are we going to get there?	Action Plans (with goals, results, activities, deadline of the strategy) Projects	Implementation of the strategy
How will we measure success?	Monitoring and evaluation based on defined (quantified) strategy indicators when formulating a strategy)	Evaluation strategy

The largest part of the territory is occupied by villages in which 50% of the total population of Gornji Milanovac municipality lives. The exceptional natural and landscape features, the relatively developed infrastructure, the economic and ecological potential of this region, as well as the interest of the population for this type of activity, represent an excellent resource for the development of rural tourism. At present, 83 categorized households I and II categories, with a total of 600 beds, are engaged in rural tourism. (Municipal Development Strategy, 2011).

Table 3: *Stakeholder analysis*



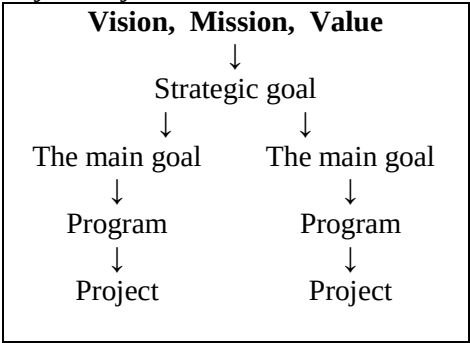
Program objectives and activities

The main goal of the Center for Rural Development is to improve the conditions for comprehensive development and quality living in rural areas through the improvement of professional and practical knowledge on networking and partnership creation. CRD provides the opportunity to live in a creative way, that means the reconstruction of the rural region, where traditional architecture will be respected, and the specific experiences of the rural environment and the orientation towards nature will be promoted (Stamatović, M., Vukotić, S., 2009). The strategic goal is the long-term goal that the Rural Development Center wants to achieve. Specific (basic and specific objectives) describe in more detail the way in which achievement will be strategically and in general.

The opportunities offered by natural and cultural heritage are very little exploited. First of all, it would be necessary to encourage private initiative and high standards to ensure the quality of the tourist offer that is competitive with other forms of tourist offer (Tourism Strategy of the Republic of Serbia, 2005). All the advantages of natural and cultural

heritage should be exploited, local rural and apartment tourism developed. Considering the low standard in Serbia, it is possible to assume that the financial possibilities of domestic guests will be reduced. Therefore, as one of the strategies for further development of tourism, the tourist offer should be focused on cheaper programs, which will attract adequate profit by attracting more guests at lower prices.

Table 4: *Defining project objectives*



VISION: Rural area with satisfied population, capable of adjusting on changes: "Our village" - an oasis for enjoying in healthy food, quality home-made win, with fragrances of field flowers, mowed hay.

MISSION: Promoting according to the principle of "small scale of large scale", the project will support specificities, based on an initiative that will contribute to development in terms of improvement of individual and collective development and support of local cultures and capacity building with whom the rural population taking responsibility for improving there own development.

VALUES: The values that the Center for Rural Development will respect in their work are: Team work; Mutual respect; Resourcefulness; Continuous training; Energy; Openness; Commitment; Reliability; Accuracy.

Overview of strategic and basic goals

SUSTAINABLE DEVELOPMENT - Strategic Objective 1.

Rural areas in Serbia can achieve sustainable development primarily through the improvement of human resources. There are constant migrations, especially of young people. It is important that this process is

reversed and a certain future for the next generations is ensured (Maksimović, S. 2008)

Basic Goals for - Strategic Objective 1.

SO 1.1. Increasing the level of education of the rural population

SO 1.2. Increasing employment to 15% by 2020

SO 1.3. Increase in the number of inhabitants, i.e. Positive natural increase

Table 5: *Activities for the Strategic Objective 1.*

Activities:
Workshop 1. Working with focus groups in order to determine the existing educational structure
Workshop 2. Educational seminar
Workshop 3. Study trips in accordance with defined human resources requirements

DEVELOPMENT OF LEADER - Strategic Objective 2.

Rural areas can not progress without well-informed and effective leaders.

Basic goals for - Strategic Objective 2.

SO 2.1. Monitoring and analyzing the rural development policy, and proposing measures for their improvement through concrete planning documents. The inclusion of local experts in the development of strategic documents and their implementation.

SO 2.2. Promote innovative approaches, new knowledge and good practices from home and abroad.

Table 6: *Activities for the Strategic Objective 2*

Activities:
Workshop 1. Creation of strategic documents for the area "Gornji Milanovac"

DEVELOPED AGRICULTURAL PRODUCTION AND PROCESSING
- Strategic Objective 3.

One of the biggest challenges for integration in the EU is the ability of agriculture to compete in the global marketplace. The Regional Center should encourage entrepreneurial spirit among the population and the formation of clusters without which there is no sustainable rural development.

Basic goals for - Strategic Objective 3.

SO 3.1. Association of agricultural producers for better placement of products,

SO 3.2. By 2020, over 30% of commercial households with standardized and certified production.

SO 3.3. Incentive of organic agriculture

Table 7: *Activities for the Strategic Objective 3*

Activities:
Workshop 1. Education of the population about the possibilities of organic food production
Workshop 2. Education of the population about the possibilities of organic food production
Workshop 3. Possibilities for creation of branded agricultural products
Workshop 4. Study tour / fair of agricultural mechanization and others

DEVELOPED RURAL TOURISM - Strategic Objective 4.

The Center will promote local attractions, and will support development initiatives and eco / cultural tourism.

Basic goals for - Strategic Objective 4.

SO 4.1. Increase the living standard of the locals

SO 4.2. Increase the quality of the tourist offer

SO 4.3. Identification of tourist zones with the construction of the necessary tourist infrastructure

Table 8: *Activities for the Strategic Objective 4*

Activities:
Workshop 1. Education of the local population about the way of organizing local events
Workshop 2. Standardization of rural households for the needs of tourism
Workshop 3. Souvenir school
Workshop 4. Study Tours / Kosjeric is the first village in Serbia with a tradition of dealing with rural people (over 30 years etc.).

ENERGY PRODUCTION - Strategic Objective 5.

The Center will promote the production of electric and thermal energy based on renewable energy sources (wind, sun) which is in line with environmental protection measures.

Basic goals for strategic goal 5.

SO 5.1. Spacious and spacious, attractive and ecologically sound and clean environment.

Table 9: *Activities for the Strategic Objective 4*

Activities:
Workshop 1. Possibilities of using renewable energy sources in rural areas: - collection of waste materials from agriculture for the purpose of exploitation for energy purposes - heating of rural areas using biomass
Workshop 2. Possibilities of distribution of energy obtained from biomass to another area

An Example of defined programs and projects for specific strategic goals:

Strategic Objective 1. SUSTAINABLE DEVELOPMENT

Program – Promotion of human resources

- Project - Database for situational analysis
- Project - presentation of vocational schools
- Project - Job Fair
- Project - Re-qualification of labor force according to needs
- Project - Encouraging the creation of cooperatives

Strategic Objectives 2. DEVELOPMENT OF LEADERSHIP

Program – Education

- Project - Maintenance of seminars for agriculture
- Project - Organization of study tours and visits to the areas
- with developed rural tourism

Strategic goal 3. DEVELOPED AGRICULTURAL PRODUCTION AND PROCESSING

Program – Improvement of technology of production and preparation of all types of fruits

- Project – make fruits nursery area of 1 ha.

Program – Improving the rating veterinary production

- Project - Mechanization of work processes in agriculture
- Project - Organic food production

Strategic Objectives 4. DEVELOPED RURAL TOURISM

Program – Developed ethno tourism offer

- Project - Info base of tourist offer
- Project - Vocational training for rural tourism
- Project - Souvenir School
- Project - Branding wine
- Project - Promotion of tourist sites (website, brochure...)
- Project - Cultural manifestations / promotion of local customs

Strategic Objectives 5. ENERGY PRODUCTION

Program – Possibilities of using a renewable energy source

- Project - Production of pellets based on bio-mass
- Project - The Sun Energy through the use of solar panels

Action plans are defined separately for each strategic goal and are tools for implementing program activities. The action plans defined for each project are - the necessary funds, partners in the implementation, duration (start date and end date - planned), current situation; desired situation. The Action plan involves defining a team for each individual project, both in preparing and developing the project, as well as in monitoring its implementation. The Rural Development Team team provides a standard application form for the project, with the necessary economic indicators and positive effects for the community. Action plans define daily activities, motivation and education of participants, how to conduct meetings and compilation of minutes (necessary elements), and how to monitor costs.

Implementation of strategy - responsibilities and roles

The consortium shall be formed on the basis of the agreement of all representatives:

Team Coordinator:

- Coordinate and organizes the work of groups and ensures the flow of information
- Controls how the group achieves the goals
- Promote the center
- Uses the potentials of each individual in the team

Team Lead:

- Arranges, direct, coordinate the work of members
- Manages the work of the group
- Helps members of the team

- Responsible for the realization of the project
- Scheduling appointments
- Coordinator of reporting

Members:

- Realizes the tasks that the team leader gives them
- They are responsible for the accuracy and correctness of the data
- Proposes correction, monitoring the implementation of tasks

Moderators:

- Provide proposals for project implementation
- Participates in monitoring

Interested parties are the main bearers of the effective implementation of CRD's program activities. Already in the introduction of the project as the first activity, we listed the creation of a WEB site. Namely, CRD should have an attractive visual identity. The website also aims to exchange information and practical knowledge with other similar centers from the country and the region. The project team should regularly update this page (Stamatović, M., Vukotić, S.,2009).

The LOGO should be in line with the values that are prioritized and the designer should have clear directions when it comes to colors, dimensions, fonts, etc.

PRESENTATION MATERIALS - should be in electronic form.

PRESENTATION FACILITIES - as a communication session should be uniform, recognizable and contain basic materials in a harmonized form. It is necessary to identify the media (local, national, general, specialized).

MATERIAL FOR LOBBING - Creating an exclusive folder only for influential groups. Then, protocols, press conferences, materials, work on branding, etc. should be made.

Monitoring and evaluation

For each operational objective, the monitoring time should be clearly defined. Depending on the goal, you clearly define the reporting periods. It is necessary to define the monitoring of costs, funds, as well as time and work. A team for risk monitoring should be identified, as well as monitoring of the satisfaction of the population in the observed area

(Stamatović, M. 2012). Evaluation- A short, unique evaluation report should be made, the content of which contains:

- Introduction
- The objective of the evaluation
- The ways you use the evaluation
- Types of evaluation
- Time frame for evaluation
- Current situation
- Collecting, checking and arranging data
- What is done
- The degree of achievement of objectives
- What has not been done - reasons (lack of financial resources, unrealistic plan, non-compliance with deadlines)
- How to overcome?

An analysis of the situation in the field of economic and social development shows that, on the whole, the municipality of Gornji Milanovac is above the republic average. This means that its development possibilities have been successfully used so far, but that it needs an incentive in the form of professional and financial assistance, in order to facilitate the upgrading of existing economic trends with propulsive programs of tertiary activities based on natural beauties and tradition based on preconditions for exceptional development.

In the West European countries, we must at first to see the development and introduction of new technologies, and at the same time in including regional specificities that should be sought in technological traditions, as well as in the natural advantages and cultural heritage, so on basis of that is formed a bid in response to the demands of developed markets. (Stamatović, M., Makismović, S., Tornjanski, A, 2016.) Such envisioned development can be successful if it is based on the harmonization of spatial advantages and limitations, human potentials, as well as existing and planned economic activities.

Conclusion

Before we take out the concluding observations, we would like to emphasize that the presented development study can be the basis for developing an operational plan of any municipality in Serbia, which should not be a wish list, but a cross-sector coordinated development

document with identified stakeholders. The paper presents the analysis of experts, without the involvement of local stakeholders with the data from the existing strategic documents, and above all it is a conceptual framework that defines the intervening factors in the project approach to the development of rural communities. Aspects, which should be understood as a long-term development orientation, are primarily the reduction of the outflow of the young population and in that relations material, organizational, advisory and all the other assistance with those individuals who, with their various but developmentally indisputable programs, remain in their areas, and at the same time recruited a new workforce. A growing decline in living standards almost precludes an increase in birth rates, so it is certainly justifiable to think about all aspects of the disappearance, although in today's situation, the lack of financial resources seems difficult to achieve. A growing decline in living standards almost precludes an increase in birth rates, so it is certainly justifiable to think about all aspects of the birthrate politics, although in today's situation, in short of financial resources so it seems to be difficult to achieve it. In fact, we are turning more in closed circles of negative demographic trends with insufficient economic and social development. In this paper, we are talking about rural tourism, and the fact is that settlements where only old people are left is very difficult to revitalize. For starting the changes is to be need the concrete programs that will enable the employment and increase of the individual social standard. In this context, there are small rural households that will use their natural resources (such as beekeeping, fruit processing according to traditional recipes, local crafts, souvenirs...), then joint offer, more efficient organization and management, exchange of experience, special measures of protection and maintenance of a healthy environment, improving tourism infrastructure... as well as gradually aligning with european and international standards, it is quite possible to achieve a synergistic effect between agriculture and tourism and take advantage of the opportunities offered by rural tourism. Certainly, the main development potentials are the inhabitants of each settlement, as well as members of different interest communities who have to show their interest and tradition and experience in the process of reviving traditional activities, but also in the process of introducing new, modern production, such as organic agriculture, or bio-agriculture, the development of rural ethnological, or recreational tourism. The conditions for success are securing the necessary technical infrastructure (fruits, wineries, dairies...), then the appropriate legislation that will enable and encourage investments in new programs (credits, tax reliefs, expert assistance...), but also the education of all who decide for

dealing with these activities and professional supervision of their work. It is also important to encourage amateur cultural activities, as well as visits by well-known artists, or, for example, traditional organizations such as art colonies...

In the case of a rural tourism development project for the municipality of Gornji Milanovac, aspects can be seen through four “E” - ecology, economics, aesthetics and ethnology, with ethnological heritage as a development potential and a component of local identity. We conclude that any development project of this type should, in fact, be a monographic study of the local area, which consists primarily of collecting concrete data, then analyzes of the concrete situation that is the basis for concrete projects and measures depending on the defined goal with the active participation of the local population. The role of experts, both local and external nailers, is limited to proposals for expert solutions and counseling.

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STRATEGIC MANAGEMENT OF RURAL TOURISM DEVELOPMENT

Branislav Živković¹; Goran Maksimović²;

Abstract

Rural tourism is a serious factor in the development of rural areas. This is also supported by global developments in which mass tourism is increasingly losing its dynamism in collision with the coming individualism in choosing the type of destination and travel model. Ecology, culture, identity of destinations active attitude towards holiday and recreation, new forms and contents of the offer, theme parks and health are some of the trends in differentiating tourist interests. In these and this kind of conditions rural tourism encounters growing developmental, marketing, managerial and economic difficulties in its development. This requires finding an appropriate model of rural tourism, management which would be based primarily on the sustainable development of rural areas. This study aims to point out a possible model of strategic management of the development of rural tourism.

Key Words: *rural tourism, strategic management, management model.*

JEL classification: *R110*

Introduction

The interest of tourists for rural areas and staying in them for the purpose of relaxing and using hobby activities has a tradition of over a hundred years and a complex structure that has been shaded by the current trends that were present during the 20th century. A large number of rural areas over the past decades, thanks to natural resources and rarities, cultural and historical heritage, characteristic of traditional architecture, folklore heritage, have come to the fore in the interest of tourists who love rural

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areas and rural tourism. The modern tourist market is looking for new forms of leisure time. Mass tourism emphasized demand for sun and sea has reached the saturation point, both on the side of tourism demand and on the supply side. Modern tourists are looking for new places and ways where and how to spend their vacation or short breaks, often driven by the desire to get to know the domicile (receptive) environments they were in, as well as to search for autochthonous and authentic values, and forgotten ways of life. Until recently, fearfully speaking about rural areas as potentially attractive tourism destinations, today there is no doubt that rural areas with their specificities have come to the focus of interest of modern tourists. Increasing the role of the tertiary sector in relation to the primary and secondary in the national economies of the developed countries, the overall trend of return to nature and a healthy lifestyle, intensive awareness building on the need to preserve a healthy environment are just factors that are at the beginning of a long chain of factors that have caused intense the growth of rural tourism and the increase in the volume of tourists' interest in this type of vacation.

Rural areas - at the focus of interest

New trends, except that they caused growth of interest in staying in rural destinations, led to the creation of awareness of modern tourists. Modern tourists differ greatly from the traditional view of tourists. A modern tourist wants an active holiday, the feeling of belonging to the environment in which he resides, has a highly developed ecological awareness, an accentuated need to learn about the environment in which he resides, is adaptable to the environment in which he resides and the conditions that govern him. Rural tourism, in many ways, owes its popularity to a wide range of potential activities that can be done by tourists in rural areas. Mountain biking, orientation routes, "survival" in nature, visiting farms and cats, picking medicinal herbs, paragliding are just some of the many potential activities that a tourist can deal with in rural areas. Special interest tourists show for the visit of craftsmen who are engaged in nurturing and preserving old crafts and participating in the preparation of traditional dishes. Thanks to modern trends, tourism and recreation in rural areas are increasingly seen as sources of economic recovery of rural regions. We are witnesses that tourism undoubtedly represents one of the few potential opportunities for recruiting redundant labor in rural regions and quite clearly another aspect of the rural economy. Its significance in the exploitation of the existing tourist potentials of rural regions is unquestionable. Therefore, it is clear that

tourism has a very strong impact on the economic, cultural and natural features of rural regions.

Table 1: *Activities in rural tourism*

TRADITIONAL ACTIVITIES	NEW ACTIVITIES
Riding a car	Snowboarding
Walking	Snowmobiling
Excursions	Mountain biking
Studying the nature	Visit to Inaccessible spaces
Photographing	Orientation Cross
Sightseeing	"Survival in nature"
Hunting and fishing	Surfing
Attending rural events	Adrenaline sports
Visit to the sites of historic importance	Paragliding

Source: *Butler, R., 1999, p.45*

Challenges of the environment in tourism

The natural environment and culture of one nation is a factor that significantly influences the supply and demand of one product for outside the tourist industry. On the other hand, it is exactly that environment and culture of a nation representing an important component of the product itself that offers tourist activity. In tourism, the service can be provided to the customer during a journey that may take a hypothetical one year and takes place from one end of the world to the other. A special relationship between the tourism industry and its constraint indicates that much deeper analysis and understanding of the environmental impact is needed than would otherwise be necessary for some other economic activity. Every environment, of any economic activity, contains a large number of interdependent factors that influence the nature of the activity and its activities. In order to understand their interconnections and the degree of interdependence and influence on the economy and its activities, they need to be separated and categorized. When considering the influence of environmental factors on tourism, the SCEPTICAL method can be applied for their wider analysis (Moutinho, 2000). This method would include the following factors that are factors influencing tourism: social factors, cultural factors, economic factors, physical factors, technical factors, international factors, infrastructure and communication resources, administrative and institutional factors, legal and political factors. Each of the above-mentioned factors may, depending on the circumstances for

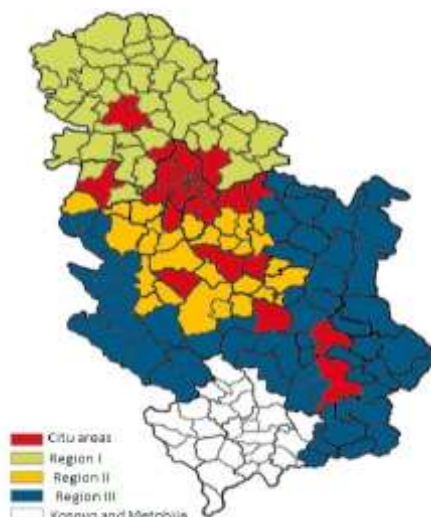
tourism as an economic branch, represent a chance or danger. Significant moments and challenges are found in the correct assessment and classification of the condition of certain factors, the dangers and chances that arise from it, and, furthermore, in distinguishing between occasional short-term occurrences of significant changes in the environment. A key challenge to be addressed to is the decision-making that needs to be avoided during the course of business, and to take advantage of the chances that prevail in the environment.

Rural tourism is the development potential of the Serbian villages

Rural tourism is a concept that, according to the definition given in the Tourism Development Strategy of the Republic of Serbia, is defined as a spectrum of activities, services and additional content which must be organized by the rural population. Rural tourism should be developed in family farms with the aim of attracting as many tourists as possible and generating additional income. This product is based on the principles of sustainability, and therefore it offers tourists the elements of the rural environment, nature, and presents the traditional hospitality and living values of the local population and as such is a lever of economic development and raising living standards in rural communities. Europe has been a world leader in rural tourism in the last few decades, and the current trends show that it will remain in the next decade. There are between 600,000 and 1,000,000 households in the world that provide rural tourism services, they have between 6 and 12 million beds and provide between 1.5 and 3 million jobs. In Serbia, rural tourism deals with over 300 households. The offer contains about 2,500 beds (Hopić, 2009a). Rural tourism is a broad term that includes within its frames of several different types of tourism: tourism in rural households, residential tourism, homestead tourism, adventure tourism, sports and recreational tourism, health tourism, educational tourism, transit tourism, camping tourism, nautical tourism, continental tourism, religious tourism, hunting tourism, fishing tourism, wine tourism, gastronomic tourism, nature, close tourism, eco-tourism, mixed, etc. (Kušen, 2006). Despite recognizing the importance of rural tourism as a possible means for the development of rural areas, Serbia is at the initial stage of its development, especially when it comes to rural tourism within rural households. Although there are positive examples, it is characteristic that previous projects have not been based on national rural development programs, but exclusively on private initiative of individuals and groups. This form of tourism is still insufficiently recognizable in the tourist product of Serbia and there are

no adequate mechanisms for financing entrepreneurial ideas in this area. On the other hand, Serbia has good conditions for the development of rural tourism due to its geographical position, natural beauties, a landscape suitable for various types of recreation, gastronomy, folklore, rich cultural heritage.

Map 1: Rural areas of Serbia defined according to the OECD rural criteria



Source: Bogdanov, 2007, p.117

Considering the above arguments, in 2007 and 2008, the MAFWM introduced incentives to support rural development through investment in rural tourism. The aim of this measure was to subsidize the development of rural tourism by equipping and reconstructing facilities in marginal areas, thereby increasing the degree of diversification of the rural economy and increasing the number of possible sources of income for the rural population. The planned funds were intended for: renovation of traditional rural households in the function of tourism where the ultimate goal is the categorization of capacities, upgrading and adaptation of facilities, procurement of equipment for dealing with rural tourism and educational and promotional activities in rural tourism. In the upcoming period, it is necessary to work more intensively on capacity building, development and promotion of rural tourism in view of the development of rural tourism in the region and the EU (competitiveness), but also on the development and modernization of the infrastructure necessary for the development of rural tourism (Hopić, 2009b).

Strategic exploitation of tourist potentials of the villages of Serbia

For 2020, the World Tourism Organization predicts that there will be 1.6 billion tourists in the world. Today we are witnessing a global crisis. In crisis processes, global tourism will preserve regional distribution, but it will increase the movement towards rural areas and eco-centers. The crisis also imposes the care of tourism workers to preserve what they have and, in addition to investing, reconstruct it rather than move to new greenfield investments (Milenkovic, 2009). Based on the past, it is clear that new forms of tourism and new spaces must be found. The tourists found the answer to excessive crowds on the narrow seashore by themselves, spontaneously, just as they found and once released the seashore. Such places, offering real natural opportunities for a real holiday, were found by tourists in the villages. Today, there is developed rural tourism in France, Italy, Spain, Switzerland and Austria. Bearing in mind the mentioned countries on one side and Serbia on the other, it is clear that Serbia does not lack in the tourist potential of the village. Favorable geographical position, mild and pleasant climate, diverse relief of Serbia - with landscapes that create mountains, hills, slopes, meadows, forests, orchards, springs, streams, rivers, lakes. The rich flora and fauna, healthy air, water, food, peace, tumultuous past and rich history, cultural and historical monuments, folklore, old crafts, hospitable people - all these are elements from which you can make an extraordinary tourist offer that would be hit in the world. Bearing in mind the real tourism potential of rural areas in Serbia, it is clear that this is an underused potential which can be a very serious instrument for securing financial resources primarily for rural households in the first place, and for other economic entities operating in rural areas.

Rural households engaged in tourism are given the opportunity to sell their farm products directly in the form of prepared meals for tourists, besides renting room for lodging, and therefore have more benefit and significant economic effect from their products than in case they sold at the markets. The advantage of multifunctional agriculture is in achieving greater profit through development and other activities, especially rural tourism, in its forms: eco-tourism (in protected areas), ethno tourism (emphasizing historical and ethnological value), health and recreational tourism, as well as educational tourism (Pejanović et al., 2015). The broader economic, social and general social interests of the community are also being realized, starting from an increase in the employment rate, stimulating young people to remain in the countryside, and increasing the

generality of economic growth and development in rural areas (Maksimović-Milošević, et al., 2015).

In recent years, tourism manifestations organized in rural regions have been gaining in importance, and their purpose is to promote the tourism potentials and the ethno and cultural values of the region. These manifestations, if they are well-organized, attract more thousands of people. One of the most important strategic goals of Serbia's agriculture is to support the sustainable development of the village through the diversification of the rural economy, with the greatest importance in the process of diversification being attached to the development of rural tourism. Tourism related to specific interests encompasses several types of tourism for which there is an adequate demand and which show steady growth, with the expected tendency of even faster growth in the future. This includes the interests of culture, archeology, art, architecture, sports, music, hobbies, hunting and fishing, countryside and other. This group of different interests is especially important in Serbia with those types of tourism in which a tourist product has already been established to a certain extent. One of these types is tourism in the countryside. In the development of a small, yet high-quality nucleus in rural tourism, environmental elements should be maximally developed (the development of eco-villages with different forms of healthy life, such as healthy food, walking and others).

The Republic of Serbia has extremely favorable conditions for the development of tourism in the countryside. First of all, these are especially favorable conditions of preserved nature, with mild climate, clean air, unpolluted rivers and lakes, rich flora and fauna. These benefits are particularly pronounced in mountainous areas - on the slopes of Tara, Divčibar, Ozren, Povlen, Rtanj, Bukulje, Oplenca, Suve Planine. Staying in nature provides tourists with opportunities for walking, recreation, sporting activities, organized trips to nearby caves, springs and waterfalls, hunting and fishing opportunities, horseback riding, hiking, reading of forest fruits and medicinal herbs and other recreational and entertaining activities in the countryside. Tourists who show interest in this can be involved in performing for them, until then probably, underperforming agricultural works.

A large number of villages are in the vicinity of valuable cultural and historical monuments, which tourists can pay an organized visit. Traditional architecture with the characteristics of a certain area, as well

as products of old crafts and handicrafts are of great cultural value, through which the rich heritage of our people is realized. It is also possible to organize a visit to various exhibitions that are organized in the surroundings, especially naive painters, as well as tourist events and traditional events through which people learn about customs, cultural and historical features of traditional village life. This diversity of tourist resources and the richness of cultural heritage are especially enriched by the hospitality of the local population, who, in accordance with tradition, welcomes each tourist as a friend and presents a rich trend of healthy, natural food before him (Živković, 2012). When it comes to "strategic", then it implies that it contains the analysis and the ultimate goal, the steps that arise from the analysis, and the planned directions and paths reach the ultimate goal making it feasible and realistic. Documents that can guide the developmental development in the field of tourism and its importance in rural areas are prescribed by the legislative system of the Republic of Serbia: Spatial Plan of the Republic of Serbia, Strategy of Tourism Development of the Republic of Serbia; as well as the less flexible guidelines contained in the legislation and by-laws: the Law on Tourism, the Law on Spas, the Decree on the Establishment of Programs on the Scheduling and Use of Funds for Tourism Development Projects, the Regulation on Determining the Criteria and the Closer Conditions for Micro-Crediting the Promotion of Quality Catering Supply of Small and Medium- companies in the field of tourism.

The Tourism Development Strategy of the Republic of Serbia identifies rural tourism of the same importance as other primary branches in which the tourist offer of Serbia should be developed. It is seen as an important product of Serbia's future tourism, by which Serbia will show its orientation towards the nature and sustainable development of tourism. Rural tourism of Serbia is highly dispersed through its regions and provides various forms of experience both in visual sense (architectural) and sensual (scenes, scents). It is an opportunity to revitalize (renew), or build several rural resorts that will respect the traditional architecture and symbols of the region in which it will come to life. Marketing packages create special packages with farmland, rural resort and rural villages, as well as a special type of camping in the rural area. Initially, it is intended for domestic guests from urban areas, as well as foreign residents in Serbia, ie passengers in transit. The processes that are important for tourism, as outlined in this document, are the privatization of the tourist offer as well as its awareness raising (promotion) in the international market.

While the reason for the development of rural tourism in the developed countries of Europe is the growing interest of tourists for this kind of vacation, in Serbia, if nothing else, the basic inspiration should be a village in itself, raising its economic importance and autonomy. The fact is that the first association in rural tourism preserved the nature and idyllic way of life, but it cannot be denied that nature is not enough. Considering the current situation in which most of the villages in Serbia are located, the strategic exploitation of the tourist potential of the villages would mean: exploitation of the excess of housing, employment of free human resources, as well as attracting new labor by returning young people to the village, selling their own agricultural and other products in a higher stage without transport costs, lease of sales space, time and energy consumption, at more favorable prices, creation of better living conditions for young people in rural areas, through the development of the village and raising the standards of life to the desired higher level, the formation of a new family business, with better use of the existing ones resources and their development orientation to new needs, the development of new and better utilization of the existing abilities of the members of the host.

Strategic utilization of the tourist potentials of the villages in this context should not lose sight of the importance of internet promotion, that is, the information provided in this way that becomes widely available, facilitating accessibility for potential users who can easily decide if they are familiar with the offer.

The basic idea is to base the planning, i.e. the future of the region or village by returning to history, i.e. finding the real identity of the region and people and the activities that were leading when the settlement was at its peak. By locating a local identity, the following steps can be made: raising awareness of the values of this type, awareness of the resources that are realistically present in the given area, and finally actively, honestly and also aware of the involvement of local vals and politicians who by their example should encourage and inspire the population on sustainable behavior. By creating such conditions, many, morphologically different, villages of Serbia will be able to find their place in the tourist offer market. Rural tourism presents with all its tourism concepts a truly important instrument for the development of rural environments. In rural tourism, adequately conceived and implemented in practice, it primarily aims at employing excess workforce in rural areas. An example of Slovenian rural tourism is unequivocal, 40 percent of the workforce out of

the village is employed, and about 50 million Euros are invested in development programs in this field each year. In Croatia, the employment of labor surplus in this sector is between 17 and 19 percent, while this percentage in Bulgaria and Romania ranges from 6 to 12 percent. It is obvious that the political structures at the level of the republic, the local self-government, on the one hand, and the Serbian host, on the other, have to coordinate and coordinate their activities with the aim of improving the development of rural areas. Bearing in mind that over 80% of Serbia represent rural areas, it is clear that the size and significance of rural development for the benefit of the entire country (Todorović & Bjeljac, 2007).

Planning and managing the development of rural tourism

Tourism, as a global socio-economic phenomenon, has seen steady and stable growth in the last six decades. Modern trends in the development of international tourism rest on the peculiarities of tourist demand, as well as on the appropriate adjustment of the tourist offer. With this in mind, it can be estimated that tourism is in the process of constant and powerful changes. Changes in tourism arise, primarily, from changing structural elements, or structural transformation of tourism as a whole. The basic changes, which make tourism extremely turbulent, concern the significant action of environmental factors, linked with the increasing awareness of the need to preserve the basis of its development - space, or the natural environment. These changes have caused the need for new considerations related to the development of tourism, based on two basic postulates - the protection and preservation of natural and cultural resources, on which the development of tourism is based, and the emphasis on the social costs of tourism development. Tourist propaganda is one of the instruments of tourism policy for achieving certain goals that policy makers need to define in advance. This means that the actions of tourist propaganda were previously conceived, i.e. consciously determined in relation to the objectives. The means and methods used by tourist propaganda are common to all forms of commercial propaganda, but are adapted to the specific requirements of business and tourist policy makers to draw attention to the wider circle of tourists, of that part of the population that has objective conditions to engage in tourist trips. Tourist propaganda works, above all, on the development of preferences and wishes for tourist travel, and then influences decision-making on realization of wishes, i.e. about undertaking concrete actions by potential tourists, as it wanted to achieve tourist propaganda. Tourist propaganda must be

viewed integrally with other instruments of tourism or business policy (price policy, tourism development policy, organization of sales arrangements, etc.). It is certain that a very large number of factors influence the efficiency and effectiveness of the tourist propaganda of rural regions as a tourist and hunting-tourist destination. Still, when undertaking propaganda activities, one must bear in mind the Chinese proverb: "Strike into your gong and sell your sweets" (Živković, 2017). The complexity of tourism as a business and social activity determines that the planning and management of tourism development is specific and requires special organization at all levels. The planning of tourism development is essentially a process based on research, the aim of which is to optimize the potential contribution of tourism to human well-being and the quality of the natural /environmental environment. It is carried out at several levels, in accordance with the character of tourism, whereby it is particularly important to find a balance between certain levels of organization, especially within tourist destinations (the relationship between state and parastatal bodies at all levels, on the one hand, and on the other hand, touristic economy). Rural tourism also has a number of specificities that must be respected in planning and management. The overall goal of planning and managing the development of rural tourism would be to create a balance between demand and supply, i.e. total capacities (spatial and other) in order to minimize conflicts and fully utilize natural bases for tourism development without degrading the environment (Popesku, 2018a).

During the survey, specific groups of subjects were observed. First of all, these are subjects whose strategic business and life interests are directly, indirectly related to the use of current and currently available tourism potentials. On the other hand, there are real groups of entities that can potentially be interested in investing their funds in rural areas. A set of stakeholders consists of the following groups:

- Current and potential users of currently available tourist resources in rural regions. This group represents a group whose interests and expectations, in a very clear and direct way, influence the formulation of the model of sustainable tourism development. Bearing in mind that tourists in modern times of modern information technologies have great possibilities of collecting information and choosing among several similar destinations, it is clear that the model of sustainable development of tourism must be adapted and determined by the current and potentially expected wishes of tourists. All this does not

ambiguously indicate that this is a key stakeholder group that imposes rules of conduct in business for other interested groups.

- Local people. The population of one area represents an extremely important and relevant factor, which should be taken into consideration when formulating the model of sustainable tourism development. Particularly, the interests of the population in the field of tourism are emphasized when it comes to a municipality that is poorly developed, which is conditioned by the intensive migratory movements of the younger population of the population towards the more developed regions. The dominant interest of the local population is the growth of business activities, which is quite clear because the growth of the economy leads to the creation of new jobs, income growth, the acquisition of new knowledge, advancement in professional careers. If it arises from the fact that only an economically innocent man is a free man, it is also clear why the population is primarily interested in the development of tourism in the municipality because they expect above all a greater possibility of employment due to the creation of new jobs.
- Local government. It is unclear that one of the main interests of local self-government is primarily the economic growth and development of the municipality. Economic growth and development as a starting point have an expansion of the tax base and an increase in employment opportunities.
- Government of the Republic of Serbia with the Ministry of Economy and Regional Development. The Government of the Republic of Serbia with its line ministries is tasked primarily to protect one region from potential degradation. It is also a special obligation to adapt long-term strategic development plans to real-life situations in some regions, and thus successfully implement them in these same regions.
- Private entrepreneurs. During the past period, private entrepreneurs have taken some steps towards investing in tourism. What is characteristic of most of the initiatives of private entrepreneurs is that there is no realistic assessment of one's own possibilities and desires, on the one hand, and on the other hand assessing the potential of a potential clientele. The missing link is certainly an advisory body that would adequately and honestly observe private entrepreneurs, and their preferences and initiatives have been corrected and directed on the right path.
- Large domestic and international investors - What characterizes this group of stakeholders is the rapid response to the newly emerging market situation, whereby profit is the main motivational factor, with

a very clear view of the conditions that they expect to be provided in order to start with investing. This primarily relates to requirements related to the resolved property-legal situation with the land, the access roads, the electricity, water and sewage networks. They are also interested in the existence of certain plans and long-term strategies for the development of one area and their potential impact on the activity to be dealt with.

- Citizens' associations appear primarily in the field of promotion of specific forms of tourism, where these associations are responsible for the development of specific forms of tourism.

The concept of sustainable tourism development, which is especially important for the development of rural tourism, can become the basis for the purposeful development of tourism in tourist destinations at all levels if its principles are included in the tourism development planning process, especially strategic, and if expressed in the strategic goals of development. The basic, or priority, objectives of tourism development, within the planning process can be very numerous, varied and conflicting. They can be expressed in economic, social and environmental terms. Accepting awareness of the need to determine the strategic objectives of tourism development that are broader than economic ones implies greater influence of the public sector, that is, state and parastatal bodies. One of the basic preconditions for successful planning and management of the sustainable development of rural tourism is the active involvement of the rural community, that is, the local population in the process. This involvement is necessary because nature, or the natural environment, is an important factor in the overall quality of life of the inhabitants of rural areas. Any use of this resource for the purposes of tourism development, without the consent of the local community, may be assessed by the local population as an abuse and represent a disincentive factor in the development of rural tourism. The existence of a balance or partnership relationship among numerous participants in the development of rural tourism is another important factor in the success of planning and managing the development of rural tourism. The center of attention is primarily the relationship between the public and the private sector, ie between state and parastatal bodies, on the one hand, and on the other, tourism companies and all other organizations that are directly and indirectly involved in the development of rural tourism. This partnership relationship should result in inclusion in the process of planning and managing the development of rural tourism, wider social and environmental issues. The aim of the sustainable development of rural

tourism is that visitors/tourists actively participate in the overall process in order to communicate their overall behavior to the set development goals, primarily to protect and preserve the natural environment and cultural and historical heritage. It is about directing the behavior of visitors/tourists, i.e. about managing the way of using all resources in rural areas, by visitors/tourists (visitor management). One of the most common ways of realizing this impact is the publication of official codes of conduct so that visitors, or tourists, can adapt part of their responsibility to protect the resources of rural tourism by adapting their behavior. Turbulent changes in the tourism market, both on the demand side of the tourist and on the side of the tourist offer require constant adaptation of all participants in the process. This implies that the planning and management process must be continuous and pervaded by innovative approaches. The main goal is the tendency towards a proactive approach in the protection and preservation of all resources related to the development of rural tourism. Such an approach can be achieved by accepting the following facts:

- The environmental and business objectives, or commercial objectives, must coincide in the long run.
- The planning process for the development of rural tourism begins, after situational analysis, by researching all relevant factors of tourism development, as well as the characteristics of the rural area, which have assumptions for the development of tourism.
- The next stage of the planning process is defining the development goals.
- The following is followed by a phase of analysis and synthesis, or conclusions based on the results of the research.
- At the stage of drafting proposals and recommendations, the developmental alternatives offered are compared in relation to the defined goals of tourism development, the impact on the local community and other factors and based on that, plans and policies are formulated and recommendations are formulated.
- The implementation and management phase is essentially a continuous process in order to constantly check the level of achievement of the defined objectives. It should be based on determining the degree of satisfaction of tourists, assessing the realized economic effects, especially in relation to the local population, assessing the overall impacts of tourism development on the natural and socio-cultural environment, and adapting to regional

and national plans and programs of tourism development , especially rural (Popescu, 2018b).

A special aspect of managing the development of rural tourism is reflected in the need for staff training. It is understood that the development of tourism should lead, on the one hand, to increase employment related to the provision of products and services for tourists and, on the other hand, to provide additional earnings for already employed people based on seasonal employment. In order to achieve this in a quality manner, it is necessary to educate key participants in meeting the needs of tourists. These are, first of all: hosts, owners of houses for renting tourists, small hotels, restaurants, campgrounds - they need to be educated about the needs of tourists, refer them to knowledge about management, bookkeeping, providing conditions for recreation of guests, safety, ways of maintaining hygiene for tourists, as well as to expand their knowledge of the natural, cultural and other characteristics of their area; the entire local population - to participate in a meaningful way in the realization of a joint project of rural tourism development; staff in local tourist information centers, local tourist guides and animators - in order to gain wide knowledge about the characteristics of the area, especially tourist resources, ways of promoting a tourist product, recreational techniques, etc. (Popescu, 2018c). Members of the rural household who provide services are the cornerstone of success in rural tourism. Human values and attitudes are the basis for this, but vocational training is needed in order to increase the ability to satisfy numerous demands that contemporary rural households engaged in tourist activity pose modern trends in tourism and high standards in providing services to potential tourists.

Conclusion

Researches have shown the need for clearly defined directions for the development of rural tourism. There is a need for the importance of coordinating the activities of different entities that exist in the area of one region and directly linking their activity or interest with the use of the tourist potentials of the region. Having in mind the real tourism potential of the Republic of Serbia, which are very poorly used and in reality represent more than a serious resource of economic growth and the development of the performed research, they did not doubtfully show the following:

- During the previous period, adequate valorization of the realistic tourism resources of rural regions was lacking.
- There are no clearly defined tourist products offered on the market.
- There is no ongoing marketing activity aimed at promoting the tourism potentials of rural regions.
- There is a complete lack of activities aimed at the education of that part of the population that is interested in dealing with rural tourism within their household.
- There is no real serious organizational unit that would continuously deal with the coordination of activities on the development and improvement of the quality of the tourist offer.
- Alertly few accommodation capacities whose disadvantage is especially noticeable when organizing large tourist events.

The solution for the real existing accumulated problems in the field of rural tourism in the Republic of Serbia, which would result in improvement of the quality of the tourist offer, and hence the real growth and development of tourism should be sought in a clearly formulated management model. This model would clearly specify the holders of tourism development and, at the same time, the future directions of tourism development. The basis for the future sustainable development of rural tourism should be based on the establishment of coordination centers for the development of rural tourism in the territories that fulfill the conditions for dealing with rural tourism. These centers would employ professionals in the fields of tourism, management and marketing. Coordination centers would be the bearers of all activities related to the development of tourism in the rural region. The main activities for these centers:

- The Coordination Center would first of all be tasked with clearly defining tourism products of the rural region and clearly highlighting their competitive advantage on the market.
- To undertake continuous marketing activities, so that the tourist destination is constantly in the interest of the public, so that in a potentially acceptable way, potential clients would be represented in their own beauty. Successful marketing approach to tourism in general and thus rural is achieved by a good marketing plan, respecting trends in tourism, defining goals, instruments and programs for their realization and satisfying the needs and wishes of tourists (Cvijanović & Ružić, 2017).

- The Coordination Center would be tasked with coordinating activities between a number of really different entities whose economic interests in the area of tourism in the territory are at some point in a hostile state.
- The Coordination Center would also have the task of training the interested population for performing activities in the field of rural tourism.
- One of the important activities would be the establishment of an integrated quality management system for all entities that are interested in the activities in the field of tourism.
- Take action to intensify and promote the entrepreneurial activity of the local population, which would be in the function of developing and improving the quality of the tourist offer.
- It promotes activities related to the construction of infrastructure facilities and the expansion of accommodation capacities.
- Initiates the development of projects related to the development of tourism in the area and helps to apply interested entities for incentives in national and international funds.
- Organizes tourist manifestations in the territory and organizes the performances of individuals, associations and organizations from the territory of the municipality on similar manifestations in the country and abroad.
- The tourism product of rural tourism must also have adequate sales channels. The coordination center would be tasked to undertake activities that would have overcome not organization in fulfilling the capacities of tourist facilities in the villages and selling through tourist agencies for a direct result. The organized way of selling will greatly contribute to better interlacing the supply and demand for vacation in the countryside and certainly help rural households to fully value significant investments in tourism. On the demand side, in accordance with world experiences, there are tendencies that point to more sophistication of tourist demand and its perceptibility in relation to quality, content, price and other elements of specific destinations.

It is clear from the above that the strategic management of the development of rural tourism in the Republic of Serbia is based on the formation of an efficient management of the organization, with a flexible management structure and a clearly defined schedule of duties and responsibilities, whereby the vision of the development of tourism and the

goal in which it pursues a sustainable development tourism in the rural areas.

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POTENTIAL AND PERSPECTIVES OF RURAL TOURISM IN DEVELOPMENT OF THE SERBIAN ECONOMY: CASE STUDY – VOJVODINA FARMSTEADS

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Abstract

Farmsteads, as an innovative form of rural tourism, represent an important segment of the Serbian economy, providing tourist products and services to consumers, both domestic and foreign. The economic contribution of farmsteads in rural tourism is valued through activity in terms of efficiency and economy of operations, quality and competitiveness of tourist offer available to users.

The paper focuses on the valorization of the influence of the farmsteads' tourist offer on the economic development of the Republic of Serbia and the analysis of the economic potential of the development of products and services in actual resource capacities. Through the indicators of ratio analysis, their real economic position is shown.

Identifying similarities and differences the performance of the analyzed farmsteads from the area of Vojvodina within the time interval 2014-2016 will highlight positive examples and perspectives for the further sustainable development of rural tourism.

Key Words: *development, Serbia, tourism, farmsteads, perspectives, financial analysis*

JEL classification: *M21, L83, Q18*

Introduction

Nowadays tourism has become and represents one of the main initiators and engines of the development of the economy, globally, in many countries around the world, given the existing global competitive conditions characterized by continuous development of existing capacities

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and opening of new available for tourism service consumers and tourists, through which countries create opportunities and basis for new jobs and what impacts the growth trend in the employment of the country, also the growth of the GDP (Vidović & Dželetović, 2018). The World Tourism Organization (WTO) defines sustainable tourism as a principle that, on the one hand, meets the needs of tourists and the needs of a tourist destination, and, on the other hand, protects and enhances tourism opportunities for the needs of future generations; satisfies the needs of today's tourists as well as the host region, while simultaneously protecting and enhancing development potentials (Bramwell et al, 1998). Development of rural areas in Europe, especially in the Republic of Serbia, as a potential engine of whole country's economy, has been in focus of attention of professional and scientific public within the last twenty-five years. Rural areas in many countries of Europe, as in Serbia, have important influence on potential development as main resource areas and goal points for consumers. The main producers and suppliers of food, SME (small and medium enterprises) by expanding their business and tourism offer to wide consumers can make a brand of their product and services (Andrić et al, 2010).

In the economic field, the multiplicative function of tourism is based on the activities of circulating spending on tourism spending in various branches of the economy, with an impact on its flow and development that continues after the stage in which the consumption of resources has already made its basic circulation, from the place of their creation to the city of their consumption. It is a continuous process, the launching of new or increasing of existing economic activities in the function of tourism through the spill-over of income from the "hands-on" of business entities (Gajić, 2010).

The farmsteads in Vojvodina until the recent past were one of the important characteristics of the way of life and the work of their inhabitants. Farmsteads' tourism is a specific market niche of a special type of tourism known as rural tourism, which showed growth trend in our country over the past decade (Čurčić et al, 2010). It is a special way of life and economic wages that has become characteristic for Vojvodina agriculture. Looking through the history of the number of farmsteads and their inhabitants, we can conclude that the production of livestock and agricultural products was very important for the supply of major cities in their vicinity. The largest concentration of farmsteads in Vojvodina lies in Bačka, near the cities like Subotica, Sombor, Srbobran, Čeneja, Bečej

(Todorović & Bjeljic, 2007) but there are also farmsteads in Banat and Srem, only to a lesser extent. Farmsteads in Vojvodina are monuments of the traditions and cultures of people who lived in this region and as such, they represent at the same time an exceptionally good basis for the development of rural tourism, because they retain the authenticity of the time in which they were built with the culturological ethno-points of this region an interesting tourist attraction. They also have accommodation capacities and offer a wide range of gastronomic products in this region, and the location on which they provide a tourist destination worth visiting. One of the basic features of modern tourism in the countryside is the merging of a culturological-traditional with modern content. Rural tourism on farmsteads is characteristic of the region of northern Serbia, that is Vojvodina, and it represents a special type of rural tourism, so in recent years these specific economic and residential buildings have become a very popular tourist destination and an actor for both domestic and foreign clients or tourists. What constitutes the basic potential of rural tourism farmsteads is that there are two types of tourist offerings, which are the first tourist stay on former farmhouses that have been reconstructed for the needs of tourism with active participation in life and work on the same, and as second newly built tourist and catering facilities in the name of the carnival, and which, in addition to ethno, traditional and cultural elements, contain contemporary facilities such as gym, spa wellness programs, swimming pools, congress halls and sports grounds (Banić Grubišić & Antonijević, 2013).

Methodological apparatus and aim

The methodological basis for the research into the work includes the coverage and application of the statistical data and assessments in analyzing the perspectives, impacts and potentials of rural tourism in the development of the economy of the Republic of Serbia. A special focus and focus is placed on the salons from the area of the Autonomous Province of Vojvodina, in order to see and highlight the potential strategic directions of development of tourist destinations and the capacities of that region of our country in order to achieve sustainable development. The methods used in the paper are of a deductive nature, with a comparative, qualitative and quantitative basis.

The performance of the business and the financial position of the selected sample of ten farmsteads from the territory of the Autonomous province of Vojvodina, using publicly available published financial reports of the

Business Registers Agency in the period from 2014 to 2016, will be shown in order to examine their real economic influence on development of Serbian economy. The comparative financial analysis that will be presented in the paper also aims to highlight the profitability level of these subjects and their contribution to rural tourism (Vidović & Dželetović, 2018). Market focus and integral promotion of the tourist content of the countryside through well-organized marketing and clearly defined tourist aspects, and then implementation thereof should be the starting point for further development, which would contribute to the overall development of the economy of the Republic of Serbia.

Substrate for analysis

In Serbia, it was noted that rural tourism was developing in the late seventies and early eighties of the past century as an organized activity aimed at affirmation of agricultural holdings, strengthening the economic structure of rural areas and enriching the traditional tourist offer with new contents (Čomić, 2002). Rural tourism, or agrotourism, is a part of the concept of multifunctional agriculture as a segment of rural development within countries. It is an integral part of a rural tourism activity that forms a framework and summarizes the activities and relations related to travel, activities and stay of people for rest, leisure, excursions, fun, business. Rural tourism has become extremely important for both the local and national economies of our country, as according to statistical data in the last decade it brings a significant percentage of income in the GDP of the tourism sector of Serbia. The development of agrotourism contributes to the faster improvement and other activities related to it, as well as the development of other economic sectors with which it has a correlation such as agriculture, industry, cultural institutions, hospitality subjects (Pejanović & Vujović, 2008). Based on the reputation of the developed countries, Serbia has established special organizations and agencies that promote tourism, and on the basis of continuous monitoring of tourist demand and offers in the area of Vojvodina, which is in the focus of work, at the same time it aims to establish a sustainable economic policy for the purpose of development of capacities, and that, on the basis of scientific and statistical research and testing of the tourism market, a concrete contribution to the improvement of the existing state of tourism.

Rural areas through agriculture and business activities offer to the market agricultural-food products, forest fruits, products made of wood and household products, they are also leisure, tourism, recreation resorts, and

places for living in general. The opportunities on farmsteads are open for new, non-agricultural activities and services, which will be qualified offer. It is quite important that rural tourism enables diversification of activities at agricultural estates or in their surroundings for the purpose of acquiring alternative revenues and increase of income, which has direct influence on development, and economy of the Republic of Serbia. In our country, all human needs, such as family, economic, educational and cultural can be satisfied in rural communities which are also seen as socially desirable communities (Andrić et al, 2010).

Table 1: *SWOT analysis of rural economy in the Republic of Serbia*

Strength	Weaknesses
The availability of human resources	Inactive labor market and lack of financial resources
Rich cultural heritage	Poor rural infrastructure and insufficient quality of rural roads
Availability of natural resources with specific microclimate conditions	Poor economic development of rural areas
Significant share of farmsteads in agriculture with potential for growth	Adverse demographic trends and social structure
Attractive landscape for rural tourism and the existence of good practice in the same and accompanying activities	Lack of adequate advisory services and access to professional and business training of potential service providers
Opportunities	Threats
Effective use of EU IPARD II funds	Climate change and unforeseen natural disasters
	The weakening of already limited human resources by constant displacement of the population
Potential demand for traditional agricultural products from these regions	Increasing poverty in rural areas
	Growing gap between rural and urban areas
Potential demand for tourist services and holiday services offered in rural areas	Long time process of obtaining building permits and incomplete process for legalization of construction in some villages and towns

Source: *Ministry of agriculture forestry and water economy, IPARD program for the Republic of Serbia for the period 2014-2020*
<https://ipard.co.rs>

The performed analysis of strengths, weaknesses, opportunities and threats shows that there are enormous forces, but also weaknesses for the development of tourism itself, and of the entire economy in the coming period. Based on this and the previous strategy of tourism development, the latest strategy for the period 2016-2025 has been applied for two years now in the economy of the Republic of Serbia and it is necessary to determine which strategic competitive advantages the economy of the Republic of Serbia has, where it can create an adequate tourism economy, influencing the development of the entire economy (Ministry of Agriculture, Forestry and Water Economy). Potentials in Serbia's strategic development, for future success in rural tourism, and rural tourism as an integral part of the same are:

- a rich archeological and architectural heritage, which contributes to the cultural-historical significance and testifies to the specifics of the civilizations that lived on the territory of the present territory of the Republic of Serbia, and especially the highly-valued historical and artistic heritage of Serbian medieval castles, monasteries and archaeological sites;
- which is significant from the aspect of their valorization as specific and unique tourist attractions and destinations;
- openness, hospitality and positive attitude of the population towards tourism, which is extremely valuable to the user of tourist conditions;
- then, the geostrategic position of Serbia on the borders of historical cultural circles, with a central reference to Belgrade, a city on two great rivers, which represents an exceptionally attractive tourist metropolis of Southeast Europe;
- a great untapped potential of waters, both the surface and underground, plus the richness of thermal springs and spas, which in combination create a special tourist offer in this part of Europe;
- the area of agrarian areas, vineyards, hunting-fishing zones, which creates a recognizable image of Serbia;

On the other hand, there are certain issues of strategic shortcomings with which the Republic of Serbia faces, and for which adequate solutions must be found by both state and local authorities of Vojvodina and by the local self-governments to make Serbia better positioned in the tourism market and in more challenging competition conditions. Some of the basic shortcomings and strategic weaknesses are the following: in the international tourism market, Serbia does not have enough knowledge as a destination for tourism as a tourist destination, and as a potential

solution, adequate and full promotion of the same would be imposed, with the creation of a national tourist brand and formulation of internationally commercialized products and services from our climate. Subsequently, insufficient cooperation and coordination between ministries and relevant stakeholders in tourism in the Republic of Serbia, and still insufficiently articulated and established spatial-urban regulation of most current and potential tourist destinations and centers, insufficient protection and maintenance of major national, natural and cultural resources / attractions, illegal construction, as well as non-enforcement of laws, control and penal policy in environmental incidents (Ministry of Agriculture, Forestry and Water Economy). Connection in the form of traffic and tourist interest areas of the same, such as low-cost airlines, a small number of modern highways, and the abandonment of the existing regional and rural, which directly affects the accessibility to certain tourist attractions, and considering from the aspect of rural tourism, this has a huge impact on the accessibility of contents. Finally, there is a lack of internationally qualified hotel and tourist managers, staff in new tourism occupations (animation, entertainment, events, theme parks, interpreting centers, etc.), as well as low labor mobility and the inefficiency of the employment system (seasonal work, flexible working hours, etc.).

Summarizing the potentials and identified weaknesses or shortcomings of our country, Serbia should strive to take the initiative under the auspices of competent ministries and to actively work on building its own recognizable and required competences in tourism with a special emphasis on rural tourism, offering customers and tourists a different product offer and services that would represent a combination of attractive natural, historical, cultural and social content. By establishing the right image, Serbia would join the program of sustainable tourism development, which in the long term would stimulate its influence on the overall transfer and development of the Republic of Serbia by employing the population, solving the evident unemployment problem, especially in rural areas, while strengthening the infrastructure and positioning in the world.

Statistical overview of the impact of rural tourism on economic development

The contribution of rural tourism shows significant effects in the development of the rural economy, which are reflected directly through the growing economic activity of the entire economy in the Republic of

Serbia, and at the same time the Autonomous Province of Vojvodina and that rural tourism has a perspective and great potential for further development. There are exceptionally good examples as well as significant experiences in rural tourism in the Autonomous Province of Vojvodina, followed by other regions of our country, such as Central and Western Serbia. Observing the entire territory of the Republic of Serbia, estimates indicate that the number of available beds in rural farms available to service users and tourists, both registered and unregistered, varies from thirty to thirty five thousand. According to estimates, rural tourism is estimated at RSD 10 billion annually, representing around 15% of the total direct GDP tourism in the Republic of Serbia, according to the data for 2010 of the World Tourism Organization. Marketing and content promotion, and at the same time the destination of rural tourism should influence the synergy between rural, cultural-social and natural products and services and products of rural tourism, but the real situation is not so (Ministry of Agriculture, Forestry and Water Economy, 2017).

In the Republic of Serbia, there is insufficient emphasis on certain contents of rural tourism and tourist activities by tourist agencies, and it has been found that there is insufficient interest in both the regional market and international, in accordance with the potential of the offer and services. Problems are noticed in poorly set offer, because the whole package of products and services of rural tourism, which includes and combines rural tourism activities, food, transport, accommodation and sightseeing of tourist destinations, are not promoted, whereas all of these products and services are offered partially. Service users are not yet fully available booking accommodation and Internet payment, which is a trend in the world for the purpose of faster operation (Ministry of Agriculture, Forestry and Water Economy, 2017). It is important to emphasize that it is of great importance for rural tourism and tourism in general in our country to include the Republic of Serbia in two macro-regional strategies - the Danube Strategy of the EU and the EU Strategy for the Adriatic-Ionian Region. Through the IPARD II program and projects in it, the identification of specific strategic priorities within the action plans can be performed, with the realization of which began with the definition and the adoption of the Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025 by the Government of the Republic of Serbia, which is extremely positive and convenient for the aspect of rural tourism that is in the focus of our research in this paper (Ministry of Trade, Tourism and Telecommunications, 2016).

Table 2: *Analysis of annual data of arrivals and overnights of service users/tourists in the period 2005-2016*

Business year			2005	2006	2007	2008	2009	2010
Region	Vojvodina	Domestic	6499352	6592622	7328692	7334106	6761715	6413515
		Index	100,0	101,4	112,8	112,8	104,0	98,7
		Foreign	5295051	5391913	5853017	5935219	5292613	4961359
		Index	100,0	101,8	110,5	112,1	100,0	93,7
		Total (Σ)	1204301	1200709	1475675	1398887	1469102	1452156
	Republic of Serbia		100,0	99,7	122,5	116,2	122,0	120,6
		Domestic	734878	723370	834487	880942	762115	767304
		Index	100,0	98,4	113,6	119,9	103,7	104,4
		Foreign	164959	174218	230696	231468	222518	217026
		Index	100,0	96,4	105,9	114,0	94,7	96,6
Total (Σ)	569919	549152	603791	649474	539597	550278		
	100,0	105,6	139,9	140,3	134,9	131,6		
Business year			2011	2012	2013	2014	2015	2016
Region	Vojvodina	Domestic	6644738	6484702	6567460	6086275	6651852	7533739
		Index	102,2	99,8	101,0	93,6	102,3	115,9
		Foreign	5001684	4688485	4579067	3925221	4242172	4794741
		Index	94,5	88,5	86,5	74,1	80,1	90,6
		Total (Σ)	1643054	1796217	1988393	2161054	2409680	2738998
	Republic of Serbia		136,4	149,2	165,1	179,4	200,1	227,4
		Domestic	756723	758981	928606	929604	994314	1123923
		Index	103,0	103,3	126,4	126,5	135,3	152,9
		Foreign	278655	296309	373829	380738	410915	463907
		Index	83,9	81,2	97,3	96,3	102,4	115,8
		Total (Σ)	478068	462672	554777	548866	583399	660016
			168,9	179,6	226,6	230,8	249,1	281,2

Source: Statistical Office of the Republic of Serbia, *Statistical yearbook of Republic of Serbia*, <http://www.stat.gov.rs>

Performances of business success of farmsteads in Vojvodina

Comparative financial analysis of business success and profitability farmsteads emphasizes and valorizes the market potential of existing tourist capacities farmsteads in Vojvodina, as well as services and products that offer it. It is important to point out that there is an excellent resource base for rural tourism, as well as for development of the same, which would contribute to the development of the economy of the Republic of Serbia.

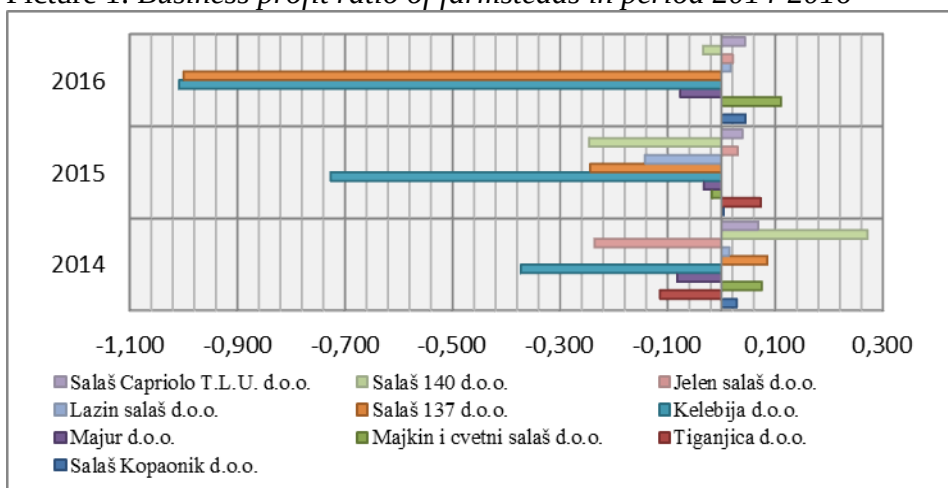
The importance of farmsteads is reflected in the fact that they have the foundation so that no investment funds are required in terms of building new ones since the capacities exist, and at the same time they offer a rich content of the tourist offer, but it is important that the basic step should be in the formation of the desired set of tourism products based on which the farms will be recognized as a Serbian brand that will improve Serbia's competitive position in the international tourism market.

Table 3: Analysis of business success of farmsteads in period 2014-2016

No.	1	2	3	4	5	6	7	8	9	10	
Region	V o j v o d i n a										
Village / city	Novi Sad	Novo Mileševo	Hajdukovo	Kelebija	Subotica	Čenej	Čenej	Palić	Palić	Bačka Topola	
Farmstead	Salaš Kopaonik d.o.o.	Tiganjica d.o.o.	Majkin i cvetni salaš d.o.o.	Majur d.o.o.	Kelebija d.o.o.	Salaš 137 d.o.o.	Lazin salaš d.o.o.	Jelen salaš d.o.o.	Salaš 140 d.o.o.	Salaš Capriolo T.L.U. d.o.o.	
INDICATOR		Business profit ratio									
Business year	2014	0,028	-0,114	0,075	-0,083	-0,373	0,085	0,015	-0,236	0,271	0,068
	2015	0,004	0,073	-0,018	-0,033	-0,727	-0,245	-0,143	0,030	-0,246	0,039
	2016	0,044	-0,001	0,110	-0,077	-1,008	-1,000	0,017	0,021	-0,034	0,044
INDICATOR		Return on Equity (R O E)									
Business year	2014	1,177	1,714	0,325	0,008	0,017	-0,001	-0,183	0,467	1,132	0,574
	2015	0,740	3,371	0,005	0,014	0,001	-0,104	-0,183	0,239	-0,988	0,288
	2016	0,759	6,029	0,220	0,011	0,002	-0,064	0,032	0,128	-0,594	0,166
INDICATOR		Return on Assets (R O A)									
Business year	2014	0,091	-0,382	0,091	-0,018	-0,137	0,152	0,040	-0,156	0,218	0,143
	2015	0,027	0,414	-0,014	-0,010	-0,214	-0,076	-0,324	0,021	-0,295	0,076
	2016	0,201	-0,002	0,077	-0,025	-0,244	-0,081	0,036	0,019	-0,027	0,065

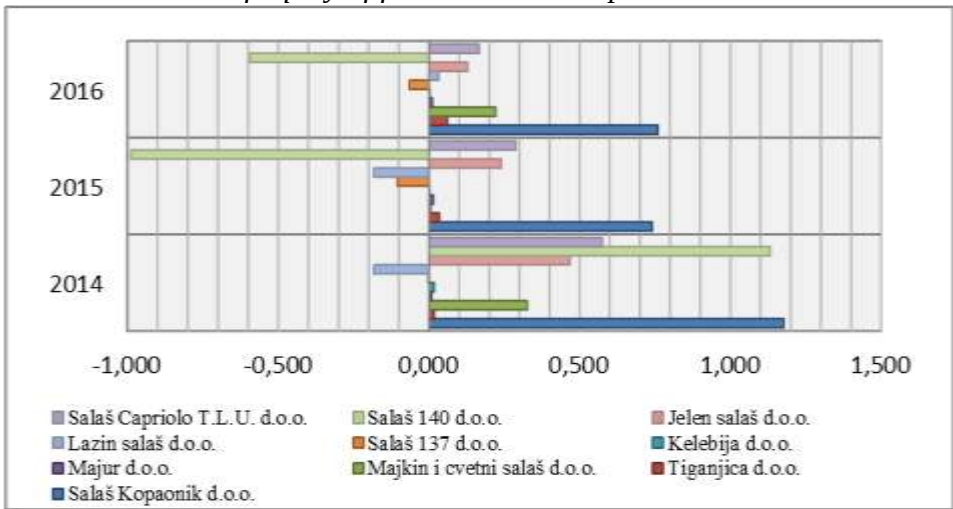
Source: Authors' calculation

Picture 1: Business profit ratio of farmsteads in period 2014-2016



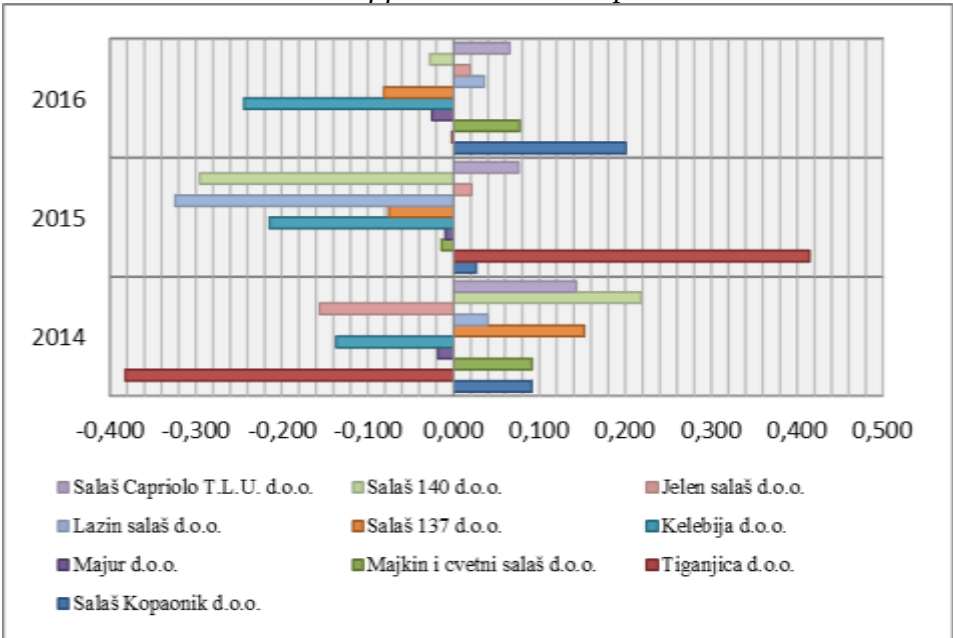
Source: Authors' calculation

Picture 2: *Return of equity of farmsteads in the period 2014-2016*



Source: *Authors' calculation*

Picture 3: *Return on assets of farmsteads in the period 2014-2016*



Source: *Authors' calculation*

As we can see on the observed farmsteads, there is a great degree of variation in all three indicators that show business success and the degree of profitability. The conclusion is that it is precisely the reason why there is a great differentiation, and that entities use exclusively their own funds

or unfavorable sources of financing. Therefore, the state and the local self-government should be directly involved in the program of assistance to rural tourism entities in order to be more receptive to the national fund for tourism development, and at the same time the funds of IPARD funds. The studied meeting has an extremely high potential, and some of the observed farmsteads achieve enviable positive results, which also influence the development of the economy of the country.

The Autonomous Province of Vojvodina has significant potential and perspectives for sustainable tourism development with a special focus on rural tourism, first of all regarding the potential of the countryside, with very preserved natural resources and anthropogenesis. In this sphere, different rural areas offer a fruitful and positive basis for further planning, making concrete business solutions and activities. Great opportunities offer a wide range of different tourist activities that come from the capacity for further sustainable development of rural tourism in Vojvodina, through creative programs that will organize all levels of tourist potential vertically and horizontally.

Table 4: *Comparative analysis of tourist arrivals and overnights in the Republic of Serbia as a whole and the Autonomous Province of Vojvodina in the period 2006-2015*

Region		Vojvodina		Republic of Serbia		Serbia/Vojvodina (%)	
Indicator Forecast		Tourist arrivals	Overnights	Tourist arrivals	Overnights	Tourist arrivals	Overnights
Real state	2006	245600	668200	1645485	5609437	6,70%	8,39%
	2015	413332	994314	2437165	6651852	5,90%	6,69%
	Difference	167732	308114	791680	1042415	-	-
	Index 2006/2015	168	145	148	119	-	-
	% Growth	68	45	48	19	-	-
Moderate growth	Estimate	917000	3209500	5504300	15000000	6,00%	4,67%
	2015	413332	994314	2437165	6651852	5,90%	6,69%
	Difference	-503668	-2215186	-3067135	-8348148	-	-
	Index 2006/2015	45	31	44	44	-	-
	% Growth	-55	-69	-56	-56	-	-
Ambitious growth	Estimate	1099500	348400	6607500	17636000	6,01%	50,62%
	2015	413332	994314	2437165	6651852	5,90%	6,69%
	Difference	-686168	-2490086	-4170335	-10984148	-	-
	Index 2006/2015	38	29	37	38	-	-
	% Growth	-62	-71	-63	-62	-	-

Source: Ministry of Trade, Tourism and Telecommunications, *Strategy for tourism development of the Republic of Serbia for the period 2016-2025*, www.mtt.gov.rs

Due to the problems faced by farms and farmsteads, as rural tourism holders in Vojvodina, they must find adequate assistance from the state and use the resources of the national and IPARD funds as an investment financial drive for further development. This should become the main and leading interest of all actors in this sector, from service providers and products, as well as from clients and tourists themselves, both from abroad and from Serbia (Vuković et al, 2009).

If we look at the current state and positioning according to the data presented by the World Travel and Tourism Council, Serbia realizes the direct contribution of Travel & Tourism to GDP was 97.3bn RSD, 2.3% of total GDP in 2016 and to rise by 5.3% pa, from 2017-2027, to 165.4bn RSD, 2.9% of total GDP in 2027. The total contribution of Travel & Tourism to GDP was 280.6bn RSD, 6.7% of GDP in 2016 (World Travel and Tourism Council).

What is very important is the contribution of the tourism sector to employment, because it is the fact is that one of the priority strategies of the Republic of Serbia is the reduction of unemployment and the direct engagement of the working-age population, which also influences the development of Serbia's economy. The situation is such that in 2016 Travel & Tourism directly supported 38,000 jobs (1.9% of total employment). This is expected to fall by 2.9% in 2017 and rise by 1.2% to 42,000 jobs (2.1% of total employment) in 2027. By indicators in 2016, the total contribution of Travel & Tourism to employment (World Travel and Tourism Council), including jobs indirectly supported by the industry was 5.0% of the total employment (99,500 jobs).

The advantages of the tourist offer of rural tourism in Vojvodina, with a focus on farmsteads, are that there are accommodation capacities, in the form of already existing or newly built accommodation facilities, catering offer in the form of a wide choice of dishes and drinks authentic for the Vojvodina region, as well as those from Serbia, and a large number of activities that can be practiced during one-day or several-day excursions, depending on the tourist organization. On the other hand, there are also weaknesses that are reflected in the modest tourist offer of domestic products with farmsteads, then a modest offer of souvenirs, but also bad tourist signaling and pathways leading to farmsteads, and poor representation of internet sites of these tourist facilities that can to get the fastest and get better. For the purpose of improving the quality and quantity of tourist services for farmsteads in Vojvodina, which would also

contribute to the development of rural tourism, and in a more global way directly influence the development of Serbia's economy, the level of quality of accommodation capacities should be raised by the state and the levels of local self-government should create educational programs for owners of farmsteads to improve the tourist offer and provide better products and services to clients or tourists. Then, from the state aspect, perform an intensive promotional performance at home, as well as in the regional and international market, because farmsteads in Vojvodina as a tourist resource represent and have many potential attractive attributes, which make this northern part of the Republic of Serbia very unique, specific and recognizable (Košić et al, 2014). By valorizing the tourist potential of farmsteads, and by improving the existing condition defined by the IPARD II programs and the Tourism Development Strategy, not only domestic, but also the demand of foreign tourists will increase.

Conclusion

The Republic of Serbia does not have an adequate development of rural tourism in accordance with the resources it has at its disposal, and most rural tourism entities do not realize satisfactory revenues, which is the case with some of the observed farmsteads. A significant reason for this is the failure to use the rich treasury of traditional agro-food products with a geographical indication for marketing purposes, as well as unused funds from national funds and now available IPARD funds. Domestic rural tourism entities, although they have placed these products through the catering offer, do not use them for the purpose of promoting and better placement in the tourism market, although they have potential for a significant positive influence on the positioning of more competitive countries (Radović et al, 2017). Traditional food and food products that are protected by a geographical indication are to be used in promotion, to be placed through the catering offer, and especially to offer tourists the opportunity to buy and take them as a souvenir, and also provide the opportunity for tourists to find within one product which would include the entire offer of transport, accommodation, food and drinks, excursions and tourist activities, use the entire contents. Rural households and farmsteads that do not have accommodation capacities, that is, they do not deal directly with rural tourism, could activate by placing products of local craft and food in the form of souvenirs or meals at a certain tourist destination in Vojvodina, thus covering a larger aspect of catering offer. It is important to point out that the existence of certain cultural, gastronomic and entropic manifestations should actively involve farmsteads with

which traditional products will be placed, and at the same time, the subjects will promote and create a great marketing image and brand. Adequate economic valorization of products and services by farmsteads and generally all subjects in the rural area would provide greater income to the population, engage and recruit new staff, increase employment, and also through education programs, adequate education would be provided to the owners of farmsteads, which would result in providing better quality services to clients, and thus ensure faster rural development of tourism, which will lead to development of Serbian economy as whole.

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DEVELOPMENT OF ANIMAL HUSBANDRY AND TOURISM AS CONCEPT OF HOMOLJE RURAL DEVELOPMENT

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Abstract

Homolje is a small area of Eastern Serbia. It is almost entirely within the municipality of Zagubica, with a few deviations. The agricultural land of the area is predominantly grasslands, natural meadows and pastures, around 69% of the total agricultural land. The most significant animal husbandry products of this traditional production are the widely known Homolje cheese, Homolje mutton, Homolje honey and trout. The rural area of Homolje represents a significant (but still unused) resource, not just for conventional food production, but for the development of sustainable organic animal husbandry, production and processing industry, forestry, water management, trade, tourism, hunting, fishing, etc. Analysis shows that, taking into account the available resources, animal husbandry and tourism development should be the main framework for Homolje rural development.

Key Words: Homolje, agricultural resources, animal husbandry development, tourism development.

JEL classification: Q1

Introduction

Homolje is small geographic area in Eastern Serbia. It borders mountain ranges on all sides, Zvižd to the north where Homolje (940 m) mountains continue, Resava to the south where mountain chain of Beljanica (1339 m) begins, lower Mlava plains are to the West and next to them are low Gornjak mountains (825 m). Geomorphological system framed in this way consists of two parts: Žagubica basin in the East and Krepoljin-

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krupaj basin in the West, between which there is Beljanica-Homolje mountain chain (Miljković, 1992).

Through the Mlava plain, Homolje is connected with the fertile lower Mlava and Stig, and via the pass on Crni vrh, it is connected to the Crnoreka and Timok basin. Through the lower parts of the Homolje Mountains and Pek valley, it connects to Zvižd and Poreč, and via slopes of west Beljanica, it connects to Resava. However, these accommodating natural benefits are not just insufficiently used but the destruction of existing roads and functions is evident. The main reason for this is the lack of high quality roads and poor maintenance of the existing ones.

From the point of hydrology, the Homolje area belongs to the upper river basin of Mlava, which flows through its middle part, and represents hydrographic framework of the entire area. Administratively, Homolje belongs almost entirely to the municipality of Žagubica. However some small deviations in territory do exist.

Municipality of Žagubica

Žagubica almost entirely belongs to the Homolje area, therefore mountain ranges border it on all sides. With around 4,000 people living there it is the center of the entire municipality.

With an average of 22 people per square kilometer, it is one of the most sparsely populated municipalities in Serbia, and according to 2011 census, 12,737 people live there. Next to the village of the same name, the municipality of Žagubica consists of 17 more villages: Bliznik, Kreznica, Vukovac, Izvarica, Jošanica, Krepoljin, Krupaja, Laznica, Lipe, Medvedica, Milanovac, Milatovac, Osanica, Ribare, Selište, Sige and Suvi Do. The Serbian population is almost 71%, followed by the Vlah population of 22%.

The Municipality of Žagubica is situated on the northern side of Beljanica on the shore of the clean and pure river Mlava. It is surrounded by intact nature, endowed with many natural riches occupying the attention of world scientists.

The Homolje underground river (potajnica), locally called “Stojanje” (Standing), is one of forty underground rivers in the world and one of three in Serbia. The Mlava spring is 74m deep and is the subject of

scientific research. Divers from many European countries go there to research. The Krupaj spring belongs to insufficiently researched springs. When numbering all the natural riches one should mention Osanička prerast, a tunnel type, stone bridge that connects the two shores of the Osanica gorge, Gornjak and Ribar gorge, Buk etc. Among the cultural and historical monuments, monastery Gornjak (1378 AD), an endowment of Knez Lazar, is on the left shore of the river Mlava, and at the exit from the municipality of Žagubica. The Trska church is the oldest monastery in the Braničevo diocese, and it is situated on the fourth kilometer of regional road Žagubica-Petrovac.

Žagubica industry is based on using the natural resources of this area, wood industry, mining, exploitation of brown coal, marble, decorative stone and forestry. The main industry of the people who live there is agriculture and animal husbandry. Development plans of the municipality are strategically committed to natural resources. However, there is an opportunity for the municipality to develop faster in tourism, animal husbandry and crop farming, as well as in the development of private entrepreneurship.

Position and size

The municipality of Žagubica is located in the southeast part of the Braničevo district, 170km southeast from Belgrade and 83km from Požarevac. The municipality of Žagubica covers the lower part of the Mlava valley and its branches. It is naturally divided into two basin parts: hilly and mountain ranges. The main and middle part is the Žagubica basin, the lower part of which is on the average elevation of 300 meters.

The second, smaller and lower part, is the Krepoljin-krupaj basin with an average elevation of 220m. Between those basins, there is a hilly area. The largest part of the basin edge, from the western, northern and north east side, is closed by the lower Gornjak (up to 825m) and Homolje (up to 940m) mountains, while the southern and eastern range borders on the higher and steeper Beljanica (1339meters) and Crni vrh massif (1043meters).

The municipality border is at the highest ranges of these mountains. It has the shape of a stretched rectangle, 35km long and 26km wide. Within these borders, it covers an area of 760 square kilometers.

Natural resources

Climate

Homolje is situated between 44° 05' and 44° 22' northern geographic width and between 21° 31' and 21° 50' eastern geographic length. This fact, among others, conditions the area to have a mild continental climate. Spring and autumn are characterized by very unpredictable weather. Summers are very stable and have occasional rainfall, while winters are very long and sharp. The coldest month in the year is January with an average temperature of almost two Celsius below zero, and the warmest month is July, with an average temperature just over nineteen Celsius. The wind in the Homolje Mountains blows most frequently from the east and southeast. This wind is known as Košava.

Hydrography

The Hydrography network of Homolje is uneven. The main artery for this area is the river Mlava. This is one of the longest rivers in Eastern Serbia. The river basin of the river Mlava in the Homolje Mountains can be divided into the part that belongs to Žagubica, and the part that belongs to the Krepoljin-Krupaj basin. Mlava springs from Žagubica hot-spring division and river Tisnica. In terms of hydrology, Homolje is very interesting. The rivers in the Krepoljin – Krupaj basin, which is known by the name Lower river, are Mlava, Krupaj river, Breznička river, Medvedička river, Dubočica and numerous streams. Springs and hot-springs can be divided into three groups: normal, karst and thermal. Normal springs are the most numerous in this area. They appear in the terrains built from water-stout geologic formations. Karst springs and hot-springs rise to the surface from limestone rock crevices and cave canals. The only intermittent spring in Eastern Serbia is the Homolje potajnica, on the northern edge of Žagubica basin. If we go from the east towards the west, the hot-springs are: Žagubica spring, Belosavac, Suvodol and Izvarik spring. There are also Mala Tisnica hot-spring, Lopusnja, Komnenska reka and Krupaj spring. Krupaj spring is situated below the western limestone slope of Beljanica at an altitude of 220 meters. Its location is within the Milanovac village. This spring belongs to the group of karst springs. The water temperature is between 9 and 11 degrees Celsius. The Žagubica spring or Mlava spring (as it is called colloquially) springs out in the southeastern part of the Žagubica basin at an altitude of 312 meters. The spring has the form of a smaller lake and the inner

surface of the spring is 655 m². The Žagubica spring has green to dark green water color and its temperature is between 9.3 and 11C.

Land

All the Homolje territory lands belong, mainly, to the automorphic group, the largest systematic section in land classification of this part of Eastern Serbia. Lands of this classification are characterized by normal moisture only under the influence of atmospheric precipitation. Exceptions are the lands next to the river Mlava and its tributaries, that get additional moisture under the influence of underground water, and rarely, via floods. Undeveloped, or initial lands, cover relatively small surfaces. To this class of lands in the Homolje Mountains, are lithosols (gravel), regosols and collative lands. Gravel grounds appear in many separate areas especially in the Beljanica and Homolje mountains. Regosols are extensive in eroding lands, in particular in arid and semi-arid areas and in mountain regions. Colloviaal lands are the most fertile lands in Homolje Mountains and they are mainly situated around the river Mlava and its tributaries.

Serbia has approximately 5,111,152 acres of arable land, 631,552 farming households. Out of the total available arable land in Serbia, only 3,437,423 acres are used; out of which furrows and gardens take 2,513,154 acres; orchards 156,657 acres, vineyards 22,150 acres, meadows and pastures 713,242 acres (table 1), (Mekić & Vasiljević, 2017).

Table 1: *General information about agricultural land usage*

Region	N ^o of households	Used arable land	Furrows and gardens	Orchards	Vineyards	Meadows and pastures
Serbia	631.552	3.437.423	2.513.154	156.657	22.150	713.242
Žagubica	3.156	18.893	6.956	559	5	11.260

Source: *Statistic yearbook – Municipalities in Serbia, 2016.*

Agriculture is one of the development priorities in the municipality of Žagubica. The municipality has an excellent climate and hydrographic conditions for animal husbandry, as well as for crop farming as the possibilities for irrigation are excellent. Moreover, there are clear water beds and clean rivers which are excellent for fish production. In the municipality of Žagubica, from the total amount of used arable land,

59.60% are meadows and pastures; Furrows and gardens are 36.82%; Orchards 2.96% and Vineyards 0.03%. Therefore, grass areas – meadows and pastures - are widespread from the lowest plains to the highest mountain ranges. Swamp terrains are situated near the river beds, they mainly consist of shrubbery, bamboo, wading spurge, buttercup, and marsh horsetail. Valley meadows are mainly transformed into furrows. On these lands there is mainly white clover, red clover, narrow leaf plantain etc. Barley and wheat are grown on 50% of land in the Žagubica municipality. The other half is under the corn of different waxing stages and other cultures. Industrial plants and tobacco are also grown.

In the municipality of Žagubica, according to the official data taken from the agricultural census which was conducted by the Republic institute for statistics in 2012, 3,145 households use agricultural lands, largely in the form of furrows and gardens where grain corn (2705 households), wheat and spelt (1669 households) are grown. According to the census, 1,040 households produce alfalfa, 945 households produce clover, and 794 households produce potatoes. The largest number of farms is family farms 98.8%, and the rest are corporate farms. Total number of 689 households rear mixed types of domestic animals, and 29 rear domestic animals in combination with different crops, while 310 households grow different crop cultures. Fruit production is organized in small agricultural lands and mainly in the areas where the climate and land conditions are favorable, lower lands, near the rivers where soil quality is higher. A small number of households have a surplus of products.

Animal husbandry

Having in mind the natural resources, (59.60% under meadows and pastures), and the climate of the hilly-mountain area, animal husbandry should be the main branch of agricultural production. Moreover, having in mind that meadows and pastures dominate in the structure of arable land, cattle and sheep breeding should be primary in animal husbandry development. Tradition, based mainly on natural resources of this area, has contributed, along with other factors, to the fact that animal husbandry is the dominant branch of agriculture in the Žagubica municipality. Villages of this area have lived off animal husbandry and its products for centuries. Today, in the 21st century, animal husbandry should be the future of agricultural production of this area. Homolje Mountain area has always been known for sheep production, therefore there is no village farming household that has never bread sheep. Animal

husbandry represents one of the best opportunities for agricultural development in the municipality of Žagubica, especially bearing in mind the quality and size of the animal fund that used to exist in this area. In the past decade, the number of sheep in the Zagubica municipality has decreased by approximately 3,000, the number of cattle by 2,500 animals. Cattle and pig fattening has decreased too. It is worrying that in this municipality that has all the necessary conditions for domestic animal rearing, there is no farmer who can deliver 100 liters of milk. There used to be hundreds of farmers who delivered even more. It is a great pity that in the Homolje Mountains today, there are no true farmers, and the milk producers are gone, even though pastures and the other essentials are present. The destiny of the Žagubica municipality is in many ways a reflection of the state of animal husbandry in the Republic of Serbia. In the Republic of Serbia, the state of the animal fund, from census from 01.12.2017 compared to the previous condition is: number of cattle has increased by 0.7%, sheep by 2.4 and poultry by 0.6%, while the number of pigs has decreased by 3.7%, goats by 8.8%. Cattle is mainly reared in the region of Šumadia and Western Serbia (45.9% compared to total number of cattle in the Republic of Serbia territory) and pigs reared in the Vojvodina region (41,9%). Compared to the ten year average (2007-2016), the total number of cattle is lower by 6.2%, pigs by 13.5% , goats by 23.2% and poultry by 10.6%, while the number of sheep has increased by 5.8%. Conditions for animal husbandry from the point of ensuring the quality and amount of animal food are favorable. With the development of the animal husbandry production based on available agro ecologic potentials it is possible to positively influence structural changes in agriculture, especially in plant production, actually to adjust the structure of corresponding agroindustrial production (meat, milk and skin processing). Development of this branch is highly conditioned by the possibilities of domestic and foreign marketing (Mekić & Novaković, 2012).

Cattle production in Serbia represents a base for modern animal husbandry production, it partakes in the production with about 41.5%, while in total meat production it partakes with 22-25%. In the last years, cattle breeding has had a tendency for decreasing, and in 2017, the registered number of cattle was 898,650 which is lower by 23,5% compared to the period of 1988-90. Cattle production in Serbia partakes in world cattle production with 0.2%, or 1.1% in European production, which shows relatively marginal significance in the world. In the eighties Serbia exported approximately 20 thousand tons of high quality beef –

baby beef. In the recent years only 4-5% of that milestone is exported, Serbia gives only 10-12% of preferable quote from EU which is 9,870 tons. From the point of the economy, export has decreased from 35 million USD to 4-5 million USD. Next to export to traditional markets of Greece and Italy now there is Montenegro, BiH and Macedonian market available. With that goal, in order to stimulate “export mentality” of domestic agriculture and food industry to achieve beef export quote for EU market, it is needed to start a program that would enable beef meat production. The program starting point will be based on the cattle breeding analysis as most significant animal husbandry branch in Serbia, on the recognition and thorough preparation of potential participants, on the development of infrastructure support (marketing, informing and quality). The potential markets for Serbian product placement next to EU are Russian federation markets and some markets from Middle East.

Organizing of beef production, next to mentioned development goals, can be realized through four goals of regional politics:

- Achievement of sustainable development on local and regional levels;
- Development of human resources in order to keep the people from migrating through opening new working perspectives and employment;
- Preservation of rural spaces, its validation and optimal exploitation, and
- Development of competitive and restructured activities with special attention given to development of small and medium enterprises, (Mekić et al., 2011).

Sheep production is present on 99% of individual farms, therefore development programs should be adjusted to that sector, which could significantly, with new technologies, contribute to the intensification of meat, milk and wool production. Optimal but unused agro-ecologic potentials, especially in hilly-mountain areas, extensive and natural animal husbandry production are characteristic of the sheep production of Serbia.

According to the animal count, sheep are on fourth position in the Serbian animal husbandry. Average figure of 1,5-1,7 million sheep places it on the fourth place in mutton production too, where around 20.000 tons of meat is produced. According to the statistical data since 1985 until 2016, mutton production is at the level of around 32,000 tons. This unfavorable production was influenced by the decrease of breeding stock, unfortunately they were slaughtered for meat and not used for

reproduction as they should have been. Export results are menial and they do not represent potentials that Serbia has for mutton production. Mutton production, if number of animals were to be increased along with genetic improvement and breeding, diet and care, could reach around 40.000 tons per year.

Relatively small number of sheep in farms is negatively influenced by many factors:

- Difficult farming conditions;
- Parity price relations and low prices of mutton;
- Low farmer solvency;
- Problems with lamb sale;
- Decreased village population;
- Decreased people buying power, and etc.

Achieved results in the animal husbandry production

The existing animal fund, although unsatisfying compared to available agricultural resources, represents very significant development resource. Animal genetic abilities have to be systematically and intensively improved as well as technology and production organization. The intensifying of production in animal husbandry and increase in its share in total agricultural production structure can be ensured by encouraging the change of racial composition of domestic animals and by an increase in meat and milk production per animal (Mekić & Novaković, 2013).

Development of agricultural production based on available agro-ecology resources, with aim on rumnivorae production, can have positive influence on structural changes in agriculture. The changes would be most prominent in crop production which would adjust its agroindustry structure to correspond the demands (meat, milk and skin processing). Development of this branch of agriculture is highly conditioned by the possibility to market the products on domestic and foreign markets. Today, animal husbandry in the Republic of Serbia is, in spite of very favorable conditions, in great crisis. Number of domestic animals in the last decade has been decreasing yearly by 2-3%, meat production has dropped from 600.000 t (in the 90-ies) to 465.000 t today, meat consumption has decreased from 65 kg to around 43,3 kg per resident. In the year 2016, the total value of realized animal husbandry production in Serbia was estimated to 1.802 million USD, which represents a decrease

by 1,69% compared to 2015. In the total value of agriculture production in the year 2016, plant production participated with 66.6% and animal husbandry with 33.4%. Today, on the territory of the Žagubica municipality, according to the statistical data for Serbian municipalities for 2016, 5,967 cattle, 10,603 pigs, 12,707 sheep and 93,583 poultry are being reared. This region is known by its traditional products which are made within households. Largest amount of milk produced in the Homolje Mountains is still used for production of cow mixed or sheep white cheese. Having in mind the significance of animal husbandry for the development of this region, significantly higher investments are needed for this economic sector, specifically agriculture. Faster and higher quality development of animal husbandry (cattle and sheep breeding) would create space for a significantly higher meat production, milk, milk products, wool and skin production. Only the origin of these products would make their demand higher (it is high even today, on the markets of large cities in Serbia and Montenegro), and income from those products would be significant. Obtained income from this “healthy food” would speed up the revitalization of this region, especially villages. In order for cattle and sheep breeding to gain significance, it is necessary to improve forage base. For meadow and pasture improvements, a special program for melioration and other agro-technic measures are needed. It is essential to improve the breed composition of domestic animals. On the territory of the Žagubica municipality, there are more than 2,000 registered farms and that number is constantly increasing due to the numerous subsidies and incentives from the state. Ministry budget for 2018 and agriculture is 44 billion dinars which is by 5.2 billion (11,8%) more than in 2017. By implementing one long-term project for animal husbandry development, local authorities should significantly help development of sheep farming as important branch of animal husbandry production. Sheep farming is traditional and culturally interesting in everyday life of local people, which has been brought lately to unenviable position.

Development directions and structural changes in animal husbandry

The causes of the current animal husbandry situation are well known, and they are, above all, due to the fact that price parity is unfavorable, the market is lost, there is an inability to export (except beef and thermally processed pork), the buying power has decreased, the financing and support system has been damaged, the funds in the budget are insufficient, bad privatization processes have led to a disintegration in the

primary production and processing, there is an inadequate functioning of stock reserves, etc. The main development directions in animal husbandry future production should be directed towards eliminating the balance deficit of certain animal origin products, increase of consumption per person and towards export growth. In order to fulfill those goals, it is necessary to provide proper healthcare for the animals, proper quality of animal origin food, and adequate veterinary control for milk, meat and egg yielding animals. Everything in the chain starting from nutrition and identification of animals has to be a long-term systematic stimulation of the animal husbandry production. If entire structure of the animal husbandry production is changed, animal husbandry products will have much higher potential for exporting (Mekić & Vasiljević, 2017).

Economic incentives that are adjusted to the length of biology cycle and to the speed of investment turnover would help increase final body weight of fattened cattle (480-550 kg). If that is followed it is estimated that in the next five to seven years beef production can be increased by approximately 150 thousand tons (370 thousand fattened animals), and by 2030 to around 180 thousand tons (720 thousand fattened animals). Based on that, beef, especially high quality baby beef can again become one of the lead export products on present and new markets. It is estimated that average milk yield for cows (if existing animal numbers are increased and breed composition is changed) could be increased to around 4,000 litres, in these conditions the total production of raw milk can rise up to 1,920 billion liters. Moreover, the sheep and goat milk is expected to increase to around 200 million liters. Total milk production should be within 2.1 billion liters, and it would satisfy demands of domestic market for fresh milk and milk products.

Significant part of produced milk could be exported as milk products and authentic products of high quality (white cheese, milk cream, hard cheese). Production of mutton, if number of animals is to be increased and genetic traits of sheep improved along with nutrition and care, could reach around 4,500 tons, where lamb meat would be the dominant product. Total production of basic types of meat could reach around 635 thousand tons by 2025, if game, horse, fish and entrails are taken into consideration it would reach around 850 thousand tons. That would satisfy the total demand of domestic market (meat consumption around 63-67 kg per resident) and enable yearly export of around 100-135 thousand tons of meat and processed products.

Concept of cattle and sheep breeding development

Genetic improvement of cattle breeding: Considering the ecologic conditions and natural potential of the Homolje Mountain area, the cattle for combined production (milk-meat, meat-milk) that the domestic spotted Simmental type belongs to should be reared. In extensive and semi-extensive conditions, the development would go towards meat-milk production, while in intensive conditions milk-meat direction would be taken. Domestic spotted cattle would be improved by selection and crossing. Breeders of domestic spotted cattle that have a production direction towards meat-milk would be producers of high quality bullocks for sale and for fattening (Mekić & Novaković, 2012).

Farmers that have better breeding conditions would go for milk-meat production and they would produce milk, calf and bullocks. They would rear larger number of cows where selection would be made for higher milk yield. A controlled reproduction must be the base for improvement.

Therefore, it is needed to make a plan for artificial insemination of cattle that includes all measures to improve the work of this service, because if this problem is not addressed the improvements cannot be applied.

It is necessary to solve the problem of obtaining good quality pregnant heifers in order to change breed composition and improve the level of production. There is an interest for good quality reproductive material, however due to the lack of funds, the possibility to buy good quality breeding cattle is very limited. Cattle production requires state support in the long run in order to feel the effects of applied improvement measures.

Improvement of sheep production: The main orientation in intensive sheep production today is the production of high amounts of high quality mutton per sheep during the year and usage period, higher milk yield and improvement of wool yield and its quality.

In the future period it is necessary to take certain measures in order to improve sheep production:

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

Considering that sheep production is mainly oriented to individual farms, large farms should be formed with 100-300 sheep for reproduction, and they would be meat, milk and wool producers. Professional services would give special attention to those farms.

Genetic improvement and sheep improvement program: According to the breeding selection program (Breeding aim and genetic improvement strategy) improvement of genetic potential and breed change of Republic of Serbia should be realized by following these: 1) breeding domestic strains of pramenka in pure breed in order to preserve genetic resources; 2) to change heredity base of certain number of pramenka breed – by creating new permanent population and types; 3) by directing and building upon wanted traits of already existing mix breeds within defined breeding program. In this regard, concept of genetic improvement of sheep in Žagubica municipality (in short) would be as follows: it is needed to create new more productive populations of lighter type dual production (meat-wool), and keeping milk production at a superior level. Within genetic concept, combination crossing should be used, selected flocks of Svrlijig pramenka as the female parent and merino light type rams, for example Wurttemberg sheep, as the male parent. The aim is to create programmed population with specific genetic combination, production and traits per animal: body weight of fully grown sheep 50-55 kg; rams 70-90 kg; unwashed wool yield per sheep 3,0-3,5 kg; ram 4,0-5,0 kg; fiber diameter 25-29 micrometers; lock length 10-12 cm; fertility 120%; milk yield 80-90 kg; solid constitution and good health. However, breeding conditions have to be improved compared to the traditional way of breeding pramenka sheep breed which is still present (bad housing, inadequate and bad nutrition).

Development of organic animal husbandry production

Due to the remoteness from big city centers and limited funds of individual farmers in Žagubica municipality, soil, water and air are not affected with high pollution. Therefore, this area is excellent for organic food production especially in the Homolje region. The growing number of consumers who demand food of high biologic value influence the increase in organic production. Organic agricultural production whose synonym is also ecologic production or biologic agriculture is not a new branch of agriculture (Kovačević et al., 1997).

However, in order for one farm to be characterized as “organic”, it is necessary to fulfill numerous conditions, since this type of animal husbandry is very different from the conventional production, especially from the industrial one.

Most differences are in the field where great attention is given to protection and preservation of environment in organic animal husbandry farms. One of the solutions which will stop degradation of environment is crossing from conventional to organic agriculture. Agriculture of hilly-mountain areas is very close to organic type. Large amount of arable surfaces can be instantly classified and certified without conversion period. Organic production in animal husbandry means that health problems are mainly resolved by prevention.

Fresh water fishery concept

The rivers in the Žagubica municipality are the base for development of fresh water fishing, especially trout breeding. Development of fresh water fishery in the Žagubica municipality can be realized via:

- Aquaculture development;
- Development of sports and recreational fishing.

Aquaculture development (rearing of water organisms in prebuilt objects) should be done through:

- Improvement of production at existing (they should be renovated) cold water (trout) fisheries;
- Building of new cold water (trout) fisheries.
- Development of sports and recreational fishing would also go through several phases:
 - Overview of conditions for recreational and sports fishing;
 - Development of plans, elaborate reports, bases for proper ownership and manipulation of fishing waters;
 - Development of secondary conditions for recreational and sports fishing.

Beekeeping

Next to above numbered branches of agricultural development significant place is given to beekeeping development.

Tourism

Movements on the global economic market during the end of the last century included ecologic component in their analysis (Pejanović & Vujović, 2008). The concept of sustainable development is getting its place on the tourist market. Ecotourism as a modern form of selective tourism (tourism with special demands) has become a more significant segment of total tourist development of many countries during the beginning of 21st century (Milenković & Bošković, 2012). Agriculture tourism as a branch of tourism has begun to develop intensively in the area of Žagubica municipality in the past ten years. Many motels have been built and new ones are in the planning stage. Future orientation in the tourism development in the Homolje Mountains should be based on village tourism. Village tourism in the Homolje Mountains has great prospects and big potential in this area. That form of tourism can give great contribution to nature preservation, and contribute to village development and survival (Štrbac & Hamović, 2011). The ethno Village “Trska” is located in the Žagubica municipality in Braničevo area, and its architecture dates from older times. This ethno village is situated near the river Mlava in the clean and preserved nature of fertile plains of the Homolje Mountains. The Homolje area is ideal for intensive rural development, functioning of mutually connected economic activities (agriculture, processing industry, forestry, water management, trade, tourism, manufactories, hunting, fisheries etc (Prentović et al., 2016). Hunting tourism can become a significant factor of rural development in the Homolje Mountains because there are enough available resources. Natural touristic potentials are caves Ceremošnja and Ravnistarka which are well known and the most attractive ones. For passionate fisherman and river enthusiasts, the Mlava spring in Žagubica and Krupaj spring should be mentioned.

From religious monuments most significant ones are monastery Gornjak (Knez Lazar's endowment), monastery Vitovnica (King Milutin's endowment), the Trska church, Blagovestenje Monastery and many others.

Geo-thermal spring “Warm water” in Ždrelo is one of the mostly visited thermal springs of this area. Homolje meadows and pastures are full of medicinal herbs and honey bearing plants, which contributes to the reputation of the Homolje honey in Serbia and abroad. The Homolje honey is a product that has double protection, first one was from

Intellectual property office 2008 when it got the proof of origin, and the second is the International geographic origin sigil. By far famous Homolje cheese and milk have always been a trademark of Braničevo, famous for the unpolluted environment, untouched nature, altitude between 500-800meters, pastures full of medicinal herbs, as well as the milk products from this area that have been on the EU, USA and Japan markets since a long time ago. Next to the mentioned products there are other well known products like Homolje lamb, trout, corn meal, different brandies.

Healthy food production, medicinal herbs production, hunting, fishing enable development of numerous types of eco-tourism in this area.

Conclusion

Above mentioned directions for regional development of the Homolje Mountain area, municipality of the Žagubica can provide higher degree of functional integration of this geographic area by defining priority activities and solving imminent development problems. Suggested realization of animal husbandry and tourism development of the Žagubica municipality is a lasting process and it cannot be conducted sporadically by implementing just some solutions. It is necessary to set priorities and problems of development, which will be solved one at the time, through cooperation with local government and society. It is possible to utilize existing unused natural resources in order to increase the production, sustainable organic animal husbandry production by improving animal husbandry production (which is at very low level today – especially in terms of production). Therefore, the possibility for organic food production, creation of protected brands such as the Homolje honey with geographic origin, cheese, lamb, existing authentic village housing conditions enable development of eco-tourism which is a chance that the analyzed region should use.

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CONSIDERATIONS ON AGROTOURISM IN NORTH-EAST REGION OF ROMANIA

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Abstract

The paper presents an analysis of the tourist potential of Suceava County in the North Region of Romania, as well as at country level, aspects related to relief, climate, network hydrography and tourism potential. Based on these considerations, we analyzed the number of boarding houses, the existing accommodation structures and the number of Romanian and foreign tourists from the analyzed period 2012-2016. The purpose of this paper is to determine the opportunity to build or modernize an agro-tourist hostel in the NE Region of Romania, more precisely in Suceava County.

Key Words: agritourism, boarding houses, tourists

JEL classification: R11, R12, Z32

Introduction

Within European countries, Romania ranks 12th, with about 3% of the continent's surface. Being in the center of Europe, Romania has a temperate continental climate and a varied and balanced relief, with large relief forms (mountains, hills and plains) each occupying approximately 33% of the country's surface. From the territorial administrative point of view, Romania is divided into 40 counties. Since 2004, eight development regions have been created in accordance with Law no.315, by bringing together several counties. The purpose of creating these development regions was to be able to apply European regional development policies, which aim at reducing regional imbalances, linking sectoral policies, stimulating interregional cooperation.

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The North-East Region is the largest development region of Romania, a NUTS 2 territorial-statistical unit, according to EUROSTAT classification. The North-East Region of Romania is one of the eight development regions and consists of six counties: Suceava, Botosani, Neamt, Iasi, Bacau, Vaslui. It has an area of 36,850 km², representing 15.46% of the country's total area, and the external borders of the region are with Ukraine and the Republic of Moldova.

Photo 1: *The development Regions of Romania*



Source: <https://goo.gl/vnbG8j>

The North-East Region of Romania has a varied, harmonious relief: 30% of mountains, 30% of sub-Carpathian relief, 40% of plateaus. The landscape varies from west to east, descending as altitude from the mountain to the plateau, rich in lakes, vineyards and agricultural areas. With a rich history and culture, the North-Eastern Region of Romania perfectly combines traditional with modern, its tourism potential being the basis for the development of rural tourism in the area.

Suceava County occupies 4% of Romania's territory, ranking second after Timis County. The size of Suceava County (8,553 sq. Km) explains the geological variety of landscape as well as of natural resources, being formed in 65% of the mountains with average heights between 1,500-2,000 m and 35% hills and plateaus with average heights between 460-520. In relation to the major geographical units of Romania, Suceava County overlaps partially with the Oriental Carpathians and the Suceava Plateau. From the west to the east, the relief has a gradual decrease in altitude, the types of relief being oriented in north-south direction and

generally parallel, imparting to it the shoring and diversification of natural environment components. The Suceava Mountains are covered by extensive forests and natural meadows and are rich in balneo-tourism resources. Within the mountain range, a number of depressions have been developed, of which the most important is Dornei Depression, where the famous resort Vatra Dornei is located, as well as a number of tourist attractions such as meadows, terraces, and peatlands.

The climate in Suceava County is almost equally a continental climate (in the eastern part) and a moderate continental climate (in the western part). Coming from the west, the air masses gradually lose their moisture during the Eastern Carpathians crossing, so that in the eastern part of the county the climate suffers a process of continentalization. Nordic air brings snow in winter and cold rain in spring and autumn. From the east, the county receives continental climate influences with summer drought, with clear sky, frost and snow in winter. Minimum temperatures sometimes drop to -38.5°C and the highest temperature was $+39.8^{\circ}\text{C}$. Precipitation varies from year to year and ranges from 800 to 1,200 mm, depending on the area.

The flora is composed of softwood and hardwood forests occupying more than 52% of the county. The ratio between the two types of forest is 80% for conifers and 20% for hardwoods (beech, oak, hornbeam, ash, linden, birch). Among the shrubs, we mention raspberries, blueberries, rosehips and cranberry. There are also a few protected trees: Oak from Cajvana (500 years), Oak from Botosana (350 years), Elms from Campulung Moldovenesc (500 years). The Bucovina Mountains are home to many rare flora species: sângele voinicului (the Blood of the brave man - Calimani Mountains), floarea de colt (the edelweiss - Rarău, Călimani), bujorul de munte (mountain peony - Călimani, Suhard), papucul doamnei (the Slipper of the Lady), brusturul negru (the Black Rust), argințică (dryas - Rarău-Giumalău) creating a scenic landscape.

On the territory of Suceava County there are over 20 natural reserves: floristic, forestry, geological and mixed. The fauna is rich and precious, including many species of high hunting value: carpathian bears and deer, roebuck, lynx, wolf, fox, squirrel, wildcat, marten, herminia, ferret, blackcock, pheasant, species of eagles and owls. Mountain rivers shelter rare species of fish: the huchen (*Hucho hucho*), the rainbow trout (*Oncorhynchus mykiss*), the grayling (*Thymallus thymallus*), the common

barbel (*Barbus barbus*), the common chub (*Squalius cephalus*), the common nase (*Chondrostoma nasus*).

The hydrographic network of Suceava County consists of rivers (Suceava, Moldova, Bistrita and Dorna), lakes (natural, anthropic, hydroelectric storage), ponds, swamps and important underground water reserves, totaling a length of 3.092 km, being tributaries of the Siret. The territory of the county includes inexhaustible amounts of mineral and mineralized, carbonated, sulphated, sulphurous and chlorinated waters. Only in Dorna Depression, there are more than 40 mineral springs, the most famous being the ones from Vatra Dornei, Șaru Dornei, Poiana Negri, Coșna, etc. Numerous springs in Broșteni, Gura Humorului, Solca areas are not yet harnessed.

Photo 2: *Vatra Dornei, Suceava County*



Source: <https://goo.gl/kuCMGL>

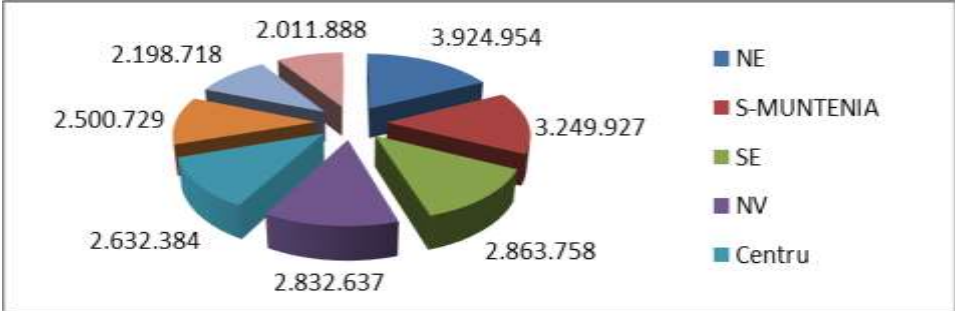
Suceava County is an ancient and dense heart of civilization and Romanian culture. The Suceava millennia have been inscribed in the history of the Romanians by the decisive role their forefathers had at the beginning of the Middle Ages in setting up and affirming the first fairs and pre-state political formations in organizing and finalizing the struggle against the rule of the Tartars and Hungarians, chosen in the consolidation, development and consolidation of the Romanian feudal state from the East of the Carpathians.

Here were the first three capitals of Moldavia: Baia, Siret and Suceava, the towns of Șcheia and the Citadel of Suceava, a durable and impressive collection of monuments and voivodean and boyar necropolises: Putna, Voroneț, Moldovita, Sucevita, Humor, Dragomirna, Arbore, monuments

and centers of art and culture with invaluable national and universal heritage values, comparable to Italian Renaissance or Western European art.

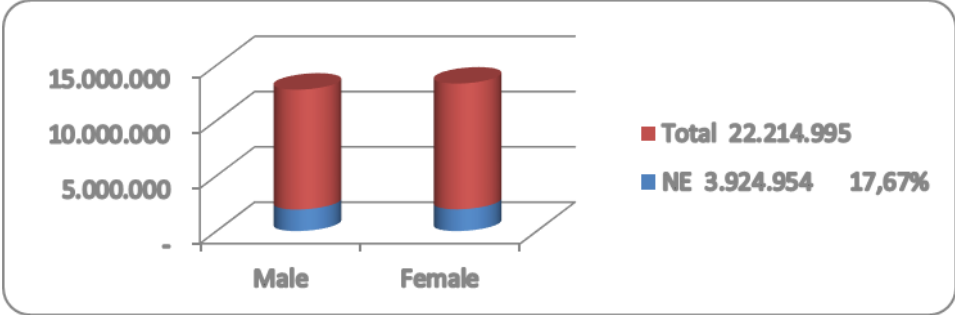
Together with the majority Romanian population, on the territory of Suceava County, other nationalities live in full understanding. Their share in the total population is 3.4%, the Ukrainians, Germans, Poles, Russians, Lipovans, Jews and other nationalities being representative.

Graph 1: *Number of inhabitants per Macroregions of development*



Source: *NIS data processing*

Chart 2: *Population structure by sex*

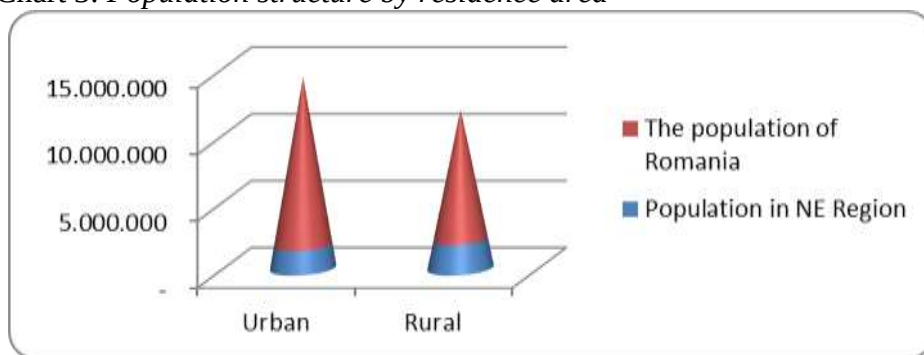


Source: *NIS data processing*

On July 1, 2016, Romania had a population of 22,214,995 inhabitants. The NE Region of Romania led detached in the Macroregions with 3,924,954 inhabitants (17.67%), and in terms of density it occupies the second place after the Bucharest-Ilfov Region (Chart 1). Chart 2 shows that the share of men is 49.73% (1,951,730 males) and that of women of 50.27% (1,973,224 women) with the same trend as the whole country (Chart 2).

Of the total population of the North East Region of Romania, 55,02% live in rural areas. The employed population is close to the country average of 33.8%. A very large share is held by the employed population in agriculture (42.7%), especially in Botoșani County (52.9%) and in Vaslui County (51.2%). The share of the employed population in industry and services is below the national average (23.5%), respectively 19.4%, Botoșani (15.1%) and Suceava (16.8%) with the lowest employment rate in the industry sector, and Vaslui County (30.0%) in services (Chart 3)

Chart 3: *Population structure by residence area*



Source: *NIS data processing*

Also, these counties face a marked lag behind in terms of industrial and agrarian technology, as well as a low level of population qualification. In recent years, there has been a fall in the share of the employed population (from 64.2% in 2000 to 33.8% in 2005). Many older people in this region work temporarily or permanently in economic activities in Bucharest, Banat, Transylvania, Western Europe and Israel.

The first group of villages was made according to the natural-geographic environment, these being divided according to the relief form, where they are located in: the villages of the plain, the hill villages, the mountain villages. According to the economic profile of the locality and the main activities of the population, the villages are divided into: villages with agricultural profile, villages with forest profile, villages with tourism profile. All rural localities have a number of specific features determined by certain indicators, such as: land use; the form of land ownership; the share of agricultural output produced by peasant farms; employment; demographics; the way of living; degree of urbanization and modernization of localities. (Marin, A., 2013).

From a morpho-structural point of view, the Bukovina villages fall into the category of the scattered villages, being less influenced by the relief and more by the occupation of the inhabitants. They can be of three kinds: linear: those that develop along the water and/or roads; areola: having a polygonal or circular shape; alveolar: with polynuclear form. The core is the center of the village where the City Hall, the school and the church are. (Marin, A., 2013).

In the villages of Bucovina, after the departure of the young male working population, there is also a tendency for emigration of women to work abroad, so that in many localities there are only elderly people and children. In many of these localities the construction activity is impressive, the raw material used being wood. In this way, the discrepancies between the localities of the region from the point of view of the general level of development and especially of the infrastructure facilities have been emphasized. Unemployment is higher (6.8%) than national (5.9%). The female unemployment rate is below the national unemployment rate in all counties in the region. The causes can be found in the existence of more jobs for women (clothing and hotel industry) and the fact that many women are already working abroad. For this paper we have made an analysis of Suceava County as an integral part of Romania's Northeastern Region.

Tourism in the NE Region of Romania

Tourism exploits the natural and human potential of a country, enriching them continually, satisfying multiple human motivations. It has a multiplier effect, introducing into the economic circuit unusual sides such as landscape (for its "consumption" being necessary to go the site), hospitality, solicitude and information (geographical, cultural, historical, culinary, artistic, etc.) (Crețu, R., 2013).

The rural tourism, in its entirety, includes a wide range of ways of accommodation, activities, events, celebrations, sports and entertainment, all taking place in a typical rural environment. It is a concept that includes tourist activity organized and led by local rural population and is based on a close connection with the natural and human environment. The rural tourism represents the type of tourism, focusing on destinations in rural areas, providing a functional structure of accommodation and other heterogeneous services (Gheorghilaș, A., 2014).

The practice of mountain tourism in Suceava County is favored by the potential offered by the varied relief (culvanic, karst), the favorable climate and the diverse flora, offering conditions for hiking, climbing, mountaineering, equitation, hunting, fishing, mountain biking, via ferrata, rafting, paragliding, winter sports.

Spa tourism is used by a large category of tourists, this being the part of tourism where the motivation is to preserve or regain health. Suceava County has a high natural potential for balneary treatment of various diseases in resorts such as Vatra Dornei (carbonated mineral waters), Tinovul Mare, Poiana Stampei (peat mud), Iacobenii (sulphurous waters).

As far as **cultural tourism** is concerned, there are numerous historical and military objectives (Șcheia Citadel, Suceava Fortress and Zamca Castle), civil buildings (Princely Court and Princely Inn in Suceava), as well as over 25 museums among which: Suceava History Museum, Bucovina Village Museum in Suceava, Museum of Natural Sciences in Suceava, Suceava Ethnographic Museum, etc. Bucovina is famous for its ethnographic museums (Suceava, Rădăuți, Gura Humorului, Câmpulung Moldovenesc, Solca, Vatra Dornei, Vama, Marginea), as well as for the important creation centers or individual workshops of the famous craftsmen for their crafts: icons, knitwear, leather, woodworking. The existence of the eight monasteries and churches included in the UNESCO heritage: Moldovita, Voronet, Humor, Probota, Arbore, Patrauti, St. Gheorghe of the Monastery, St. John the New in Suceava, Sucevita, as well as the other places of worship, such as Putna, Dragomirna, Slatina, Rasca, Bogdana, Bailesti, Baia, determine the manifestation of religious tourism in two forms: visits to holy places and religious pilgrimages celebrations of worship, monasteries and churches patrons.

Ecotourism is that form of tourism where the main motivation of the tourist is to observe and appreciate nature. The uniqueness of Călimani National Park, the Bogdăneasa Natural Park and the dendrological one from Radauti, as well as the beauty of nature reserves are potential for the practice of ecotourism at the local level.

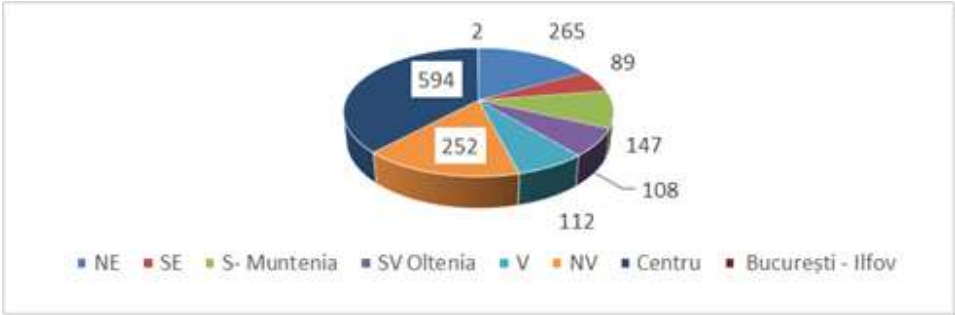
Rural tourism and agritourism have become particularly important in the last decade, as more and more tourists come to settle in the homes of locals, attracted by the possibility of discovering the environment, changing the way of life, as well as sports activities in nature. The recreational offer in rural tourism is represented by horseback riding,

pedestrian walking, cycling, fishing and hunting, visits to the sheepfolds, tasting of products specific to peasant cuisine.

Rural tourism is an exciting alternative, especially for teambuilding programs, for groups that do not exceed 30 people, because it offers a much wider range of entertainment such as campfire, outdoor grill, food flavor "as in mother's home", practicing various sports, excursions and hiking. As in all countries of the world, the economic crisis has also affected Romania. This has particularly affected the agricultural sector, with the population having to shift to other areas of activity. Thus, agritourism was an opportunity for locals who are willing to try other activities to ensure their living by receiving tourists in their homes. It can also be a good business for those living in big cities who want to give up stressful life in favor of the quiet rural environment. Agrotourism contains a great variety and uniqueness in delivering services to people who love nature, culture and peasant art.

From the point of view of entertainment, agritourism is a form of tourism with a wide variety and uniqueness in delivering services to people who love nature, culture and peasant art. Agrotourism is therefore closely linked to agricultural activities which can be a complementary solution to directly support its development with good social and economic results (Marin, A., Godja (Dănilă), D. I., 2017).

Graph 4: *Number of agro-touristic pensions in 2012*



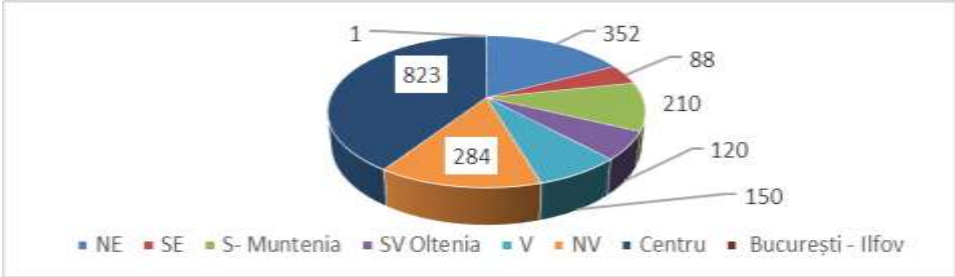
Source: *NIS data processing*

From the data published by the National Institute of Statistics we have collected and processed the information regarding the number of agritourist pensions with accommodation possibilities in Romania. Graph 4 shows that the region with the most agrotourist hostels in Romania in 2012 was in the Center (594), followed by NE Region (265). The share of

pensions in the NE Region of Romania in the total of the country represents 17, 89%, ensuring it a comfortable place 2. The variations in the analyzed period were not very high from one year to the next, but comparing the beginning and end of the interval (2012/2016), the differences are significant.

Thus, at country level, there is an increase in the number of agrotourist pensions by 459, which is 29.25%. On the first place is located the Center Region with 823 agrotourist hostels. The increase was 229 accommodation units, representing 38.55%. On the 2nd place is maintained NE Region with 352 agrotourist hostels. The increase, in this case, was 87 pensions, representing 32.83%. (Chart no. 5)

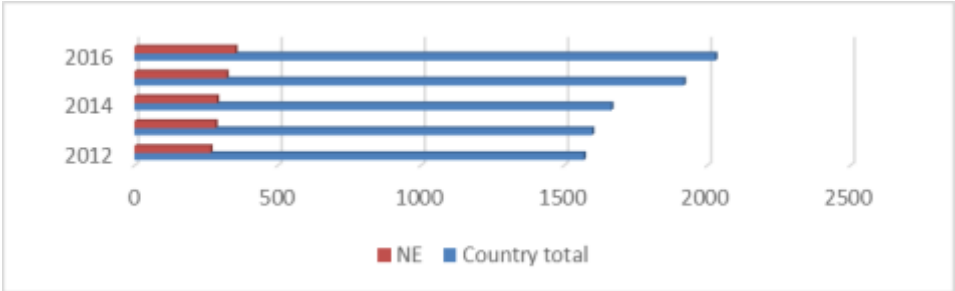
Chart 5: Number of agro-touristic pensions in 2016



Source: NIS data processing

Regarding the number of agro-touristic pensions in the NE Region of Romania, which is the subject of this study, we observe two things: the first is that due to the increase at the country level, in the NE region there is an increase in the number of pensions from 265 in 2012 to 352 in 2016 (Chart 6).

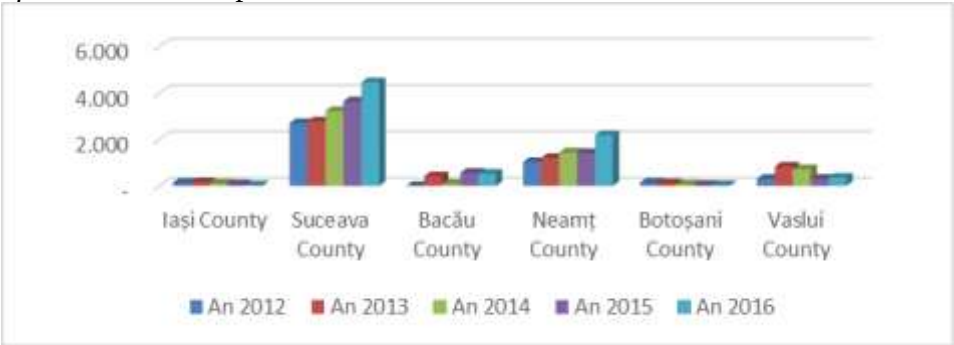
Graph 6: The number of agro-touristic pensions in NE Region compared to the total per country



Source: NIS data processing

Starting from the number of agrotourist hostels registered in the period 2012-2016, we analyze their structure in the six counties of the NE Region. Thus, in the region studied on the first place on the number of agrotouristic pensions is located Suceava County, followed by Neamț County (Chart no.7).

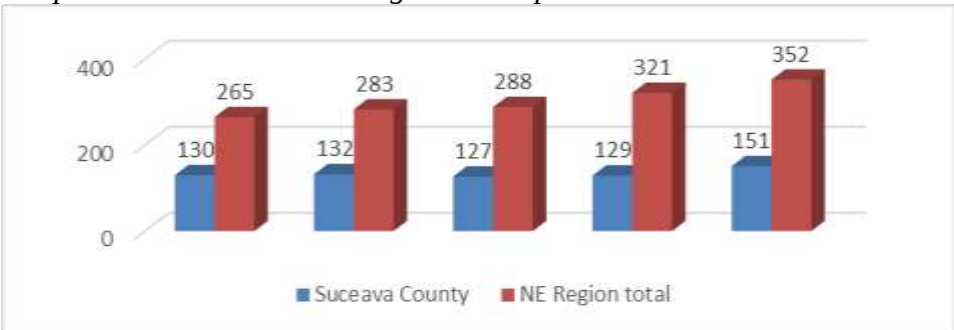
Chart 7: *Number of agro-touristic pensions on counties in the NE Region of Romania in the period 2012-2016*



Source: *NIS data processing*

In 2012, out of the total of 265 agro-tourism hostels in NE Region, 130 (49%) were registered in Suceava County. In 2013, out of 283 agrotourist hostels 132 (46.64%) were registered in Suceava County. In 2014 and 2015, their number dropped to 127 and 129 respectively, with shares in the region totaling 44% and 40%, respectively. In 2016, the situation is remedied, the number of agrotouristic pensions in Suceava County reaching 151 (42.9%), exceeding by 21 the number of the reference year 2012 (Chart 8).

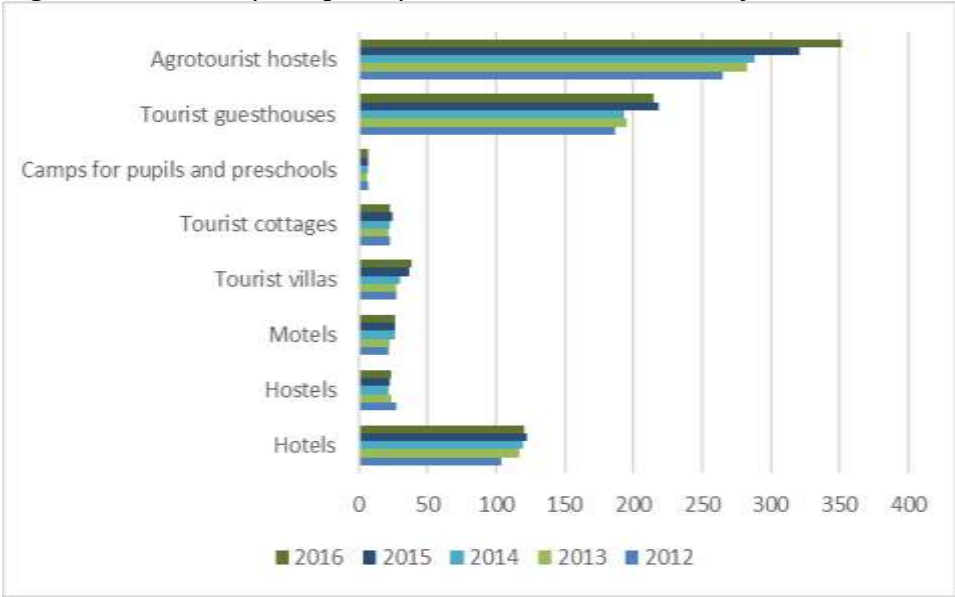
Chart 8: *The number of agrotourist pensions in Suceava County compared to that in the NE Region in the period 2012-2016*



Source: *NIS data processing*

According to the data analysis, at the NE region the trend registered by the number of agrotourist hostels was increasing over the whole analyzed period, while in Suceava County it had a sinusoidal form (increase in 2012 and 2013, followed by a decrease in 2014 and a spectacular comeback in 2015 and 2016).

Figure 9: *Number of reception facilities in Suceava County in 2012-2016*



Source: NIS data processing

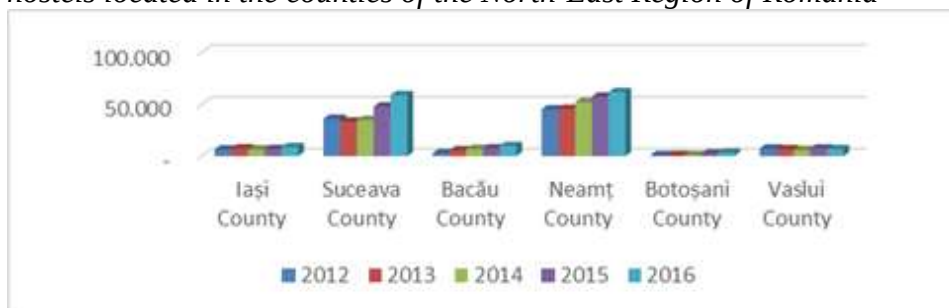
In Suceava County, in the analyzed period 2012-2016, the share of agrotourist pensions varied between 40-42% of the total number of reception units, while the total number of reception facilities increased continuously throughout the period, from 662 in 2012 to 833 in 2016 (Chart 9). A possible explanation for the fact that agro-touristic pensions have a high share in the total accommodation structures in Suceava County is the fact that existing buildings that have been upgraded and adapted according to the norms in force could be used. The second explanation might be that it provides tourists with welcoming accommodation, the hospitality of the Bucovina hosts being renowned. From Table no.1 and Chart no.10 we have the situation of Romanian tourists staying in the agro-touristic hostels in the North-East Region of the country; their number increased by 50,725 persons (51.49%) in the analyzed period. Most Romanians preferred Neamt County, then Suceava County, and on the 3rd place was Iasi County.

Table 1: *The number of Romanian tourists accommodated in the agro-touristic pensions located in the counties of the NE Region of Romania*

	Iași County	Suceava County	Bacău County	Neamț County	Botoșani County	Vaslui County	TOTAL
2012	6.391	36.076	2.729	45.116	945	7.248	98.505
2013	7.429	33.286	5.597	45.688	1.120	6.601	99.721
2014	6.407	34.828	7.007	52.087	942	5.801	107.072
2015	6.853	47.946	7.430	57.453	2.404	7.381	129.467
2016	8.696	58.869	9.775	61.830	3.296	6.764	149.230

Source: NIS data processing

Graph 10: *The number of Romanian tourists staying in the agro-touristic hostels located in the counties of the North-East Region of Romania*



Source: NIS data processing

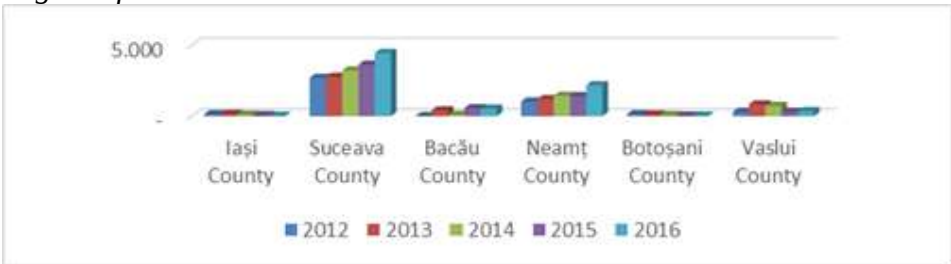
From the analysis and interpretation of the data from Table 2 and Graph 11 it results that at the level of the North-East Region of Romania there was a much smaller number of foreign tourists compared to the Romanian ones. However, their number in the period 2012-2016 increased by 3,290, which represents 43,20%.

Table 2: *The number of foreign tourists accommodated in the agro-touristic pensions located in the counties of the North-East Region of Romania*

	Iași County	Suceava County	Bacău County	Neamț County	Botoșani County	Vaslui County	TOTAL
2012	135	2.709	2	1.033	139	306	4.324
2013	156	2.781	416	1.206	111	833	5.503
2014	105	3.232	90	1.441	66	725	5.695
2015	68	3.649	564	1.414	42	306	6.043
2016	31	4.470	529	2.190	39	355	7.614

Source: NIS data processing

Chart 11: *The number of foreign tourists accommodated in the agro-touristic boarding houses located in the counties of the North-East Region of Romania*



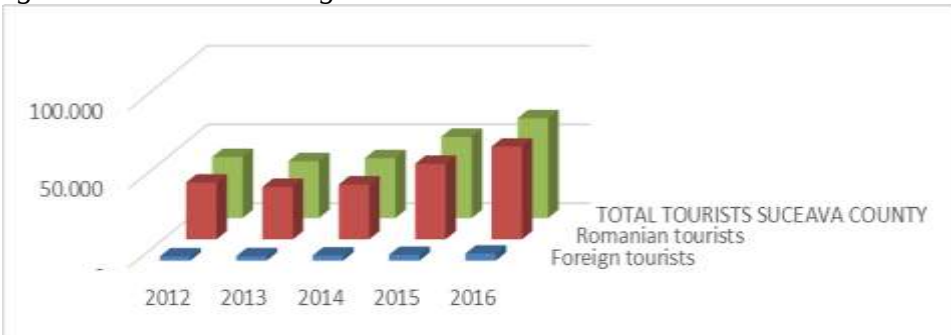
Source: NIS data processing

Table 3: *Number of tourists staying in the agro-touristic pensions in Suceava County compared to the total number of tourists accommodated in the North-East Region of Romania*

	Romanian tourists Suceava County	Foreign tourists Suceava County	TOTAL TOURISTS SUCEAVA COUNTY	Percent of tourists in Suceava County in total tourists in N-E Region	Romanian tourists NE Region	Foreign tourists NE Region	TOTAL TOURISTS NE REGION
2012	36.076	2.709	38.785	37,72%	98.505	4.324	102.829
2013	33.286	2.781	36.067	34,28%	99.721	5.503	105.224
2014	34.828	3.232	38.060	33,75%	107.072	5.695	112.767
2015	47.946	3.649	51.595	38,07%	129.467	6.043	135.510
2016	58.869	4.470	63.339	40,38%	149.230	7.614	156.844

Source: NIS data processing

Chart 12: *Structure of tourists in Suceava County accommodated in agrotourist hostels during 2012-2016*



Source: NIS data processing

Table 3 and Figure 12 show that the number of Romanian tourists who visited Suceava County and settled in agrotouristic hostels in this area during the analyzed period far exceeded that of foreign tourists, the percentages varying between 1077% and 1331%. The most plausible explanation is the lack of interest in promoting abroad this picturesque area in Romania.

SWOT Analysis of the Suceava County

STRENGTHS:

- clean environment due to its location in an unpolluted area;
- varied geological structure, which generated types of relief with a special tourist function;
- the existence of 27 protected areas: geological (Twelve Apostles, Devil's Mill, Lady's Rocks, etc.), oligotrophic marshes (Poiana Stampei, Șaru Dornei), floral (Fănețele Seculare from Ponoare, Tinovu Găina – birch trees, Crujana forest – oak trees, Codrul Slatioara – spruce trees, Făgetul Dragomirna, juniper trees with Pinus Cembra, etc), paleontological (Pojorâta) Lucavei Gorges, Zugrenilor Gorges ;
- the existence on the territory of the county of the NATURA 2000 Network ;
- the existence of economically and ecologically valuable tree species;
- rich hydrographic network through rivers and streams forming the Siret tributary network;
- the existence of grasslands and meadows that led to the development of livestock in the area ;
- the existence of springs with mineral and carbonated waters ;
- increasing the number of jobs by setting up accommodation facilities in the area ;
- varied and rich vegetation and the presence of rare fauna;
- the creation of a material and spiritual heritage of great richness and originality through religious, cultural, monuments and works of art, proper tourist objectives, ethnographic tourist patrimony, economic objectives with tourist attractions;
- large and diversified resources in wood and flora, from hardwood trees to many species of medicinal plants;
- traditions and customs have spiritual continuity and further forward customs, technologies and various information, including historical;
- culinary diversity and international recognition of traditional cuisine;

- the existence of a network of well-dispersed tourist reception facilities.

WEAKNESSES:

- improper exploitation of the natural potential;
- strong winds that endanger spruce forests;
- high pluviometric regime leading to frequent flooding;
- the existence of forest exploitations using obsolete technologies that degrade the environment;
- decrease in the number of large enterprises;
- decrease of cultivated areas;
- decrease in birth rate that led to a negative natural spore
- natural resources and cultural and historical heritage are capitalized disorganized;
- the human resources involved in local tourism are not trained and qualified in the field of tourism / agritourism;
- the loss of traditional spiritual character by migrating locals leads to the disappearance of traditional elements in housing and household activities.

OPPORTUNITIES:

- the adoption of measures to extend the forest fund through afforestation;
- efficient use of local resources: deciduous and coniferous forests, mineral and carbonated waters;
- tourism development through European funding;
- creating organic products;
- promoting local products;
- promoting local tourism;
- decrease of unemployment by redistribution of staff made available in other branches of tourism and agritourism.

THREATS:

- the disappearance of some plant and animal species;
- the dependence of the county economy on the wood market;
- bureaucracy in accessing funding;
- competition with neighboring tourist areas (Maramureş County);
- increasing the ageing of the population;
- low motivation for young people to participate in vocational training programs;
- migrating local people to countries with a different standard of living.

Conclusions

The North-East Region is the largest development region of Romania, a NUTS 2 territorial-statistical unit, according to EUROSTAT classification. The North-East Region of Romania is one of the eight development regions and consists of six counties: Suceava, Botosani, Neamt, Iasi, Bacau, Vaslui. Here are some of the most picturesque places in Romania, with special tourist resources that fit it among the regions with important development perspectives. From the data published by the NATIONAL INSTITUTE OF STATISTICS, it results that in the analyzed period, 2012-2016, there is an increase in the number of agrotourist pensions in Suceava County from 127 in 2014 to 151 in 2016 (18,89%), while at the level of the Northeast Region registered growth is 32.83%. Agrotourist pensions represent a part of the total reception structures at the NE Region level, respectively in the county of Suceava. This number increased in the NE Region from 662 in 2012 to 833 in 2016 (25.83%). The structure of accommodation registered increase in hotels (from 104-121), the number of motels (from 22-26), the number of villas (from 27-39), boarding (from 187 to 215) and the number of agrotourist boarding houses (from 265 to 352), but also the decrease in the number of hostels (from 27 to 24). The number of tourist cottages, as well as that of school camps, remained constant throughout the analyzed period (23 cottages, respectively 7 school camps).

Regarding the same period, it is noticed that there is an important increase in the number of tourists both at the country level and at the level of development regions. In the North-East Region of Romania, the number of Romanian tourists increased from 98,505 in 2012 to 149,230 in 2016 (51,49%), while the number of foreign tourists visiting NE Romania increased from 4,324 in 2012 to 7,614 in 2016 (43,20%). Thus, in the Northeast Region of the country, the most visited county was Neamt by the Romanian tourists and Suceava by the foreign tourists. From the present paper, its result a number of reasons why you should set up a hostel in the Northeast Region of Romania or at least to visit it.

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CRTITICAL ANALYSIS OF THE GASTRONOMY OFFER OF THE SERBIAN NATIONAL CUISINE RESTAURANTS

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Abstract

Tourists are increasingly becoming inclined to experiences that encourage the consumption of dishes typical for a certain region of a particular country. Serbia is abundant in national dishes which are even nowadays prepared in an authentic manner. Every tourist region of Serbia has recognizable gastronomy products as a part of the restaurant offer which is located outside the place of its origin.

This paper aims to identify the gastronomy products which represent the elements of the gastronomy offer of the Serbian national cuisine restaurants, and are marketed as Serbian national dishes whose tastes are relished in by both local and foreign tourists.

The research is conducted using a representative sample of Belgrade restaurants. By applying a critical analysis of their gastronomy offer, numerous recommendations for the enhancement of the actual situation will be proposed with a view to improving the participation of Serbian national dishes in the gastronomy offer of the Serbian restaurants.

Key Words: *gastronomy offer, national dishes of Serbia, restaurants, Belgrade*

JEL classification: *L83.*

Introduction

One of the motives of tourists who want to invest their free time and money in travelling to a particular destination is certainly gastronomy. As gastronomy provides an experience to the tourists, it becomes the purpose of travelling where the simple satisfaction of the physical need to eat

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turns into a motive to visit a region. Tourists turn to new experiences they can have by tasting the local gastronomic products and are ready to spend considerable amounts of money on such products. According to the survey results of the British agency „Enteleca Research and Consultancy” (2000), 72% of visitors to the United Kingdom expressed interest in trying the local food and beverages (page 3).

Taking into account the fact that gastro-tourism has not fully developed in most parts of the territory of the Republic of Serbia, but rather in certain localities, such data could be of importance for setting up the strategy aiming to turn gastronomy into a key factor of visits to a particular destination. According to the Secretariat for Administration/Statistics Sector of the City of Belgrade, in 2017, the capital was visited by over a million tourists, which represents an increase of 16%. More than 862,000 foreign tourists visited Belgrade, which is 18% more than the previous year.

"Tourism in which food plays a primary or supporting role, has good prospects and represents the challenge" to further develop the touristic potential of a particular location (Henderson, 2009). Belgrade as the main centre of tourism has a large number of catering establishments – restaurants, the gastronomy offer of which is based on the national dishes of the Serbian cuisine, as a blend of the nation's culture and food. This provides tourists with an insight into a segment of the cultural heritage of the country, enhances the attractiveness of the destination and opens up opportunities for the development of gastro-tourism.

The significance of gastronomy in the development of tourism worldwide has been recognized by the WTO (World Trade Organization) the organizer of the forum on gastronomy tourism every second year (WTO, 2012). In recent years, there has been an increasing number of gastro-tourists, both worldwide and in Serbia. They are looking for new tastes, foodstuff produced in protected natural environments and prepared in a traditional manner (Stojanović, 2017).

Presently in Serbia there is no adequate instrument that would serve to measure the perception of tourists and the consumption of local food and beverages. *The Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025* defines gastronomic tourism as a key tourism trend, and the consumption of food and beverages in a tourist

destination is an integral part of the tourism product within gastronomic tourism.

Gastronomy

Gastronomy has existed since ancient times, and its development has been contributed to by the prominent individuals promoting it throughout history. Food and its preparation as an important part of the man's material life and survival, and the existence of his material and spiritual culture, has always been an object of study of different scientific areas, such as archaeology, anthropology, ethnography, history and biology. Gastronomy is „defined as the art of fine eating; culinary techniques used in food preparation” (Vukić, 2011). Another accepted definition is that gastronomy is the study of the relationship between food and culture, of tasting, experiencing, experimenting with, studying and understanding of food (Kivela & Crotts, 2006).

Papers appearing in the mid-20th century defined gastronomy as „a special branch of human knowledge, as the science of synthesis of all the knowledge on human nutrition within one discipline. Gastronomy should explore and describe the historical development of nutrition, food-related traditions, preparation and serving of food (Vukić, 2011). World Food Travel Association describes the connection between gastronomy and tourism as enjoyment of unique and memorable food (2018).

Through centuries, gastronomic developments were affected by the geographical location of a site, the diversity of flora and fauna, the conditions for the development of agricultural branches, the religious influence. It could be said that the greatest impact on the development of Serbian gastronomy was made by a mixture of gastronomies of different nations who conquered its territory and were present there for a longer period of time. Gastronomy is a significant part of intangible cultural heritage and is becoming increasingly important as an element of attraction in choosing a touristic destination.

Relationship between gastronomy and tourism – gastronomic tourism

In a large number of countries, tourism plays a specific role, contributing to the development of the country, increasing the employment of a great number of people of various professions, and influencing the development of other industries that are interconnected with tourism. The

development of individual gastronomies, that is national gastronomies, has been influenced by a number of factors. Many countries have created a range of dishes designated as traditional and, in the beginning of the first decade of this century there were 198 national cuisines known (Jacob & Ashkenazi, 2006). Tourists' spending on gastronomy products is on the rise, as the sensory experience serves to increase satisfaction and enables them to experience the destination through the offer of the restaurants, and therefore make it their preferential destination (Kivela & Crotts, 2006). According to available data, 39% of tourists in Europe spend about 30% of their money on food during travel (Destination Europe 2020. Conference, Brussels 2014).

Europe is one of the most important tourist destinations in the world, as it is visited by more than a half of all international visitors. In recent years there has been a noticeable increase in the number of tourists visiting destinations in Europe, however the increase varies between destinations. *European Travel Commission (ETC)* has developed the *Destination Europe* brand as part of a strategy to optimize Europe's touristic market positioning, intended to create an effective umbrella for all ETC members while at the same time conveying their distinctive individual characteristics. The brand's three main themes are:

- *Inspiring*: cities, culture, arts, architecture, music, scenic beauty & landscapes and places;
- *Authentic*: history, heritage, pageantry, museums and castles, famous landmarks, traditions, famous personalities;
- *Unforgettable*: warmth, welcome, the people, lifestyle, **gastronomy**, fun, diversity.

The fact that gastronomy is included in the list of brands, and that it is an integral part of the presentation of touristic destinations, is of great importance. Gastronomy as the keeper of a nation's tradition presents its products on the localities of their origin, however they are also promoted in urban areas, such as city tourist centres and capital cities.

Culinary tourism is a term used by some authors in their research, and it is said that culinary tourism is the activity of the individuals exploring foods new to them, using food to learn about new cultures and about a nation's ways of life (Long, 2004).

According to Vukić (2015). "national gastronomy is a branch of gastronomy, and it includes the set of all attributes related to the

consumption, culture and methods of preparing food, reflecting the material culture of a nation. A national cuisine has developed in a certain territory, and is connected to the history, tradition and the customs of people living there." The term "national dishes" refers to those dishes which take the prefix "national" on the basis of their origins and the territory where they are prepared. National cuisines have distinctive features regarding the ingredients, dishes and cookware used, the heat exposure method, i.e. the type of hearth or stove.

The gastronomy offer of a particular restaurant includes a wide range of culinary products. Culinary products may vary greatly in terms of their intended use, origin, complexity, quality and other criteria, which leads to the division of these products into numerous categories (Vukić & Drljević, 2006). As a result, menus nowadays offer a rich selection of dishes. However, a culinary product should not serve merely to fill the empty space on the menu – it should be selected, required, consumed, and it should meet the customer's expectations and requirements (Vukić & Drljević, 2006).

Literature review

Numerous statements and findings indicating that gastronomy plays an increasingly important role in tourism can be found in both foreign and domestic literature reviews. Gastronomy is defined as the study of the comprehensiveness of food, the evolution of nutrition, its qualities and content (Vukić, 2008); still, the development policies and concepts existing so far related to the development of tourism have not assigned an adequate developmental role to gastronomy i.e. to local food, as opposed to its basic merits (Vukić & Portić, 2007).

Gastronomy is also referred to as the art of cooking and good eating, however this is only one part of this discipline. On the other hand, it could be said that gastronomy studies the relationship between culture and food. Someone who is seriously involved in gastronomy is often involved in tasting, preparing, experiencing, experimenting, researching, discovering, understanding, and writing about food, and usually about wine. Gastronomy is very closely connected to a number of other sciences and disciplines, and one can therefore argue that gastronomy is a complex, interdisciplinary activity (Kivela & Crotts, 2006).

The regions in which the wave of technology and globalization did not change the way food and beverages are prepared, including the consumption culture, have become favourable for the development of selective forms of tourism, known under various names worldwide, such as: food and drink tourism, culinary tourism, gastronomic tourism, as well as gourmet tourism (Hall & Mitchell, 2002). This form of tourism aims at attracting tourists to a certain destination so that they meet their primary motive to travel, which is discovering and enjoying the authentic food and beverages. In this way, food and beverages have become an important tool of the tourism industry (Hall & Mitchell, 2000), that can be used to represent a nation through its gastronomy offer and its national dishes.

Food is an essential resource of tourism (Henderson, 2004; Quan & Wang, 2004), taking into account the importance of food and drink as a physiological need of every human being, it is evident that expenses for food and drink in tourism account for one third of total tourist spending of global tourist traffic (Meler & Cerović, 2003). Food can be the main instigator and primary motive that meets a multitude of needs and desires of a tourist (Tikkanen, 2007).

Taken as a separate segment, food has been recognized in the tourism market as (Hall & Mitchel, 2001):

- - part of the local culture, consumed by tourists;
- - part of the tourism promotion;
- -potential component of the local agricultural and economic development, and
- - regional factor affected by consumption patterns and perceived desires of tourists.

Food can be the main motive for visiting a particular destination, and therefore Quan and Wang give four recommendations with the aim of making food an attraction of a particular destination (Quan & Wang, 2004):

- -rural areas could popularize their food heritage;
- -the destinations having plenty of food products could be turned into major tourist attractions;
- - local food could be part of a greater touristic event
- - food or culinary tourism could be used to enhance destination attractiveness.

The gastronomy offer of a particular destination can be provided by various restaurants. Josiam et al compared modern restaurants to ethnic restaurants (Josiam et al., 2004). Mickey's Diner designed to resemble a railroad dining car was the main object of their study. In today's market operation, the main function of a restaurant is not only preparing and serving food and drinks, but also providing a unique experience for the tourists. Following and implementation of trends is of great significance for the success of a restaurant, due to the growing competition between restaurants, especially in big cities. Tourists are more inclined to choose a restaurant with an authentic offer of local food if there is also a unique ambiance.

Gastronomic tourism could present a competitive advantage and be a recognizable brand of a city, country or region. A clearly defined gastronomic identity and heritage can be exploited in crucial processes of differentiation and rejuvenation, helping to convey a unique sense of a place (Fox, 2007).

Literature on restaurants offering national food and drinks has already shown that consumers visiting national restaurants often seek authentic national cultural experiences, and the authenticity of a restaurant crucially affects their overall satisfaction (Gaytàn, 2008; Girardelli, 2004; Roseman, 2006; Wood & Munoz, 2007). Literature also indicates that, in addition to good food, other attributes of the restaurant such as décor, music, uniforms and service, significantly contribute to customers' perception of the authenticity of the restaurant (Ebster & Guist, 2004; Molz, 2004).

It could be said that the concept of authenticity is an important factor in attracting guests to a restaurant (Boyle, 2003; Sims, 2009; 2010). Guests seek "authenticity" hoping to experience not only the authentic dishes, but also expand their cultural knowledge (Lego et al., 2002; Molz, 2004; Sukalakamala & Boyce, 2007). Visitors to the national restaurants evaluate difficult an authentic cultural experience. It is known that if tourists get a positive impression of the national restaurant and its gastronomic offer, as well as of the overall service and ambiance, they are more likely to revisit the restaurant (Ebster & Guist, 2004).

National cuisine of a country can represent the culture and traditions of the nation, and food and cooking styles not only play significant roles in different regions, but also represent features of different countries, and

may even stand as international brands. Such cuisine creates a linkage between food and a nation and facilitates the creation of marketing strategies. Local national cuisine helps tourists gain an authentic cultural experience (Okumus et al., 2007).

Food is an important segment of the overall travelling experience. According to some authors (Getz & Brown, 2006; Long, 2004) consumption of local food found at a tourist destination can represent an important component of the general perception of the travelling experience itself. This indicates that the rich gastronomy offer of a place should include a wide and varied offer of a large number of ethnic and international restaurants, so that the tourists have a choice in accordance with their preferences. Rand and others (Rand et al., 2003) indicate that the key components of food tourism are specialty restaurants, locally/regionally produced food products, special cuisine/food routes, food festivals, special food-related events and the like.

Methods

This paper is based on the research carries out in February 2018. The data used for the analysis were taken from the website <https://belgrade-beat.rs/restorani-i-barovi/srpska> which presented 47 restaurants in Belgrade offering Serbian national dishes. Further analysis was focused on determining the number of restaurants having menus on their respective websites. 12 out of 47 restaurants presented do not have an available website. The next step was the analysis of the number of restaurants having a website enabling tourists to learn about their gastronomy offer in a foreign language. The results show that only 22 restaurants provide information in a foreign language.

Most attention is devoted to analyzing the offer of national gastronomic products on the example of well-known national dishes that characterize the authentic Serbian cuisine. The selection was made in accordance with the data obtained from relevant publications presenting the most popular Serbian dishes (<http://www.travelingserbia.com/>).

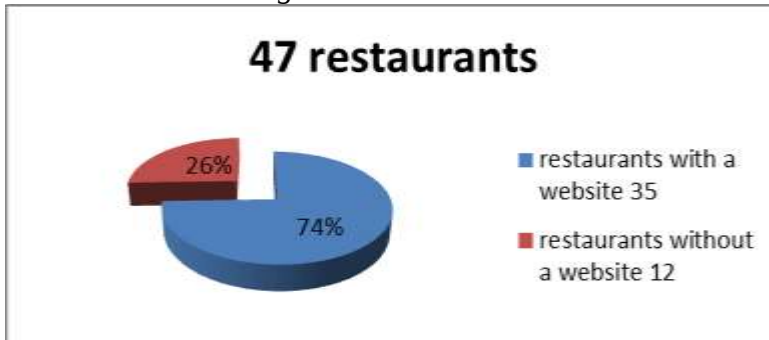
Authentic Serbian national dishes included in the offer of catering facilities in Belgrade were analyzed in respect of their category in the written offers - menus. A significant share in the offer is that of cold appetizers and grilled meat. What is worrisome is the fact that there are almost no ready-made meals, and the poor offer of national treats.

Results and discussion

Belgrade as the capital and the biggest centre of tourism in Serbia, had over two million overnight stays in 2017, which is an increase of 19% compared to the previous year. There was also a significant increase in the number of foreign visitors, as well as the increase in the overnight stay of foreign visitors of 21% compared to the previous year (Statistical Office of the Republic of Serbia, 2018). The data could be an incentive for a better presentation of Serbian gastronomy, which is an integral part of every guest's visit, to foreign tourists staying in Belgrade.

It is necessary to change the way in which gastronomy is promoted in Belgrade restaurants, with emphasis on the availability of relevant information on the websites of individual restaurants as well as on the website of the Tourist Organization of Belgrade. It is unacceptable for a restaurant officially presented on a website promoting restaurants not to have a website of its own and, according to the statistical data, the number of such restaurants is 12.

Figure 1: *Restaurants in Belgrade with or without a website*

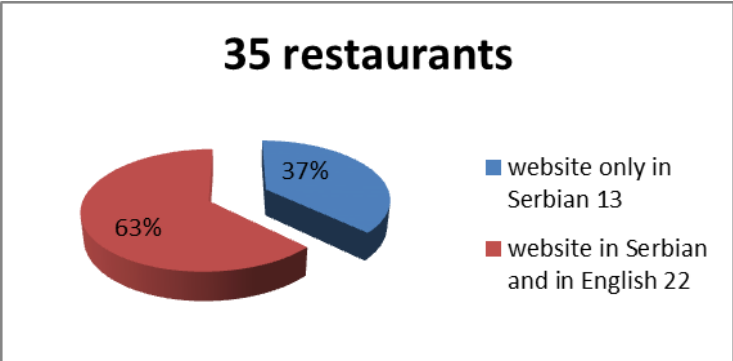


Source: *Authors' statistics*

It is necessary to introduce these restaurants to the good examples of the restaurants having presented their gastronomy offer on a website, as it would certainly contribute to the increase in the number of visits to those facilities. It is known that an increasing number of tourists visits Belgrade every year. That should be a good reason for the catering facilities to present their gastronomy offer on their websites in some foreign languages. Out of the 35 restaurant websites, only 22 provide information in foreign languages, in most cases only in English. Taking into account the fact that there is an increasing number of tourists from the German

speaking countries (Germany and Austria), from China, Russia, an Israel, it is recommended to make the relevant information available in their native languages. This would facilitate the selection of gastronomic products. Religious backgrounds are also considered as determinants affecting food choice and consumption, and if guests are not familiar with the facts regarding a gastronomic product, they are likely to refrain from even tasting it.

Figure 2: *Serbian ethnic restaurants in Belgrade offering their gastronomic products in foreign languages*



Source: *Authors' statistics*

The structure of food offer in the analysed catering facilities of Serbian national cuisine varies, and therefore for the purpose of this research the dishes have been classified into the usual categories of: cold appetizers, soups and broths, hot appetizers, fish dishes, ready-made meals, roasted meat, meals to order and grilled meat, side dishes and stews, salads and desserts, i.e. in the order they are consumed.

By analyzing the structure, it was concluded that there is a significant share in the offer of local dishes served as cold or hot appetizers. The most frequent product is the so-called Serbian cheese with the share of 61.70%, beef prosciutto 57.45%, followed by kaymak 55.32%. The dish most frequently prepared in winter months – *pihtije* (aspic, pork jelly), which has had its own festival in the village of Rumenka for the last 15 years, is offered by an insignificant number of restaurants, and the same pertains to *čvarci* (cracklings). These products of distinctive taste are most often found within the offer of the so-called "Serbian *zakuska*" and that could be the reason why they are less often offered as individual dishes.

Soups and broths are the necessary part of a meal in a Serbian household. They used to be made of vegetables only, and nowadays the restaurants in Belgrade offer only chicken soup with homemade noodles. Hot appetizers most frequently offered to tourists are *proja* (Serbian cornbread) and breaded peppers stuffed with cheese. *Gibanica* (filo pastry cheese pie) which has been prepared in Serbia since ancient times, and savoury pies filled with cheese, nettle, potatoes, mushrooms and the like, are included in the offer of only a few restaurants. These dishes should be included in the gastronomy offer of restaurants in order to preserve the tradition of their preparation.

Less than a half of the catering facilities offer *prebranac* (baked beans), which is a unique dish from this region in terms of its preparation. The offer of river fish dishes is dominated by trout, despite the fact that our country is abundant in other high-quality species of river fish (zander, carp, catfish). *Sarma*, as the ready-made meal highly appealing to tourists in Serbia, can be found in only a few restaurants in Belgrade. Similarly, the so-called *svadbarski kupus* ("wedding cabbage"), the dish having its own festival in the village of Mrčajevci, is not even included in the offer of these restaurants.

The dishes prepared "*ispod sača*" (literally, under cover or lid) are traditionally cooked in a covered earthenware pot placed on a previously heated surface and surrounded by burning charcoal. It is a special heat treatment method known since ancient times, which now has a better share in the offer. Most of the dishes prepared in this way contain meat, especially lamb or veal. Another authenticity of Serbian cuisine are grilled dishes. A large number of restaurants include these in their offer, both for their memorable taste and the easiness of heat treatment.

Serbia is well-known as a producer of vegetable crops, and tomatoes and peppers are the most common. These are used for the preparation of authentic salads found in the offer of almost all restaurants in Belgrade. *Ajvar*, a Serbian brand, is also included in the offer of a significant number of Belgrade restaurants.

The authentic Serbian desserts, whose traditional method of preparation has been preserved since the old days, is something Serbian cuisine could boast about. Desserts and treats such as *orasnice* (walnut cookies), *suva pita sa orasima* (walnut pie) and sweet pies (apple pie and cherry pie) are typically offered in ethnic restaurants in Belgrade. However, the

traditional Serbian dessert *vanilica* (shortcrust pastry biscuits sandwiched together with jam) can be found in only one of these restaurants, which is far from enough, and *knedle sa šljivama* (plum dumplings made of potato dough), a dessert that has also been part of our cuisine for a very long time, are offered in only a few of these facilities. Therefore, we can conclude that the desserts typical of Serbian national cuisine are not sufficiently represented in these restaurants.

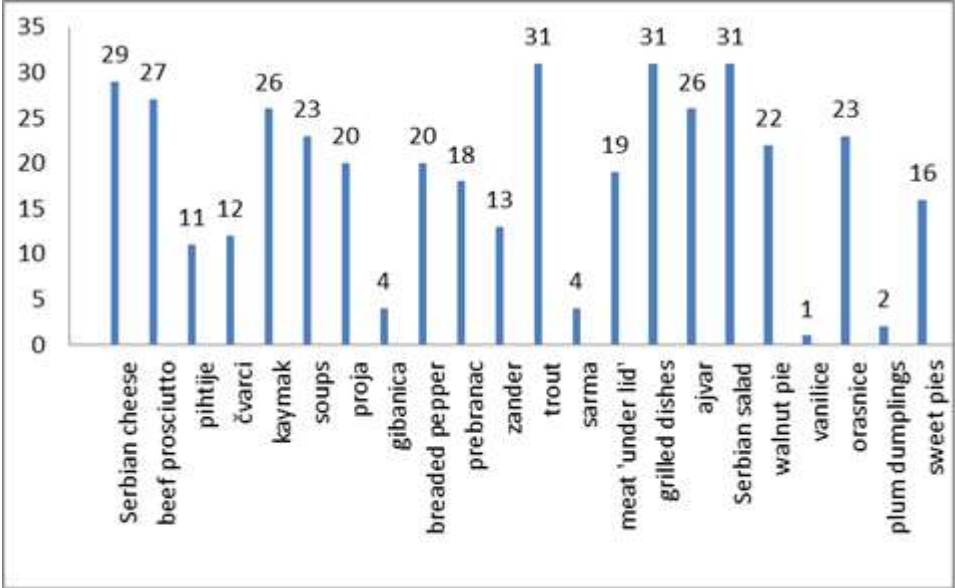
The gastronomy offer should be further extended to include a number of other authentic desserts originating from or traditionally prepared in Serbia. One such example could be "*Moskva šnit*" (layers of egg white and walnut sponge, filled with egg yolk and butter cream mixed with pineapple, peach and cherry, and topped with almond leaves), an original gâteau created in the Moskva hotel in Belgrade more than forty years ago. The dessert is known even beyond the borders of our country. Another traditional dessert that should be included in the restaurant offer is "*Vasina gâteau*" (layers of walnut sponge filled with walnut and orange juice cream flavored with orange zest, and decorated with Italian meringue). In addition to *vanilice*, our homemade cookies typically served on all festive occasions, two other sweet dishes can be offered: "*starinske štangle*" (old-fashioned bars - walnut pastry topped with meringue of egg whites and sugar) and "*oblade silvester*" (waffles Silvester - thin waffles filled with whipped egg whites mixed with honey, chopped walnut and raisins).

Pastry desserts are another characteristic feature of the national Serbian cuisine. In the province of Vojvodina, namely, in the district of South Banat, people traditionally prepare *strudel* from leavened dough rolled up with poppy seed, walnuts or carob filling. The dessert is very popular and has its own festival in the village of Dolovo near Pančevo. It certainly deserves to be part of our gastronomy offer. *Salčići* (pork fat puff pastry), a dessert traditionally prepared in our region for a long time, is not included in the offer of a single restaurant. *Doughnuts* are made of yeast dough, prepared in accordance with the traditional recipe, and could also be included in the offer of Serbian ethnic restaurants.

A varied and rich gastronomy offer is certainly the most prominent feature of the Serbian national cuisine. Traditional dishes prepared for a long time in this region should be included in the offer of our restaurants, so that domestic and foreign tourists could enjoy the authentic Serbian meals.

The share in the offer of traditional Serbian dishes is shown in the following figure:

Figure 3: *The share of certain gastronomy products in the offer of Serbian ethnic restaurants in Belgrad*



Source: *Authors' statistics*

Conclusion

Gastronomy offer is an important segment in the promotion and placement of a tourist destination. Food as part of a destination's identity can attract a wide range of foreign and domestic tourists, as local cuisine can bring to life cultural experience, cultural identity, communication and status (Bessière, 1998; Frochot, 2003). Authentic identity of food, along with the culture and tradition of the territory where it is prepared, can be turned into a recognizable image and brand of any region, used efficiently in promoting of and differentiation between destinations. It is a well-known fact that food plays an important role in attracting tourists to a particular destination, as it reflects the regional culture and lifestyle.

In case of any tourist destination and locality, it is good if there is a high-quality, varied offer of hotels and restaurants, especially national and specialized restaurants, which, in addition to the attractiveness of the local resources and the variety of other facilities, make a place recognizable and popular among tourists. This can sometimes be a decisive factor for

potential tourists to choose a particular destination, as such an offer cannot be found anywhere else (Čavić, 2015).

The research results presented in this paper indicate that there is a variety of Serbian national dishes in Belgrade restaurants, however their share in the offer is unsatisfactory, as authentic Serbian dishes are not sufficiently present on the menus of these facilities. The recommendation of the authors is that it is necessary to standardize the gastronomy offer, whereby all the traditional and authentic dishes of the Serbian national cuisine would be included in the offer of our restaurants.

Belgrade, as the capital of the Republic of Serbia, is very attractive and appealing, especially to foreign tourists. In recent years, there has been an increasing number of tourists coming to Belgrade from numerous foreign countries. A rich gastronomy offer, including national Serbian dishes better presented and promoted on official websites of tourist organizations and Serbian national restaurants, could attract an even larger number of domestic, as well as foreign tourists, who would come here to taste Serbian national dishes.

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WINE TOURISM AS FACTOR OF TOURISM POSITIONING IN SERBIA

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Abstract

When visiting the regions where grapevine is grown, tourists gets in touch directly with the culture of the host, and furthermore, they exchange positive experiences with people, get to know cultural attractions and all the values of a tourist destination. The development of wine tourism contributes to the positioning and recognition of a certain tourist region and creates a competitive advantage. As a tourist destination, Serbia definitely has a lot to offer in this field to both native and foreign tourists. The future development of wine tourism and its role in enriching the tourist offer in Serbia is defined in this work. The wine tourist development sets the preconditions for increasing the level of tourist satisfaction and consumption as well as the level of competitiveness in the tourist offer in Serbia. This work defines some enterprising activities of vintners so that they could become a more prominent quality factor in developing wine tourism and the general tourist offer in Serbia.

Key Words: *tourism; tourist offer; wine tourism; Serbia*

JEL classification: *M31, Q13, Z32*

Introduction

Tourism is the key factor in the activation and sustainable development of rural regions that helps the preservation of local identity, tradition and customs, reinforces autochthonous, traditional and environmental food production. Since the very beginning of countryside tourism in Serbia, everybody wanting to start offering tourist services has faced the lack of service and detailed information and knowledge about countryside and rural tourism as a comprehensible concept. Such information (concerning

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commitments, promotions, marketing and many other topics) is needed primarily for those just intending to go into countryside tourism business (Đenadić-Muhi et al., 2016). Ecological crisis, first of all in developed, but also more and more in developing countries, is deeper than it looks at first sight. Such a problem does not exist in the countryside regions of Serbia. (Rudež -Riznić et al., 2015). In the Republic of Serbia, tourism is burdened with the high concentration of tourist flow in summer and winter months. Tourist flow can be boosted by the innovation of tourist offer – by introducing new tourist products. One of the products is wine tourism. Natural conditions and the tradition of grapevine cultivation and wine production create exquisite possibilities for wine tourism development and the enrichment of touristic offer in the territory of the Republic of Serbia.

Among various products that can be sustained as the priorities of Serbian tourism development is definitely wine tourism for a couple of reasons. Firstly, there is a long tradition of grapevine cultivation and wine production in Serbia, which has been increasing lately. In many regions wine is the main source of income for many families, and grapevine cultivation and production of grapes and wine are embedded in the local lifestyle. To preserve local tradition and economic sustainable development is in the interest of tourism. Secondly, winemakers have already invested in the development of basic infrastructure and with a little help of public sector this product can reach high market positions very soon. Thirdly, wine tourism is considered to be a product which is in agreement with the current market demand in the sense that tourists are more and more looking for autochthonous and unique experiences at a tourist destination. Local food and wine create an opportunity for a tourist to meet the people who produce those products. In this way, the tourists' needs for authentic experience are met by experiencing the wine tourism offer. Finally, wine is often connected with special characteristics and taste of a tourist destination, and business activities in wine tourism are preconditions for an attractive image of a destination (Carlsen & Charters, 2006, p.4). The understanding of motivation and enterprising orientation as well as the comprehension of wineries is the first step towards the efficient development of wine tourism strategy.

A wine region is a region where the best wine is made and “they are special, even magic places”, (Getz & Brown, 2006, p.149). A wine region is a region of a rural area and is in a direct connection with visitors – wine consumers, and whose fun, gastronomy, landscape and outdoor activities

are seen as a future development incentive (Williams, 2001, p.48). Getz & Brown (2006) mention that the term “tourist region” is used for a wine region and this term describes the combination of physical, cultural and natural surroundings, which gives every region a certain attractiveness as a destination for wine tourism. The development of wine tourism includes attractions, services, the education of hoteliers, infrastructure, development and marketing plan organizations. The specifics of a wine region contain wine themes for visitors and information centres, wine settlements, wine tours, sightseeing and wine country – the country of wine tours. These “products” are the combination of special development related to wineries or public investments in wine tourism, such as the programme of changing the image and functions of a service centre so that it can become a “wine village” (Getz & Brown, 2006, p.151.; Tomljenović & Getz, 2009, p.7).

Wine tourism

Wine tourism, as a specific tourist product, is taking a more important place in the tourist offer of many tourist destinations and countries. Looking through history, wine tourism dated from the middle of the nineteenth century, when the participants of the Grand Tour journey visited vineyards and tasted wines on their way. Wine and tourism are natural partners. The definition and concept of “wine tourism” is not the result of a unique approach. Most of the “wine tourism” definitions relate to travellers-tourists experiences and motives. So, wine tourism is a visit to vineyards, wineries, wine festivals and exhibitions organized with the purpose of recreation (Johnson, 1997, p.23). Including marketing elements “wine tourism is a travel linked with the attractiveness of wineries and vineyard regions, a kind of marketing niche and an opportunity for a direct sale for wine industry”. Also, Getz implies, through this definition, that many insufficiently developed countries started developing wine tourism because they saw a chance for the renewal of their vineyards and the improvement of the economic situation of grapevine regions (Getz, 2000).

For Hall- Sharples et al. (2000), wine tourism is visiting vineyards, wineries, wine festivals and wine exhibitions, while wine tasting and/or the experience of a vineyard region’s attractions are primary motives for the visit. Another form of a special interest of a wine tourism protagonist is the differentiation of wine regions’ visitors according to which wine and which winery is the central place of their decision where to go

(Charter & Ali-Knight, 2002, p. 314.). In the following table you can see the connection between wine production and tourism linked to wine tourism (Table 1).

Table 1: *Wine tourism research framework*

Primary industry		Secondary industry	Tertiary industry
Wine industry		Tourist industry	
1.	Wine tourism offer is subject to season, global, technical and agricultural factors that set grapes and wine offer	Demand for wine tourism caused by economy and demographic growth and demand for tourism	
2.	Individual wine prices are determined by global wine prices as well as other alcoholic drinks	Price range is determined by the nature of the offered product/service and seasonal demand which affects the additional value of the experience	
3.	Homogeneous products – products of highest quality, standard quality or mixed quality lead to a change in wine production	Heterogeneous products/services enable the development of new products in short time	
4.	Expenses' minimization asks for a more efficient wine production technology in order to maximize the income	Profit's maximization asks for maximum marketing activities, intensifying employers' work and making the offer better without innovation	
5.	Long-term wealth gaining by capital growth in land and buildings	Wealth gaining by profit increase and return on investment in short time	

Source: *Carlsen & Charters, 2006, p.4.*

Actually, there is a both sides benefit and interaction which reflects in the increase of wine sale, visitors' education, attracting new market segments, valorizing of other natural and cultural values, whilst wine tasting increases the number of visitors, develops a new image of a destination and finally makes a profit. The same author puts an emphasis on three major protagonists of wine tourism: the wine maker, the tourist agency (which presents the destination) and the tourist-consumer. At the same time, such a form of wine tourism is a form of the customer-tourist behaviour. A special kind of wine market is made together with the

destination development strategy that has in mind its attractions, all this contributing to the education of wine tourism stakeholders, while the direct sale of their products to consumers-tourists is done on the spot. In many regions, wine tourism has emerged as one of the most important products of rural tourism (Marques, 2006, p.153). For the fear of harmful elements in the form of pesticides and heavy metals, people are willing to pay from 30 to 80% higher price for certified products. In the rural parts of Serbia, they can get them even at a lower price (Pavlović & Ugrinović et al., 2014, p.898.)

Wine tourism development brings numerous advantages to rural destinations at both individual and mutual level, including the increase of wine sale at wineries, improving the image of a destination and increasing the number of tourists (Brunori & Rosi, 2000. p.413.).

Wine tourism depends on the policy and programme of government agencies, destination marketing organizations, tourist organizations and independent enterprising activities (Tomljenović & Getz, 2009, p.14).

Studies show that important elements in wine tourism are the mixture (amalgam) of the basic wine product (the hospitality and heartiness of the winemaker towards visitors, the knowledge of the winery personnel about wine, wine festival), the attractiveness of the destination (attractive landscape and favourable climate conditions, moderate accommodation prices, information availability, well-organized market) and the cultural tourism product (special accommodation with regional characteristics, great restaurants and gastronomy, traditional wine villages).“Wine tourism is travelling related to wineries and wine regions as a form of marketing niche, the destination development and the advantages of the direct sale and marketing as a part of wine industry“ (Getz, 2000, p.5).

Grapevine cultivation and wine production technology are directly connected to culture heritage whereby wine tourism shares similar characteristics with cultural tourism, since "people who take part in wine tourism and gastronomy are basically the protagonists of cultural tourism“ (Williams & Kelly, 2010, p.35.).

The development of wine tourism product includes an immediate cooperation between the protagonists from two sectors: tourism and grape-growing / vintnery. It can be explained by the fact that wine tourism offer has three basic dimensions: wine routes, landscapes and

family heritage. There are three kinds of wine tourism: “wine lovers”, “wine tourism vocation” and “wine tourism enthusiasts”. Wine tourism is a new form of a destination promotion and is based on a sustainable destination development. Wine tourism protagonists have become familiar with the fact that wine tourism is an environment consumer, but they also influence positive changes in the policy of environmental protection at a wine tourism destination.

Wine tourism as a tourist product

Studies about the research done on wine tourism have developed in two directions: a) the attractiveness of a wine tourism destination and the factors modeling it; b) the wine tourist and his/her experience of wine tourism (Getz & Brown, 2006, p.155).

On the wine market, big producers supported (controlled) by equally strong distribution – wholesale network dominate, while many other small vintners stand against them. Small vintners, especially in new, growing regions, need a local market and wine cellar sale, and to develop their brand and increase the sale and the profit of wine sale (Tomljenović, 2006).

Many tourist regions which have already acquired a reputation or the new developing ones, and especially wine cellars and their owners endeavour to repeat the success of well-known wine regions and finally to get certain advantages that future wine tourism development can bring (Tomljenović, 2006).

Table 2: *Wine tourism products typology*

Wine tourism products typology	What are these products?
1. Wine routes	Signposts at the wine region destination that help find vineyards and wine cellars
2. Vineyard planning	Marked itineraries that enable finding vineyards while driving
3. Organized tours and stays in vineyards	Package arrangement of various duration includes accommodation, food and transport, offering activities such as visits to vineyards with wine tasting, gastronomy and wine making presentation

4.	Enology studying	Courses enable a better knowledge of wine tourism marketing, culture, tradition and wine production technology
5.	Visiting wine cellars	Visiting wine cellars where vintners introduce their wine cellars and the process of wine making to the visitors
6.	Wine museums	Cultural places whose aim is to present the tradition and world achievements in wine production
7.	Holidays and festivals	Events with the purpose of preserving local tradition, encouraging wine promotion, improving wine production in new territories e.g. at the European level; Days of wine tourism at local level, International Viticulture and Winery Festival Baccus in Toscani
8.	Expert presentations and wine tasting, local fairs and Showroom wine sales	These groups have the aim to present products for strictly commercial purposes, eg. International Wine Showroom Vinvest

Source: *Manila, 2012, p56.*

Vintnery in Serbia through history

Wine production in Serbia has a long history, over two millennia. The wines made by the tribes who used to live here were improved by cross-breeding with better, Mediterranean sorts of grapevine that had been brought by the Romans at the beginning of the new era. Emperor Prob (276-282), born in Sirmium (today Sremska Mitrovica) abolished the monopoly of Italian vintners and planted first vineyards of cultivated sorts of grapevine on the hills of Fruška Gora. It is interesting that his troops rebelled, among other things, because of the hard work on cleaning the ground up for new vineyards.

After the Barbarians had come, as they mostly drank mead and because of the general instability in the empire, the complicated and hard work of making wine was abandoned in the entire territory of the Balkans for a while. The culture of grapevine was fostered again by the Byzantines with their return to the Peninsula, although the most of Serbia, with the

exception of the coastal area, was poor in vineyards up to the XII century. The glorious days of grapevine cultivation came with the Nemanjić dynasty. St. Sava is believed to have taught his people to grow grapevine. A great number of monasteries and churches asked for a large amount of wine for Communion, so planting vineyards started in the entire territory of the county. The region of Metohija, where big monasteries had villages most of which were primarily engaged in viticulture, stood out immediately. Soon enough wine was drunk by all social layers, and it was made both at royal plantations and in modest country cellars. The whole process of production and sale was regulated by law.

With the coming of the Ottoman Empire and moving the centre of the state to the north, new vineyard regions emerged in the valley of the Morava River and in the hills surrounding the Danube. The areas around the capital towns of Knez Lazar (Kruševac) and Despot Đurađ (Smederevo) inherited their wine tradition from that time. Bertrandon de la Brokier, a knight from Burgundy, a region famous for its wine, was impressed by vineyards in Serbia while travelling to Constantinople. Since Islam as a religion forbids wine consumption, the Ottoman conquests decreased wine production. However, many wine regions such as Sremski Karlovci and the nearby monasteries in Fruška Gora continued to generate income by producing wine.

The Habsburg Monarchy reign revived the interest for wine. The wines of Sremski Karlovci, first of all aromatic bermet, granted privileges to the Serbian people at the Vienna court. Thus, via Vienna, the wine of Fruška Gora became appreciated in Europe, and was exported to all major towns in the XVIII century. Skilled winegrowers from the river Mosel came to Vršac and improved wine production there getting great results in the XIX century.

The terrain rich in sand in the north of Vojvodina, around Subotica and Čoka, was a part of large noblemen's estates that were to be planted with grapevine plantations giving later some of true wine pearls. In liberated Serbia, wine growing was under the auspices of the ruler. Petar I Karađorđević is especially remembered as he, at the beginning of the XX century, had 50 hectares around his endowment in Oplenac planted with grapevine. Today 16 hectares have been revitalized and high-quality wines are still produced there.

Wine routes in Serbia

Wine tourism in Serbia has prospects, but it is necessary that a number of additional things should be done so that this kind of tourism can be exploited to full capacity. For any analysis of wine tourism in Serbia we need exact data, which Serbia does not possess. Apart from the fact that there are 800 wineries in Serbia, there are no other data regarding the number of visits or the number of overnight stays of the tourists visiting Serbia as wine tourism consumers. The state has drawn new tourist maps in the last four years, but it is necessary for a lot of things to be done in the field of education for winemakers and other people dealing with tourism, as well as in standardization. The education is mostly done at a local level while the standardization is related to establishing state regulations, and both are important if we want to know in which way to approach a guest and to promote wine and every other form of tourism.

Environment and its protection represent a significant segment of the business and affect greatly the quality of today's life in general, with a tendency to become more and more significant in future (Rudež - Riznić et al., 2015).

The steps that can be done immediately to help the development of wine tourism include creating a winemakers' association, but also offering other services in the vicinity of wineries, so that a more adequate offer – as adequate as possible – can be made. Creating a Twitter account costs nothing, and Facebook advertising is many times cheaper than putting an ad in a newspaper. Facebook advertising targets a potential customer in advance. For wine tourism development, in the long run, it is necessary that infrastructure should be improved because, first of all, the infrastructure itself is very bad. Take the road from Irig, one of the centres of wine growing in Serbia, to Krušedol monastery for an example – there are parts of it so narrow that two cars cannot pass by each other. Speaking about wine tourism, we can ascertain that a domestic guest is unduly neglected. Foreign tourists come and go, but domestic guests will bring their children with them, who will then grow up and take their friends and later their children to the places they used to visit at an early age. Wine routes, marked on the map of our country by the centuries' tradition of viticulture, are ideal destinations when one wants good wine. Geographical position and climate conditions of Serbia have enabled people from almost all parts of the country to grow grapevine. In Serbia there are about 700 sorts of wine. From Palić, in the northernmost part of

our country, to Metohija in the south, wine routes are marked, the nine of them, treasuring wine cellars with most delicious wines.

Wine route Fruška Gora Historical data say that the first grape stocks in these areas grew on the slopes of this mountain. The Romans were credited for the culture of viticulture, more precisely Marcus Aurelius, who was originally from Srem (then Sirmium). Thanks to him, as the founder, wine started to be produced here a couple of centuries before Christ. On the fruitful slopes of Fruška Gora, there are overspreading vineyards with the sweetest grapes that famous Serbian poets wrote their many poems about. For many centuries, the Fruška Gora wine route has formed around them. The most wanted Fruška Gora wines are: plemenka, Fruška Gora riesling, Italian riesling, bouvet and authentic wine from this region – bermet can be tasted in about 60 wine cellars in Sremski Karlovci and the places surrounding this town, the most famous being Kiš, Živanović, Dulkan, Merc, Došen, Aleks, Kosović. Dessert wine bermet from Sremski Karlovci, unique in the world, enchanted the wine lovers at the most glorious courts of the Middle Ages so much that it was used for bribery. It could not be resisted even on the well-known ship, the tragic “Titanic”. When, 73 years after the “Titanic” had sunk, some bottles with labels from Sremski Karlovci were pulled out from the wreckage many were wondering if it was Bermet. The traditional Grožđebal (Grapes ball) brings joy to Branko Radičević Square in Sremski Karlovci: scents and flavours of bermet and cakes made after secret family recipes, merry songs performed by tamburitza players from Vojvodina and “kolo” – a folk dance – performed by young folklore dancers. The capital of wine is captured by true autumn festivity in the honour of grape-gathering.

Wine route Subotica (Palić) After the withdrawal of the Pannonian sea, the whole area of Subotica was left on sand ground, because of which the wines from this region are also referred to as coming from “vines grown in sand”. Thanks to the sand ground, moderate climate and high-quality sorts of grapevine, these wines are well-known by drinkable flavour of high quality: Italian riesling, cabernet and sauvignon that can be tasted in wineries: Zvonko Bogdan, DiBonis, Kosa and others. Here, the tradition of wine growing has lasted for 2 000 years already, which tells sufficiently about the viticulture. The “Zvonko Bogdan” winery is situated on the east coast of lake Palić. It was built in a traditional Vojvodina style preserved at many farm houses here called “salaši”, but modern technology is used for wine production according to high ecology

standards. The winery has 56 ha of vineyard. It organizes visits for tourist, who can choose one of three different visit types: Basic (a visit to the winery, the vineyard and the wine cellar without wine tasting); Standard (the same as Basic, plus tasting three sorts of wine); Lux (which differs from the first two types in the way it includes tasting 5 sorts of wine).

Wine route Vršac This region has had a special status in the field of viticulture, not only in Yugoslavia but also much earlier in history, in Hungary and ancient Rome. The vineyards of Vršac are most fruitful, they represent a brilliant symbol of ex-Yugoslavia, and its wine cellars are fantastic architectural achievements with a capacity of 3,400 wagons of wine. At the point where the Vršacke mountains and the mild Banat valley meet, there are the vineyards (Vršacki vineyards), whose aromatic fruits and refined flavours were recognized by the ancient Romans, and where the Vršac wine route goes through. Since the ancient times, skilled vintners have been improving wine growing. The most famous wine cellar was built in the shape of letter “Y” (the first and the symbol letter of Yugoslavia), and it is one the three biggest cellars in Europe. The other two are in Spain and France. The results are the most high-quality, delicious and refined “vršacka” wines that one simply must taste. Grapes from Banat vineyards are turned into the best wines from this region: muscat ottonel, chardonnay, pino bianco, Rhine and Italian riesling, Banat riesling, “smederevka”, “župljanka” and “kreaca”. Besides wines from “Vršacki vineyards” the most high-quality wines of this region can be found in cellars: Kostov, Vinik, Nedin, Stojšić, Rab, Gudurička priča, As etc.

Wine route Šumadija Where else can a wine cellar of the royal family Karađorđević be found but in Oplenac, on the Šumadija wine route? Everyone has heard that the wines on the roads that Vožd Karađorđe treaded are among the oldest and most high-quality in Serbia. However, few know that the magic drink made from aromatic grapes from Oplenac got a worldwide recognition and glory. On the slopes of Kosmaj, Rudnik and Venčac, with Prokop and Oplenac, people have been growing autochthonous sorts “prokupac”, “vranac” and “smederevka” since early times. The once first lady of the USA Eleanor Roosevelt enjoyed Šumadija wines, which speaks enough of their prestige and high-quality. The tradition of viticulture in this region has continued for a century and a half, and it is most present around Topola and Oplenac. For full enjoyment there is also beautiful nature and, unavoidably, cheese and other specialties that go perfectly with wine. The most famous are

Oplenac wineries, whose wines were served at European courts. The one credited for the fame of Oplenac wines was King Petar I Karađorđević, who planted vineyards on his estate. The Festival of Šumadija wines is held in the Royal winery in Oplenac in the first half of June. Today, we can taste them in numerous wineries, the most outstanding being Jelić, Aleksandrović and Radovanović.

Wine route Župa Župa (“district” in English), or Serbian Champagne as it was once honoured by French consul Deco, is a region where wines have been produced for more than 3,000 years. Roman emperors, Serbian medieval rulers and noblemen from European courts enjoyed Župa wines. It is situated in the basin of the Zapadna Morava River and its tributaries, in the oval valley among mountains Kopaonik, Željina, Jastrebac and Goč. Wine route Župa is the most famous wine route in the central part of Serbia. The most high-quality wines of Župa region are: “tamjanika”, “prokupac”, chardonnay, Rhine and Italian riesling, rosé is kept by wineries Ivanović, Vinska kuća Minića, Podrumi Radenković, Braća Rajković, Kosta Botunjac and others. It is interesting that wine sort “prokupac” itself is more than 1 000 years old, and if you come to Župa, you must taste the famous monastery wines in the Ljubostinja monastery. “Vinska kuća Minića” has been producing wine since 1930s when it got the license for this business. It is situated in the village of Tržac near Aleksandrovac. The winery owners possess about 5ha of vineyards where grapevine sorts “tamjanika” and “prokupac” are grown and about 35,000 wine bottles are produced a year. Besides wine production, they also deal with wine tourism. They have an ethno settlement, which includes 6 double rooms made out of big barrels and a hall for wine tasting. They also have two wine tasting halls with capacities of 30 and 80 seats.

Wine route Smederevo-Beograd This region is considered to be the one with the most ideal conditions for wine growing. The route is “surrounded” by the Danube and Morava rivers, which even the ancient Romans saw and used, while Vuk Branković expanded the area of vineyards. Grapevine sort “smederevka” is the most fruitful, so the most frequently produced sort of wine in this region is “smederevka”, but there is also Italian riesling, sauvignon, semillon and traminac, which can be tasted in wine cellars Radovanović, Živković and Janko.

Wine route Negotin is the centre of wine tourism in the east part of Serbia - Istočna Srbija. The whole area around Negotin – Negotinska krajina – was famous for its wines as early as during the Austro-

Hungarian empire. Here, grapevine has been grown since the III century, and they are still very strict about quality. There is quite an ordinary place on a hill near Negotin, or so it seems at the first sight. This place is called “Rajačke pimnice” and it is a complex of 270 wine cellars dating from the 18th century – they are stone houses famous for their wine cellars, authentic look, but also for the fact that no one lives there. Actually, there is “somebody” living there: most high-quality wines of specific flavour and aroma, which are believed to have healing properties. These “pimnice” are not built any more, but some wineries have renovated them and here you can taste the wines made from Negotin vineyards: “prokupac”, “bagrina”, “začinak”, “vranac”, “smederevka”, Italian riesling, sauvignon and semillon. “Rajačke pimnice” are everything but an ordinary place.

Wine route Niš-Knjaževac Hot summers, cold winters and a great number of sunny days are suitable for grapevine growing. That is exactly the climate of Knjaževac, around which grapes were planted as early as the Roman time, and nowadays the Niš-Knjaževac wine route has been built along that line. How adored the high-quality wines were in this place is obvious from the fact that the statue of Dionis was found here – this is where Roman legions got refreshed with some wine before they took new campaigns. Knjaževac is well-known for the Festival of Knights’ wines where, every year at the end of January, the best Serbian wineries are presented. In this region, the most widespread sorts are the red ones: red bourgogne, “prokupac”, “plodvina”, Italian riesling and white “smederevka”, and the most recognized cellars are Jović and Isakov.

Wine route Kosovo and Metohija Kosovo and Metohija also have a long and rich tradition in viticulture and wine growing. The ancient viticulture of the south of Serbia was already present in Kosovo and Metohija during the Nemanjićs’ reign. Some of the most high-quality wines in this part of Europe come right from the Serbian southern province. Wine growing was mentioned for the first time in documents of the Hilandar monastery, and there was a chart which Emperor Dušan handed to Hilandar arranging the export of Metohija wines. Wine growing decreased when the Ottomans arrived because of their religious beliefs. However, the fact that the Ottomans themselves soon changed their minds and removed the ban tells us how much these wines are good. Today, the most well-known wineries in this region are Vinica Petrović from Velika Hoča, as well as Antić Winery from Orahovac, producing wines from sorts: Italian riesling, Rhine riesling, red bourgogne, “vranac”, sauvignon, cabernet.

The present situation of wine tourism in Serbia

We can assert that the present situation of tourism in Serbia is characterized by the lack of high-quality offer of receiving capacities in rural areas. Taking the whole tourist offer into consideration, we realize that the development of these capacities can be the feature of creating Serbian specifics. Serbia has all important and relevant preconditions to become a notable tourist destination not only in Europe but worldwide as well, offering small family-type, accommodation capacities. This segment of selective kind of tourism will constantly get stronger due to its flexibility and competitiveness based primarily on a high-quality offer and a personalized attitude towards guests. Anyway, countryside tourism of family type can be one of the main trump-cards of tourism in Serbia in the following years (Rudež & Đenadić, 2017, p.571).

Country family households represent a big chance for the development of tourism in this country and without a lot of concretization they fit into the rural ambience where they are and, more importantly, they have a special, personalized attitude towards tourists. The increasing demand for this kind of services in the world, as well as the fact that tourism in rural family households is expanding in comparison to the stagnating mass tourism, affects significantly the marketing business, so it should be set as one of the most influential factors that will contribute to the development and balancing of the tourist offer of Serbia (Rudež & Đenadić, 2017, p.570).

Well-known wineries in Serbia, as the stakeholders of the wine tourism offer, are mainly family owned and have been formed in the last two or three decades. Most wineries in Serbia manage small production capacities and relatively small financial profit of wine sales.

Since the wineries' founding, the winery owners have mainly invested in planting new grapevines, purchasing winery equipments and expanding the capacity. They have established parallel distribution channels, while their financial capacities have been limited when it comes to furnishing the wineries for visitors – wine tourism. However, involving the winemakers in wine tourism can contribute significantly to their production being valorized better on the market and thus increasing the profit by wine sales, wine tasting and buying wine on the spot – in a winery.

Some indicators point out that the greatest number of wineries in Serbia is visited by up to 1,000 tourists a year. More than a half of them sell less than 20% of their wine production directly to their visitors – tourists. Very few wine tourism subjects offer restaurant service aside from wine tasting, while the wineries possessing ethnographic wine collections are very rare.

Nowadays, many renowned restaurants-wine shops in the world develop the tradition of good cuisine in order to raise the whole quality of service, whether it is the national cuisine or the international specialties. Anyhow, agriculture products, vegetables, fruit as well as drinks (e.g. wine, alcoholic drinks etc. that are regarded as agricultural-food products), must meet certain quality standards but also the modern trends of tourist demands for healthy food (Ćirić - Đenadić et al., 2014).

The bearers of wine tourism in Serbia cooperate with tourist agencies in attracting tourists to wine tasting and sale in their wine cellars. Wine routes have a relatively small role in attracting tourists to the wine cellars of Serbia. Serbian vintners show a low level of interest for the cooperation with hotelier sector. So, it seems that there is almost no cooperation with local hoteliers in promoting local wines. Also, the way waiters recommend local wines is not at a satisfactory level. The wineries in Serbia are exclusively oriented to offering the services of tasting and selling wine. Offering other kinds of tourism (gastronomy, souvenir sale) that are more profitable and an integral part of wine tourism is present only in a minimum number of the wineries. In order to increase entrepreneurship activities in wine tourism we recommend, besides permanent activities in increasing the quality of wine, introducing the education of vintners about wine production and the importance of tourism for the increase of sale via wine tourism.

One of the elementary entrepreneurship activities in wine tourism is increasing the quality of the place and creating the atmosphere of hospitality for tourists' reception, but also improving the organization of wine sale in one's own winery with an emphasis on ethno-gastronomic offer. The experience from other countries points out the necessity of better business connections among wine producers in order to create wine destinations. Entrepreneurship activities in the development of wine tourism in Serbia should focus on making wine become the base of presenting the tourist offer of a destination on tourist market. The example of the most developed countries in terms of wine tourism

underlines the need for a higher level of interconnection between wine production and autochthonous gastronomy offer with the offer being consumed at the places of wine tourism. Wine should become the primary motive for organizing cultural-entertaining manifestations at the destinations of wine tourism and should tend to engage more tourists in these manifestations.

Conclusion

There is an expecting rise of entrepreneurship activities in introducing wine tourism products to less known tourist areas-regions. There is also a need for getting to know the intellectual and psychological sides of this process. Modern tourists have their opinion and attitudes and they do not want to be told what they have to do at a certain tourist destination. This also relates to any wine tourism destination.

The research done in foreign countries in 2011 and 2014 show that family wineries possess certain advantages for the development of wine tourism, because such wineries can enable (create) an intimate family atmosphere and make a personal interaction between tourists and the families of wine makers, which cannot be realized in any big, corporative winery, or with wholesaling. It is recommended that the model of developing wine tourism in Serbia should apply the entrepreneurship activities which link tourists' need for wine tourism with the cultural life of a wine region. Entrepreneurship activities in wine tourism should focus on the experiences and the story of the importance of wine culture, and its contribution, for cultural life in the rural regions in Serbia.

Serbia has its autochthonous life culture, which, among other things, was built upon grapevine growing and wine making, and which should be applied in the model of developing wine as well. The tradition of grapevine growing and wine making is very long on the whole territory of Serbia. Wine and tourism, the two factors of tourist development in Serbia, have stimulated and complemented each other very little so far. Still there are rare examples that wine is a motive for tourist visits and a particular element of tourist offer. Small capacities of wineries in Serbia, an undefined concept in business and in the approach of vintners to tourist market are the reality of wine tourism of Serbia. The experiences of foreign countries show that a considerably higher level of cooperation between wine producers and tourist organization is needed in wine tourism. Also, a stronger cooperation between the stakeholders of wine

tourism and the whole tourist sector is needed in tourist regions. All this is possible only with a higher degree of education for wine producers about the trends in modern tourism in which wine tourism, as tourism of experience, has a special role. Vintners and tourist sector can create a special kind of tourist offer only by working together, which, in its foundation, will have wine as a cultural experience and gastronomic pleasure and an extra motive for tourists to visit Serbia.

It seems that wine tourism can significantly contribute to increasing the competitiveness of Serbia as a tourist destination. Besides, with a better valorization of natural and traditional values of rural Serbia, it can contribute to the solution of the biggest problem today, and that is stopping the emigration of local population from the rural regions of Serbia.

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OPINION OF CONSUMERS IN SERBIA ON WINES FROM IRIG

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Abstract

Municipality of Irig is situated on Fruška gora, one of the greatest wine regions in Serbia. Irig is one of the most important places in Fruška gora and has got a long and rich tradition in viticulture. Furthermore, fame of its wines and wineries is related to its reputation as a touristic destination.

This research identifies what are the main criteria when consumers in Serbia decide to choose certain wine and examines how they perceive wines made by wineries situated in the municipality of Irig. It also points what are the directions for development for wineries from Irig in order to improve the reputation of Irig as a wine destination.

Key Words: *wine tourism, winery, Fruška gora, Irig, consumer opinion*

JEL classification: *M31, Q13, Z32*

Introduction

Much public and private attention has been directed to tourism's economic potential. In the current global environment, the relationship between gastronomy and tourism therefore represents a significant opportunity product development as well as a means to rural diversification (Hall et al, 2003).

Motives of modern tourists shift away from classic sun-sand-sea concept towards a totally different set of needs: excitement, intensive vacation, activities with focus not so much on the location and standard set of touristic products but on experience, discoveries of new places, new contents. Therefore segments of tourism that are boosting are those

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related to cultural heritage, city breaks, sport, fitness and wellness and gastronomic tourism, i.e. food and cuisine (Ministry of trade, tourism and telecommunications, 2016; Bessière, 1998).

A number of authors agree that food, cuisine and wine have an important role in forming tourist experience, image and satisfaction with the destination they visited. Experiencing them enhances their identification with or strong attachment to destinations (Tsai, 2016). Galvez et al (2017) in their research proved that gastronomy is a factor that contributes and conditions the experience and, therefore, tourist satisfaction. Bjork & Kauppinen-Raisanen (2016) in their study identified three types of travellers among tourists, depending on their perception of food – survivors, enjoyers and experiencers. For the most passionate ones, experiencers, the food-related offer is essential for destination choice. The uniqueness of the local food i.e. cuisine market links to the local area, and therefore is part of the local culture and its history. Cultural heritage is one of the most important elements of a touristic destination.

Wine tourism, an integral part of gastronomic tourism, is a segment that although is rather young (it started to develop in the 20th century), became very important for those countries and regions who have natural preconditions to grow vine. Wine industry forms various important aspects of a national economy. Some countries that used to be typically rural or have got a significant share of rural areas, have managed to achieve impressive economic growth by becoming important participants of worldwide wine industry (Cvijanović et al, 2017).

For those regions, it is very important whether there are any wineries and vineyards, and how they are positioning and communicating their location and their origin within their business model. The reputation of the wineries and quality of their wines transfers to the reputation of the destination. In this article, we will analyse what is the perception of wines from Irig, how it affects Irig as a touristic destination and give recommendations for enhancement and improvement of touristic activities in Irig.

Literature review

There are numerous researchers exploring the motivation of wine consumers, discovering which factors trigger a decision to purchase certain wine. Although there are differences related to the specifics of the

local market and culture, most of them have rather similar conclusions. Ginon et al (2014) conducted research in Burgundy, France, and identified that three most important factors for wine purchase were price, production region and production year. Gluckman (1986) analysed what British consumers take into consideration when they chose wine, dividing these factors into explicit and implicit ones. Explicit considerations are familiarity, price, quality, taste and suitability, while implicit ones are packaging appearance and country of origin. The region, or the country of origin, turned out to be the most important factor for the respondents in research in Northern Ireland conducted by Keown & Casey (1995), along with grape variety, price and recommendation of a friend. Sanchez & Gil (1998) tried to identify what motivates Spanish wine consumers and found out that the most important factors are price, origin and vintage year. For consumers in Greece these factors are taste, clarity and aroma, appellation of origin, and label (Tzimitra-Kalogianni et al, 1999). Lee et al (2005) conducted a research on a Korea market and came to the conclusion that the most important factors are flavour and taste, and price, while appellation of origin and wine brand and reputation have medium importance. Barber et al (2006) were analysing how gender, income and age influence wine selection in the context of front label information in Connecticut, USA. Also, in this case, it turned out that the country / region of origin played the most important role. Hall et al (2001) concluded that Australian consumers take into account price, wine brand, label – packaging, region of production, taste and type of wine as the most important factors when choosing the wine, whatever the occasion for its consumption it is.

Irig as a wine destination: natural preconditions, tradition and contemporary wine industry

Irig (population: 10,000) is situated in the Province of Vojvodina in Northern Serbia, in Srem County, on Fruška gora mountain. It is situated on the 45° of Northern latitude. This is also the position of some worldwide famous wine regions, French Bordeaux and Rhone and Italian South Tirol, which proves that there are natural (climatic) preconditions for producing world class wines.

The territory of Irig is vertically quite diversified, its highest point has an altitude of 522m, and the lowest point 104m. It has surface of 226 km² and is one of the smallest municipalities in Vojvodina (Davidović & Miljković, 1995).

The constitution of the relief is related to the long process of disappearance of Pannonian Sea and constitution of Fruška gora. Today there are two main geomorphological parts: southern sub-forest of Fruška gora, and flat plateau under Fruška gora. The structure of the soil differs from clay and loam to sand. The climate is moderate continental, and in these conditions vegetation of vine lasts up to 7 months and winter dormancy up to 5 months. The average annual temperature of air is 10.6°C, with the warmest month being August, with average temperature of 21.0°C, and the coldest one January with an average temperature of -0.8°C (Davidović & Miljković, 1995). Due to these conditions, the grapes in Irig mature earlier and contain 1-2% more sugar than in other wine regions in Vojvodina (Pivac, 2012).

The vine is a plant that is imminent to Fruška gora just like other flora present in this area. Archaeologists found few objects from Bronze and Iron Age which were probably used for wine consumption. What we can be sure of is that in Roman Empire, after the eruption of Etna and destruction of Pompeii, enormous amount of vineyards in Apennine peninsula were destroyed, hence Romans started fostering vine planting in provinces, too. This led to mass production of wine, and eventually, wine became cheaper than bread. Emperor Domitian in 92 AC decided to ban growing vine outside Apennine peninsula. It is in 276. AC that emperor Marcus Aurelius Probus, who was born in Sirmium (today city of Sremska Mitrovica), allowed growing vine in provinces, too and it is since this date that we have firm proofs of wine production on Fruška gora mountain (Pilipović, 2013).

Irig has got long and rich tradition. It was first mentioned in 1225 (Varga, 2001). In Middle Ages, it was trade centre and the most important settlement in Srem. It is the first city in Srem that has obtained the right to organise two fairs per year, by Austrian Emperor Leopold in 1760. At that time it had more inhabitants than today's Belgrade, but the big plague in the 18th century stopped the growth and flourishing of Irig. Over time, however, Irig recovered and has become increasingly important spiritual, educational and cultural center. In 1829 "Podluško-sremska Library" was founded, one of the oldest Serbian libraries. From a total of 16 monasteries of Fruška gora, half are located in the municipality Irig: Novo Hopovo, Grgeteg, Krušedol, Sremska Ravanica, Velika Remeta, Mala Remeta, Jazak, Staro Hopovo. In 1926 "Fruit and Wine Cooperative of Fruška gora" was established, which after outgrew in the very famous "Iriški podrum", the winery that was one of the most popular wineries in

ex-Yugoslavia. In 18th century wine was one of the most important products of locals, who used to export it to Wien, Austria, Budapest, Hungary and Krakow, Poland. There is a difference in varieties that used to be planted in this area and those that are planted now, due to a number of reasons – negligence, a systematic organisation in ex-Yugoslavia which was in favour of international ones, market trends etc. Varieties that can be considered as old ones are: Graševina, Sremska zelenika, Volujarka, Tamjanika, Slankamenka, Smederevka, Frankovka, Portugizer, Drenak, Dinka, Skadarka. Varieties that we can mostly find today are: Sauvignon blanc, Chardonnay, Rhine Riesling, Gewürztraminer, Pinot Noir, Merlot, Cabernet Franc, Cabernet Sauvignon (Lazić, 1982; Cindrić et al, 2000).

As of 2018, there are 9 wineries that are registered in the official register of the Ministry of Agriculture of the Republic of Serbia, that are fulfilling all the requirements for production and sale of wine. They are (in alphabetical order):

1. Deurić

Situated in the village of Mala Remeta, with 14 hectares of vineyards situated on an altitude of 250m, with oenologists from France. Established in 2013 by Deurić family. Besides the production facility there is a facility that can host tourists, and offer wine tastings but also lodging. Varieties: Sauvignon Blanc, Chardonnay, Gewürztraminer, Pinot Noir, Merlot, Marselan (Vinarija Deurić, 2018).

2. Hopovo – Zarić

Vineyards planted in 2009 on almost 6 hectares, which consist of Folle Blanche, Ugni Blanc, Colombard, Clairette, Muscat Frontignan, Pinot Noir, Merlot, Cabernet Franc, Cabernet Sauvignon. Their main product is Armagnac (Vinarija Hopovo, 2018).

3. Mačkov podrum

A family-owned winery with the tradition that dates six generations back. Today this winery has got 32 hectares of vineyards, with the following varieties: Sauvignon Blanc, Chardonnay, Rhine Riesling, Gewürztraminer, Portugizer, Pinot Noir, Merlot, Cabernet Franc. This winery also can host tourists for tastings, dinners and events. Specific for restoring forgotten indigenous variety of Portugizer (Mačkov podrum, 2018).

4. KM

This winery is run by the two brothers, who started production for own needs in 1975, and became professional winery in 2016. Planted

varieties are Chardonnay, Rhine Riesling, Hamburg, Frankovka, Merlot (Vinarija KM, 2018).

5. Komuna

A family-run winery, established in 2013. They have Chardonnay, and Merlot and can host tourists for wine tastings (Vinarija Komuna, 2018).

6. Kovačević

The largest and the most famous winery and one of the two wineries with the longest tradition in Irig. Varieties are Sauvignon Blanc, Graševina, Chardonnay, Gewürztraminer, Muscat Ottonel, Rhine Riesling, Pinot Noir, Hamburg, Merlot, Cabernet Sauvignon. This winery has got a large restaurant as well as lodging offer (Vinarija Kovačević, 2018).

7. Odrovački

Family-run winery, established in 1998, with 2.5 hectares of vineyards, and varieties Cabernet Sauvignon, Hamburg, Graševina and Vranac (Vinarija Odrovački, 2018).

8. Sovilj

This winery was established in 2010 but so far it didn't have any relevant activities on the market.

9. Veranda

This winery is the youngest in Irig, with 8.5 hectares of planted vine: Sauvignon Blanc, Chardonnay and Merlot (Vinarija Veranda, 2018).

The goal of this paper is to conduct a market research regarding opinion of wine consumers on wines from Irig and explore possible connections with Irig as a touristic destination, and in relation to this we set the following hypothesis:

H-1: Wine region is significant criteria for choosing wine.

H-2: Consumers have good opinion on Irig as a wine region.

H-3: Wine region is more important to people who consume wine more often.

Research methodology

We conducted a research using a questionnaire divided into parts related to demographic and social characteristics of respondents, wine consumption habits, importance of specific wine characteristics, opinion on the wines coming from Irig region, and interest in wine tourism

activities. A self-administered questionnaire was used, with closed-end and five-point Likert-type scale questions.

The research has been conducted during January 2018 using online survey. Total of 160 answers has been obtained however due to incomplete answers, 151 of questionnaires have been used for the research.

Questionnaires have been analysed using statistical software IBM SPSS – Statistical Package for Social Science (version 20.0). Other than statistical methods, we also used other methodologies typical for social sciences: inductive, synthetic and historical methods (Pejanović & Vujić, 2016).

Table 1: *Demographic profile of sample (n = 150)*

Variable	Categories	Frequency (valid %)
Gender	Female	57.6
	Male	42.4
Age	18-29 years	19.9
	30-39 years	24.5
	40-49 years	40.4
	50-59 years	9.9
	60 + years	5.3
Education	Elementary or high school	16.6
	Bachelor degree	57.6
	M.Sc, PhD	25.8
Territory	Vojvodina	37.7
	Central Serbia and Kosovo and Metohija	62.3

Source: *Authors' calculation*

As represented in Table 1, there were more women (57.6%) than men (42.4%) in the sample. As regards to the age structure, the largest share belongs to those who belong to the group of 40-49 years (40.4%), then to those age 30-39 (24.5%), or to those age 18-29 (19.9%), while smaller share belongs to people over 50 years (15.2% in total). Majority of respondents (82.4% in total) hold either Bachelor or higher degree (57.6% hold Bachelor degree and 25.8% hold Master of Science, Philosophiae Doctor or similar degree). Also, the majority of respondents live in Central Serbia and Kosovo and Metohija (62.3%) whereas 37.7% live in

Vojvodina. Similar results as regards the gender, age and education in the sample structure were obtained in researches alike (Gluckman 1986, Ginon et al, 2014, Keown & Casey 1995, Sanchez & Gil 1988, Tzimitra-Kalogianni et al 1999, Lee et al 2005, Barber et al 2006, Hall et al 2001).

Regarding the wine consumption habits, the majority of respondents consume wine once or more times per week (38.4%), followed by those who consume it once or few times per month (35.1%). 11.3% of respondents declared to consume wine once or few times per year, 8.6% of respondents declared that they consume wine every day and only 6.6% consume it less than once a year, or never.

When asked whether they are likely to pay a visit to some of the wineries from Irig, 92.1% of respondents answered affirmatively. When asked whether they were aware that certain wineries are situated in the region of Irig, the majority knew this information for the two wineries: Mačkov podrum and Kovačević (90.1% and 82.8%, respectively). This is expected as these are the two oldest wineries from Irig. The level of recognition of other wineries was below 40%, and respondents who live in Vojvodina were more likely to recognise the wineries of Irig. Quite similar results were obtained by Vujko et al (2017) in their research regarding the development of wine tourism in Irig.

Before analysing part related to the importance of certain characteristics of wine and the grade given to wines of Irig for each of these characteristics, we performed scale reliability analysis using Cronbach's Alpha coefficient (DeVellis, 2003). Ideally, this coefficient should be above 0.7. In our example Cronbach's Alpha was 0.77 which implies acceptable scale for factors influencing wine choice and 0.88 implies very good scale for the opinion of wines from Irig.

Table 2 shows how respondents valued certain characteristics of wine as a motive to decide to consume it. The most important characteristic turned out to be flavour and accompanying organoleptic characteristics of wine, with 70.2% respondents giving it the highest important level. This one is followed by the reputation of the winery (or wine maker), with mean of 3.48. Wine region where the wine comes from has got a slightly lower mean, 3.32. The appearance of the bottle and its label got an average level of importance of 3.28, price 3.23, availability in restaurants and markets 3.10. The lowest importance when choosing the wine was given to advertising, with the mean of 2.38.

Table 2: *Importance of factors when choosing wine*

Characteristic of wine	1 - Not important				5 - Very important				Mean	Median	Mode	Std.
	at all	2	3	4								
Flavour, colour, smell (organoleptics)	3.3%	2.0%	6.6%	17.9%	70.2%				4.50	5.00	5	0.951
Price	9.9%	11.9%	40.4%	21.2%	16.6%				3.23	3.00	3	1.161
Appearance, label, bottle cue	7.9%	14.6%	33.1%	30.5%	13.9%				3.28	3.00	3	1.120
Wine region it comes from	12.6%	13.2%	27.8%	22.5%	23.8%				3.32	3.00	3	1.313
Reputation of the winery / wine maker	6.6%	17.9%	19.9%	31.8%	23.8%				3.48	4.00	4	1.221
Availability in restaurants and markets	11.3%	21.9%	29.1%	21.2%	16.6%				3.10	3.00	3	1.242
Advertising, promotions (communication)	32.5%	22.5%	25.8%	12.6%	6.6%				2.38	2.00	1	1.243

Source: *Authors' calculation*

When asked to grade how satisfied they are with the wines produced in Irig (Table 3), the respondents turned out to be the most satisfied with the flavour of the wine, giving it average grade of 4.03 and the region the wine is coming from with the average grade of 4.02. The reputation of the winery and wine maker follows with the average grade of 3.91, furthermore there is appearance of the bottle with 3.72, the price with 3.58, availability in the restaurants with 3.43 and the least satisfying characteristic of wines coming from Irig is advertising with mean of 2.99.

Table 3: *How satisfied respondents were with wines from Irig*

Opinion on wines from Irig	1 - Very bad				5 - Excellent				Mean	Median	Mode	Std.
		2	3	4								
Flavour, colour, smell (organoleptics)	2.0%	1.3%	19.9%	45.0%	31.8%				4.03	4.00	4	0.867
Price	1.3%	6.0%	39.1%	41.1%	12.6%				3.58	4.00	4	0.836
Appearance, label, bottle cue	2.6%	2.6%	34.4%	41.1%	19.2%				3.72	4.00	4	0.897
Wine region it comes from	1.3%	5.3%	21.9%	33.1%	38.4%				4.02	4.00	5	0.969
Reputation of the winery / wine maker	1.3%	3.3%	26.5%	40.4%	28.5%				3.91	4.00	4	0.894
Availability in restaurants and markets	3.3%	9.9%	36.4%	41.1%	9.3%				3.43	4.00	4	0.913
Advertising, promotions (communication)	10.6%	15.2%	45.0%	22.5%	6.6%				2.99	3.00	3	1.036

Source: *Authors' calculation*

The tables 2 and 3 imply one more important information: the wines from Irig have got higher grades than the grade of importance of these attributes (with the exception of organoleptic characteristics of wine), which indicates that consumers in general have very good perception on wines coming from Irig.

Further on, we analysed differences between groups in the sample regarding certain characteristics. More precisely, we analysed whether the groups of respondents which are different in terms of age, education and

frequency of consumption have statistically significant different views on the characteristics of wine, using one-way ANOVA for different groups, and we used T-test of independent samples to analyse statistically significant difference between male and female respondents. We concluded that there were no statistically significant and scientifically meaningful differences between these groups. An additional analysis consisted of correlation tests. We identified that there is statistically significant correlation between frequency of wine consumption and recognition of wineries from Irig. Coefficient of Pearson linear correlation showed negative correlation, $r = -0.418$, $n = 151$, $p < 0.05$, meaning that consumers that drink wine more often recognised more wineries from Irig, than those who drink wine rarely.

Table 4: Results of T-test of independent samples

Independent Samples Test										
		Levene's Test for Equality of Variances		t-Test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Znatec organizacije izborna vina	Equal variances assumed	51.804	.000	7.004	148	.000	2.331	.264	1.509	2.554
	Equal variances not assumed			6.996	8.200	.000	2.331	.365	.758	3.385
Znatec mesta kod izborna vina	Equal variances assumed	1.282	.259	1.496	148	.136	.892	.379	-.186	1.319
	Equal variances not assumed			1.226	8.839	.248	.882	.466	-.462	1.846
Znatec izjela kod izborna vina	Equal variances assumed	2.216	.139	1.401	148	.162	.812	.366	-.210	1.234
	Equal variances not assumed			1.027	8.768	.309	.812	.478	-.852	1.576
Znatec vinogara kod izborna vina	Equal variances assumed	.343	.557	1.200	148	.022	.983	.424	-.146	1.623
	Equal variances not assumed			2.114	10.889	.050	.893	.485	-.052	2.318
Znatec vinara kod izborna vina	Equal variances assumed	.001	.977	1.046	148	.007	.732	.388	-.052	1.519
	Equal variances not assumed			1.708	10.886	.118	.732	.429	-.222	1.895
Znatec dostavljati kod izborna vina	Equal variances assumed	3.409	.067	1.957	148	.065	.749	.461	-.048	1.546
	Equal variances not assumed			1.471	8.761	.172	.749	.556	-.369	1.867
Znatec redovno kod izborna vina	Equal variances assumed	.466	.498	-.304	148	.761	-.124	.408	-.930	.682
	Equal variances not assumed			-.267	8.868	.796	-.124	.468	-1.161	.613
Kakva je organizacija iz Iriga	Equal variances assumed	2.408	.123	1.432	148	.044	.571	.381	-.018	1.128
	Equal variances not assumed			1.505	8.648	.104	.571	.378	-.278	1.420
Kakva je cena vina iz Iriga	Equal variances assumed	.700	.379	1.081	148	.281	.288	.273	-.245	.821
	Equal variances not assumed			.793	8.694	.447	.288	.373	-.540	1.111
Kakva je izgled vina iz Iriga	Equal variances assumed	.456	.501	1.521	148	.130	.445	.282	-.123	1.022
	Equal variances not assumed			1.189	8.728	.283	.445	.374	-.302	1.291
Kakva je vinogara iz Iriga	Equal variances assumed	3.405	.067	1.957	148	.065	.884	.314	.044	1.283
	Equal variances not assumed			1.520	8.612	.158	.884	.434	-.308	1.636
Kakva je reputacija vinogara iz Iriga	Equal variances assumed	2.901	.091	1.780	148	.024	.857	.368	.007	1.228
	Equal variances not assumed			1.634	8.881	.135	.857	.402	-.244	1.559
Kakva je dostavnost vinogara iz Iriga	Equal variances assumed	.116	.731	1.550	148	.129	.481	.287	-.127	1.049
	Equal variances not assumed			1.149	8.882	.276	.481	.401	-.438	1.380
Kakva su redovno izborna Iriga	Equal variances assumed	.005	.945	.294	148	.769	.190	.345	-.572	.772
	Equal variances not assumed			.279	10.162	.788	.189	.358	-.698	.898

Source: *Authors' calculation*

For more in-depth analysis we split the sample into two groups, those who consume wine once per year or less often, and all the others. By analysing these two groups with T-test of independent samples we identified statistically significant differences in their perception of certain wine characteristics and in their appreciation of wines from Irig. The details are given in Table 4.

Table 4 represents that there is important difference between the two groups of consumers – those who drink wine less than once per year, and all the others, in how they value the following:

- Importance of organoleptic characteristics when choosing wine (moderate to strong influence)
- Importance of wine region when choosing wine (moderate influence)
- How good are organoleptic characteristics of wines from Irig (small to moderate influence)
- How good is Irig as wine region (small to moderate influence)
- How good is the reputation of wineries and wine makers from Irig (small to moderate influence)

Finally, when asked which type of wine Irig is the most suited for, 32.5% answered it is the most suited for white wines, 4.6% chose rose wines, 9.9% chose red wines, 24.5% believes it is suited for all wines equally, and 28.5% had no opinion.

Results and discussion

Given the survey results, we can bring the following conclusions regarding our hypothesis:

H-1: Wine region is significant criteria for choosing wine.

Wine region was rated as the 3rd important motive for choosing wine, with the average importance of 3.32, therefore, we can consider that we proved hypothesis 1.

H-2: Consumers have a good opinion on Irig as a wine region.

Irig as a wine region obtained an average grade of 4.02, just after the organoleptic characteristics of wine, so we can conclude that we proved this hypothesis.

H-3: Wine region is more important to people who consume wine more often.

With the T-test of independent samples we proved that there is moderate influence of frequency of wine consumption on perception of importance of wine region when choosing wine.

It is worth underlining that the research didn't identify any significant differences between men and women, between people of different age, less or more educated. It proved the difference between those who live in Vojvodina and in the rest of Serbia, as well as between those who consume wine at least on an annual basis and those who consume it less frequently.

It is also important that almost all respondents (92.1%) said they would like to visit some winery in Irig, which showcases great interest and a great potential for wine tourism.

Generally, there is very good perception of wines from Irig and of Irig as a wine region, which is also valuable information from the wine tourism point of view.

Conclusions

Knowledge of wines in Serbia is still not a general matter, but is narrowed to those who drink wine and show interest in it. Wine culture is important element of education in contemporary era and represents civilizational reach of a nation, and represents an area in which people in Serbia still need to work on.

The research showed how good image of Irig consumers have and how willing they are to visit Irig wineries. Nine official commercial wineries, and a large number of home-estate wineries make Irig a truly unique place in Serbia. Besides that, one of the most popular spas in Serbia, Vrdnik, is situated in Irig municipality. It is very well connected (11km from railway Belgrade – Zagreb, 50km from Surčin airport, and not more than one-hour drive from two most important emitting centres in Serbia, i.e. Novi Sad and Belgrade), it has got very rich cultural heritage (monasteries, tower of Vrdnik etc.), natural resources (National park of Fruška gora). All the above proves that Irig has got enormous potential for developing wine tourism and for positioning itself as an exclusive touristic destination.

This paper is significant for a number of parties and can give directions and information for each of them:

- Local policy makers should understand potential and importance of tourism development in Irig.
- State policy makers should understand potential of wine tourism in wine regions of Serbia. Wine tourism should have important role in national tourism of developing countries such as Serbia (Jojić Novaković & Cvijanović, 2017). The places that have potential of development of wine tourism should be priorities for investment of State (Vujko & Gajić, 2014).
- Wineries from Irig should put effort on improving their image outside of Vojvodina.
- Touristic agencies should focus more on wine tourism and create more tours that include visit to wineries.
- All relevant institutions, wine makers, associations etc. should continue to work on elevating the level of wine culture in Serbia, and make it an issue of national importance, not only an issue important to small circles of wine lovers.
- Irig is underestimated as a region suitable for red wines. Back in 1820 however, according to Schams, there were quite few vineyards with white grapes in Srem, as people believed that this region is not suitable for white varieties.

Limitations of the study may be related to the fact that survey was conducted via the Internet and that maybe different results would have been obtained if it was realised in a direct contact with respondents.

Further study may be related to other wine regions in Serbia such as Župa, Šumadija, Negotinska krajina etc. and to explore their potential for wine tourism development.

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PHYTOTHERAPY FROM THE ASPECT OF SPA TOURISM

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Abstract

The subject of this research is the knowledge of the properties of medicinal herbs and their use by tourists from Vrnjacka Banja. The aim of the research is to examine the connection between knowledge of spa tourists about medicinal herbs and the possibility of their usage in everyday life. A prospective study is done using a survey questionnaire, that contains three groups of variables: demographic data, knowledge of the properties and use of medicinal herbs. The research has shown that the respondents are best acquainted with the healing properties of fruits and vegetables. As for the use of medicinal herbs (such as tea or fruits), most of the respondents use them periodically, while being healthy. After they get sick, the respondents under 50 years of age, start their treatment by combining medicinal herbs with the medicines from pharmacy, whereas the elder ones above 50 years of age, address the problem by going to their chosen doctor.

Key Words: *phytotherapy, spa tourism*

JEL classification: M14

Introduction

Medical tourism is a growing component of the tourist offer. Medical tourism is to be profiled according to the needs of market, as well as complex relationships including economic, social and political factors. Millions of tourists from developed countries are becoming beneficiaries of these tourist services, starting from wellness tourism (Smith, 2008), to complex medical services that are most often offered by countries with lower levels of economic development and hence lower prices (Horowitz,

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2007). It is clear that the medical and health service market is being globalized and that patients and users of these services can satisfy their needs in various places, without having geographical or any other constraints (Horowitz, 2007).

Bearing in mind the importance of health tourism, it is clear that the development and diversification of Serbia's tourist offer should include this component as well. On the other hand, there remains an open question about the direction, that is, the component of health tourism that needs to be taken into consideration. The problem of the health tourism development is complex, and, as already mentioned, it covers a wide range of possible services.

Traditional medicine takes a significant place and large number of countries have made significant steps in trying to define the legal framework as well as experience in the regulation of this supplementary or alternative medical branch (World Health Organization, 2005). Experience in different countries (Choi, S. K., & Kim, H. K., 2005, Lam et al., 2011, Kazemi 2008) has shown that it is possible (Chokevivat & Chuthaputti, 2005) to use the principles of traditional treatment procedures in the area of promoting or creating new tourist services. Phytotherapy and modern medicine based on the use of medicinal herbs are of great importance, both in modern medicine practice in the most developed countries (Parada et al. 2009, Rosa 2012), and as a component of traditional medical procedures in many countries of the world (Mills & Bone , 2000). Knowledge of the properties of medicinal plants and their use by the tourists of Vrnjacka Banja was chosen for the purpose of this research.

Based on this, the goal of the research was also profiled: the perception of the connection between the knowledge of the tourists of Vrnjacka Banja about medicinal herbs and the possibilities of its application in everyday life (Phytotherapy).

Medical health tourism is a type of tourism that includes, primarily, therapeutic and wellness segment, which is associated with the movement of tourists on their own initiative in a special resort areas that has all the necessary resources, the main purpose of the trip at the same time is any form of health improvement combined with recreation and end fun (Vetitnev & Kuskov, 2010).

Also, medical health tourism is defined as an active movement of the individual beyond the permanent place of residence having an impact on their health benefit and physical development (Vetitnev, 2011). According to the definition of the famous German scientist W. Nahrstedt (2004), medical health tourism includes local and foreign tourist visits to the balneological resorts and others by changing their permanent residence and provides them with health programs under their personal responsibility and as a rule by paying privately. Dr. Aris Ikkos (2002) believes that medical health tourism is associated mainly with thermal tourism and visits to the mineral springs for medicinal purposes. This kind of tourism is characterized by the strong natural-resource orientability. The natural resources of medical health tourism include mineral water, therapeutic mud, climatic resources, etc.

Benefits of using wellness are multiple, starting from muscle relaxation after manual massage that leads to pain relief and elimination of stress through vasodilatation which increases the tissue oxygenation which then leads to the better functioning of all organs and thus the whole organism. In case of simultaneous application of natural healing factors such as thermo-mineral waters, wellness represents a complex and holistic form of prevention which can be obtained as a product in spa resort (Artinović et al., 2012).

In the context of meteoroprofilax, health tourism is one of the key methods of preventing general, as well as specific illnesses, through a set of treatments such as air baths, UV-rays, inhalation with negative ions, etc. (Živanović & Manojlović, 2016). Thanks to these resources some of the most popular spa resorts in the world function. Modern medical health tourism is developing dynamically in almost all countries around the world with the recreational conditions available for it. According to the results of research, by a consulting firm McKinsey & Company (2016), the annual turnover of funds in this area in 2012 grew to \$ 100 billion, and the total number of customers amounted to approximately 800 million people. Medical health tourism share from the global GDP was 1.8% in 2012. According to a report presented at the Global Wellness Tourism Congress, the tourism sector will grow on average by 9.9% per year, which is almost two times higher than the tourism industry as a whole, and will reach \$ 678.5 billion by 2017 which is 16% of the total income from tourism. Nowadays the global medical health tourism centers are situated in the Asian-Pacific Region (58 countries and territories). According to the data presented at the Global Spa & Wellness

Summit, by 2017, 50% of the medical health tourism market will be situated in the Middle East, Asia and Latin America. Countries like India, Hungary, Mexico, Singapore, Thailand, Barbados, Brazil, Israel, South Korea and Turkey are among the ten countries that are leading in the number of tourists from medical and health sector. European and North American residents are the main consumers of medical tourism services. Japan, USA, Germany, France and Austria take up 63% of the world market in this segment (Medical Travel Today, 2013).

The modern destination of health tourism should include the following elements: a regular health institution and /or one that practices alternative medicine using professional staff, various therapies and treatments with healing water, mud or some other natural healing factor, adequate rooms for these purposes, open and closed water surfaces , various beauty treatments, various types of massages, high level hospitality, tourist services, authentic spa architecture, natural ambience with arranged green areas in a peaceful environment without traffic, noise and pollution, specialized restaurants, fitness, sports and recreation activities, cultural and entertainment events , animation and other leisure-time activities and attractions for visitors, in order to make the tourist stay and experience at the destination more pleasant (Milićević & Živanović, 2015) .

Alternative medicine is the fundamental method used by humans to preserve their health and avoid diseases since the dawn of time. It is an alternative for those who live far from medical facilities, in places where there are no physicians. Even where there are physicians, people still take the lead in their own health care. Alternative medicine can also be defined as the continuity of traditions, religious beliefs, and even quackery that non-specialists practice in many ways to treat people. Ordinary people provided with clear and simple information can prevent and treat many common health problems in their homes, which can stop maladies earlier and provide cheaper treatment.

By approaching the third millennium, and with the tremendous progress that we witness in the standard of technology and research in different sciences, especially in medicine, people still believe in complementary medicine as being safer and cheaper than conventional medicine. It has a great public demand and grows in popularity, especially in the Old World, but even in the developed countries like the United States (US Government Printing Office, 1994), where it has become increasingly prevalent (Fontanarosa & Lundberg, 1997) and is making a steady

incursion into the health budget of Americans. Unconventional therapies are medical practices that are not known in teaching programs or in the systems of medical institutions (Eisenberg, 1997). These therapies have branched out in the last few years to include categories such as homeopathy, balneology, climatotherapy, chiropractice, acupuncture, and many psychotherapeutic treatments.

The different types of complementary, alternative, unconventional, and integrative medicine in the Old World include the historical, cultural, social, traditional, and philosophical aspects of the various civilizations that prevailed mainly in Asian, African, Far Eastern, Middle Eastern, and Arabian countries. Most of that kind of medicine continues to be practiced today. Many people realize that it takes into account not only the individual's physiological and biological conditions but it also includes the psychological, social, environmental, and even spiritual dimensions that may reveal the underlying factors contributing to illness.

In general, human organism has the need to maintain stable internal ambiance (body temperature, neurotransmission, physical and chemical balance) which is known as homeostasis. This term includes maintaining constant physiological conditions within cells, which are ensured by enzyme, hormone and neuron mechanisms, enabling normal metabolism, normal use of oxygen from atmosphere, appropriate food intake and normal secretion (Živanović, 2015).

The Old Egyptian "Pharaons" medicine is the oldest and goes back to 4500 BC, as documented in papyrus sheets. The Egyptians were the first to perform surgery on the human body. They were also experts in embalming (mummification), using aromatics and herbs to help preserve flesh for thousands of years. They also used the infusion pump method to extract oils from aromatic plants to create incense, one of the oldest ways of using aromatics. Aromatherapy began in ancient Egypt, and the medical papyri are believed to date back to 1600 BC and contain remedies for all kinds of diseases. Egyptians used oils of sweet and delicate odor and scent extracted from flowers and pine trees. In addition, they used different types of salts and alabaster to esthetically improve the skin shape. They also produced creams that contain fruit acids (glycolic acid) from sugarcane, mango, apple, and other fruits that were used by women of the royal family and the rich. They also used sour milk, which contains lactic acid, to smoothen the skin. They used many herbs for treating diseases and in particular skin diseases, such as alopecia and skin

infections. You can indeed find the detailed concepts of the mega trends in wellness tourism in the literature, which fit into the mainstream philosophy of wellness and spa (Berg, 2008). These are health, the pursuit of longevity, individualization, the dominance of women in the spa, modern soulfulness and mobility of health tourists. The analysis of five key trends (megatrends) in spa tourism seems to be especially important in the context of innovation to spas (Abram & Kosińska, 2016). These include the trends: medi spa, beauty spa, wellness spa, ethno spa, eco spa. This shows that modern innovations in health service spa tourism should focus not only on the phenomenon of wellness, but also on the use of advanced medical technology and cosmetic therapeutic tourism. In addition, you should “make use” of an innovative way with the elements of the culture, traditions and folk medicine in the resorts, in a larger scope than it was previously used in ecology. This document will try to answer the question of whether there exists, and to which extent, the culture of application of herbs (Phytotherapy) in the everyday life of spa tourists.

Methodology

A prospective study has been conducted using a survey questionnaire that contains three groups of variables: demographic data, knowledge of the properties and the use of medicinal herbs. The questionnaire was compiled according to a structured interview method, using closed type of questions, which contained replies based on the 3-point and 5-point Likert scale. The survey of tourists from Vrnjacka Banja was being carried out from July to September 2017. Randomly selected sixty-two respondents who visited Vrnjacka Banja during the mentioned period had participated in the survey. The respondents filled in questionnaires in the pleasant ambience of Vrnjacka Banja restaurant patios in the presence of interviewers (the face-to-face method). A database was created in Excel, descriptive and analytical statistics were made using the Excel Data Analysis package. Within the descriptive analysis framework, descriptive statistics were made, and within the frame of analytical statistics, t-tests of two unequal variation samples (t-Test: Two-Sample Assuming Unequal Variances) were made.

Results and discussion

The survey involved more women (37) than men (25), as indicated by the parameters of descriptive statistics - the average value is 1.4, the standard error is 0.06; standard deviation is 0.49; median and mod have the same

value: 1 (for females). In terms of sex, the observed sample is asymmetrical (0.404), shifted to the right, pointing out the fact that the percentage of female respondents (59.68%) is higher than those of male (40.32%), as shown in Table 1. The average age value of the respondents from the observed sample is 55.48 years. Standard error is 1.93; standard deviation is 15.18. The average age of respondents is 58 years (medians), predominated by 55-year olds (mod). The youngest respondent is 18, and the oldest one is 82 years old. The age pattern is asymmetrical (- 0.633), shifted to the left, indicating the fact that a larger number of respondents are over 58 years of age, as shown in Table 1. The biggest number of respondents have the secondary vocational education - 35, which is 56.45%; university and academic education- 19, which amounts to 30.65% and elementary education - 6, which is 9.68%, as indicated by the parameters of descriptive statistics - the average value is 3.15, the standard error is 0.09; standard deviation is 0.72; median and mod have the same value – 3. In terms of education, the observed sample is asymmetrical (0.769), shifted to the left, indicating that the majority of respondents have secondary vocational education, as shown in Table 1. When it comes to estimating their own material living condition, the majority of respondents opted for the options “moderate” (46.77%), and “good” (40.32%), resulting in an average score 3.55; the standard error being 0.097, and the standard deviation 0.76. Median is 3.5 and mod is 3. In terms of self-estimated material living condition, the observed sample is slightly asymmetrical (- 0.169), shifted to the left, indicating the fact that the major number of respondents opted for options “moderate” and “good”, as well as “very good” (9.68%), as shown in Table 1. The majority of respondents live in the city (43.55%) and the suburban area (32.26%), as indicated by the parameters of descriptive statistics - the average value is 1.81, the standard error is 0.1, the standard deviation is 0.81, the median is 2 (suburban settlement), and the mod is 1 (city). In terms of the respondents’ habitat, the observed survey sample is asymmetrical (0.371), shifted to the right, indicating the fact that the larger number of respondents live in the city and suburban area, while 24.19% of the respondents live in the village, as shown in Table 1. Majority of respondents come from Central Serbia (43.55%), Western Serbia (17.74%), Vojvodina (14.52%), Southern Serbia (12.9%) and Eastern Serbia (11.29%), as indicated by the parameters of descriptive statistics - the average value is 2.9, the standard error is 0.15, the standard deviation is 1.18; the median and mod have the same value: 3. In terms of where they come from, the observed sample is slightly asymmetrical

(0.131), shifted to the right, indicating that the majority of respondents come from Central Serbia, as shown in Table 1.

Table 1: *Values for parameters of descriptive statistics of DEMOGRAPHIC DATA of the respondents*

Descriptive statistics values	Sex	Age	Vocational Education	Material Living Condition	Habitat	Place where they come from
Mean	1,403226	55,48387	3,145161	3,548387	1,806452	2,903226
Stand. Error	0,062808	1,927664	0,091543	0,096686	0,102426	0,150286
Median	1	58	3	3,5	2	3
Mode	1	55	3	3	1	3
Stand. Deviat.	0,49455	15,17844	0,72081	0,761306	0,806504	1,18335
Samp. Varianc	0,24458	230,385	0,519566	0,579588	0,650449	1,400317
Kurtos.	-1,8988	0,041284	1,056735	1,058923	-1,36249	-0,47669
Skewn.	0,404408	-0,63343	-0,76857	-0,16851	0,370968	0,131418
Range	1	64	3	4	2	4
Minim.	1	18	1	1	1	1
Maxim.	2	82	4	5	3	5
Sum	87	3440	195	220	112	180
Count	62	62	62	62	62	62

Sources: *Authors*

Statistically, there is no significant difference in the survey participation between: female and male respondents, older than 50 and younger than 50, with high school and academic degrees, moderate and very good material living conditions, the ones living in the city and the ones living in the village, as well as those coming from Central Serbia in relation to those coming from Vojvodina, which indicates a properly selected sample of respondents. Based on the analyzed parameters of descriptive statistics of respondents' demographic data, we get the profile of an average respondent: a woman, 55.48 years of age, secondary vocational education, moderate material living condition, living in the city in Central Serbia. In terms of using medicinal herbs (tea, fruit), the majority of respondents opted for the options "occasionally, when I am healthy" (43.55%), "only when I get sick" (33.87%), and "daily" (22.58%), as indicated by the parameters of descriptive statistics - the middle value is 2.11, the standard error is 0.095, the standard deviation is 0.75; the median and mod have the same value: 2 ("occasionally, when I am healthy"). In terms of using medicinal herbs (tea, fruit), the observed sample is slightly asymmetrical (-0.189), shifted to the left, which indicates the fact that the majority of respondents opted for option 2, as shown in Table 2.

In answering the question “my family members’ usage of medicinal herbs”, most of the respondents opted for the option “occasionally, when they are healthy” (46.77%), “only when they’re sick” (43.55%), and “daily” (9.68%), as indicated by the parameters of descriptive statistics - the middle value is 2.34; the standard error is 0.083, the standard deviation is 0.65, the median and mod have the same value: 2 (“occasionally, when they are healthy”). In answering the question “when do my family members use medicinal herbs”, the observed sample is slightly asymmetrical (-0.473%), shifted to the left, indicating the fact that the majority of respondents opted for option 2, as shown in Table 2. Interestingly, family members of the respondents use medicinal herbs more “occasionally, when they are healthy” (46.77%), whereas only 43.55% of the respondents do that. Also, the respondents’ family members use medicinal herbs more “only when they get sick” (43.55%) in comparison to 33.87% of the respondents doing that. The respondents use medicinal herbs more “daily” (22.58%), while only 9.68% of respondents’ family members do that. The analysis of the use of medicinal herbs has shown that respondents have more developed culture of daily use (preventively), whereas respondents’ family members have a more developed culture of using medicinal herbs when they get sick (Phytotherapy). In terms of knowing medicinal properties of garlic, the majority of respondents (56.45%) opted for option 4 – “all above-mentioned” (“natural antibiotic, lowers blood pressure, enhances organism’s resistance to colds”); “lowers blood pressure” (17.74%); “natural antibiotic” (16.13%) and “enhances organism’s resistance to colds” (9.68%), as indicated by the parameters of descriptive statistics - the middle value is 3.06; standard error rate is 0.15, standard deviation is 1.19, the median and mod have the same value: 4 (“all above-mentioned”). In terms of knowing medicinal properties of garlic, the observed sample is asymmetrical (-0.738), shifted to the left, indicating the fact that the majority of respondents opted for the option 4, as shown in Table 2. In answering the question of knowing medicinal properties of onion, the majority of respondents (58.06%) opted for option 3 – “all above-mentioned” (“enhances organism's resistance to colds, improves blood circulation”); “improves blood circulation” (25.81%) and “enhances organism’s resistance to colds” (16.13%), as indicated by the parameters of descriptive statistics - the middle value is 2.42; standard error is 0.1, standard deviation is 0.76; median and mod have the same value: 3 (“all above-mentioned”). The observed sample is asymmetrical (-0.882) in relation to the knowledge of the medicinal properties of the onion, shifted to the left, indicating that the majority of respondents opted

for option 3, as shown in Table 2. In relation to the knowledge of the medicinal properties of onion, the observed sample is asymmetrical (-0,882), shifted to the left, indicating that the majority of respondents opted for option 3, as shown in Table 2. In terms of knowing the medicinal properties of fruits and vegetables, most of the respondents (77.42%) opted for option 3 – “all above-mentioned” (“contains a lot of vitamins and minerals, improves the resistance of the organism”); “contains a lot of vitamins and minerals” (19.35%) and “improves the resistance of the organism” (3.23%), as indicated by the parameters of descriptive statistics - the middle value is 2.58; standard error rate is 0.10, standard deviation is 0.801; median and mod have the same value: 3 (“all above-mentioned”). As far as the knowledge of medicinal properties of fruits and vegetables is concerned, the observed sample is asymmetrical (-1,461), indicating the fact that the majority of respondents opted for option 3, as shown in Table 2.

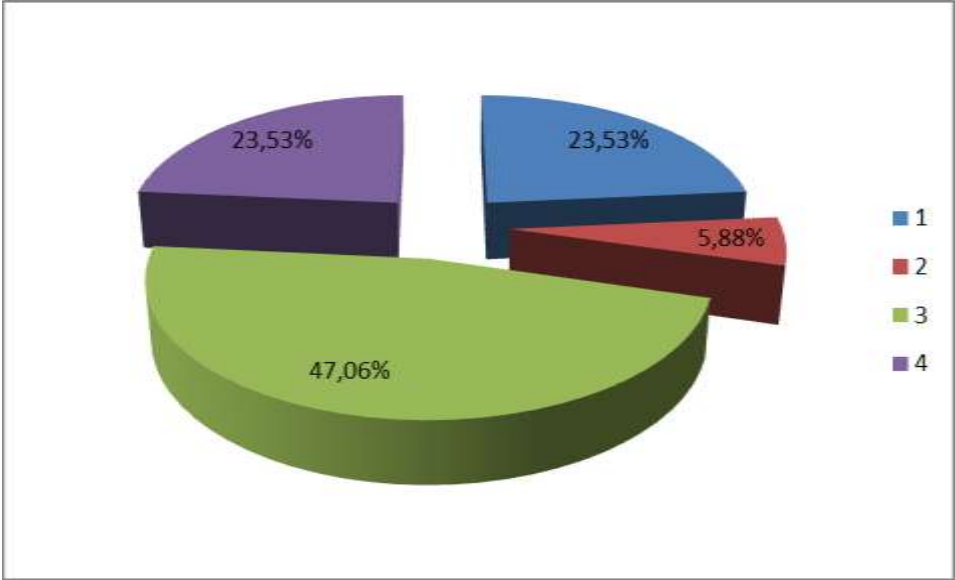
Table 2: *Values for the parameters of descriptive statistics of respondents' KNOWLEDGE OF PROPERTIES AND USE OF MEDICINAL HERBS*

Descriptive statistics values	Using of medicinal herbs (tea, fruit)	Family member's method of using medicinal herbs	Knowledge of medicinal properties of garlic	Knowledge of medicinal properties of onion	Knowledge of medicinal properties of fruits and vegetables	Method of starting the treatment after getting sick
Mean	2,112903	2,33871	3,064516	2,419355	2,580645	2,983871
Stand. Error	0,095107	0,082733	0,150569	0,096333	0,101674	0,149902
Median	2	2	4	3	3	3
Mode	2	2	4	3	3	4
Stand. Deviat.	0,748875	0,651444	1,185582	0,758523	0,800581	1,18033
Samp. Varianc	0,560814	0,424379	1,405605	0,575357	0,640931	1,393178
Kurtos.	-1,17006	-0,66098	-1,11546	-0,68513	0,220328	-0,95369
Skewn.	-0,18862	-0,47266	-0,73811	-0,88213	-1,46057	-0,77146
Range	2	2	3	2	2	3
Minim.	1	1	1	1	1	1
Maxim.	3	3	4	3	3	4
Sum	131	145	190	150	160	185
Count	62	62	62	62	62	62

Sources: *Authors*

The analysis of knowledge of properties of medicinal herbs has shown that the respondents have a solid knowledge in this area. The respondents are most familiar with: fruits and vegetables (77.42%), onion (58.06%) and garlic (56.45%). When it comes to increasing organism's resistance (to colds), most of the respondents believe that it is best enhanced by: onion (16.13%), garlic (9.68%), and fruits and vegetables (3.23%). In answering the question “after getting sick, I begin my treatment with...”, the majority of respondents (46.77%) opted for option 4; “I contact my chosen doctor; I combine medicinal herbs and medicines from the pharmacy (25, 81%); medicinal herbs (20.97%) and medicines recommended by the pharmacist” (6.45%), as shown in Table 3, indicated by the parameters of descriptive statistics - the middle value is 2.98; standard error is 0.15, standard deviation is 1.18, the median is 3 (“combining medicinal herbs with medicines from pharmacy”), and the mod is 4. In terms of starting the treatment after getting sick, the observed sample is asymmetrical (-0,771), shifted to the left, indicating that the majority of respondents opted for option 4, as shown in Table 2.

Chart 1: *Method of starting the treatment for people under 50 years of age*

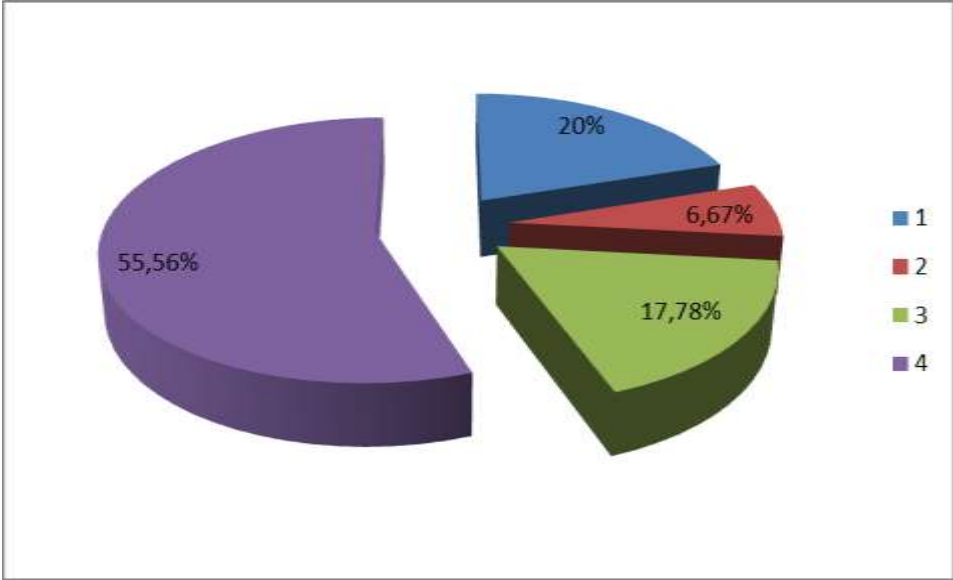


Source: *Authors*

In answering the question “after getting sick, I start my treatment with...”, most of the respondents under 50 (47.06%) opted for the option 3 – “I combine medicinal herbs with medicines from pharmacy and I turn

to my chosen doctor” (23.53%) “and the medicines my doctor recommends me” (5.88%), as indicated by descriptive statistics parameters - the middle value is 2.71; standard error is 0.27; standard deviation is 1,104; the median and mod have the same value: 3 (“combining medicinal herbs with medicines from the pharmacy”), as shown in Chart 1. In terms of starting the treatment after getting sick, the observed sample is asymmetrical (-0,595), shifted to the left, indicating that the majority of respondents opted for the option 3.

Chart 2: *Method of starting the treatment for people over 50 years of age*



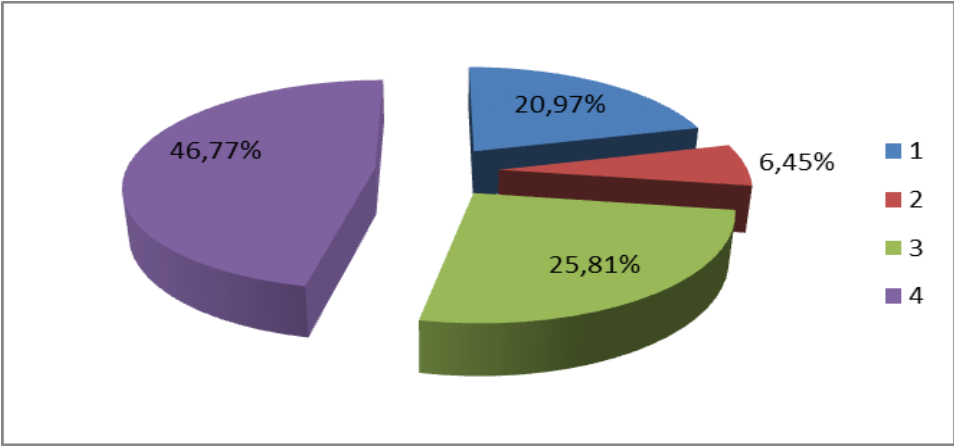
Source: *Authors*

In answering the question “after getting sick, I start the treatment with...”, the majority of respondents over 50 years of age (55.56%), opted for the option 4 – “I contact the chosen doctor”; “use medicinal herbs” (20%); “I combine medicinal herbs with the medicines from pharmacy (17.78%) and medicines recommended by the pharmacist” (6.67%), as indicated by the parameters of descriptive statistics - the middle value is 3.09; standard error is 0.18; the median and mod have the same value: 4 (“I contact my chosen doctor”), as shown in Chart 2. In terms of starting the treatment after getting sick, the observed sample is asymmetrical (-0,916), shifted to the left, indicating that the majority of respondents opted for the option 4.

The analysis has shown that, after getting sick, the respondents under 50 years of age start the treatment by combining medicinal herbs with

medicines from pharmacy, whereas those over 50 years of age contact the chosen doctor, in this case.

Chart 3: *Method of initiating treatment of the respondents*



Source: *Authors*

Statistically, there is no significant difference ($p_{Te} = 0.09 > 0.05$) in using medicinal herbs (tea, fruit) between the respondents who use it “occasionally, when they are healthy” and “only after getting sick” ($T_e = 7.07 < T_{t_{0.05}} = 12.71$, the degree of freedom 1).

Statistically, there is no significant difference ($p_{Te} = 0.2 > 0.05$) in using medicinal herbs by respondents’ family members between those using it “occasionally, when they are healthy, and those using them “daily” ($T_e = 1.39 < T_{t_{0.05}} = 12.71$, the degree of freedom 1).

Statistically, there is no significant difference ($p_{Te} = 0.2 > 0.05$) in knowing medicinal properties of garlic, between the given options “all above-mentioned” and “enhances organism’s resistance to colds” ($T_e = 1.37 < T_{t_{0.05}} = 12.71$, the degree of freedom 1).

Statistically, there is no significant difference ($p_{Te} = 0.18 > 0.05$) in knowing medicinal properties of onion between the given options “all above-mentioned” and “enhances organism’s resistance to colds” ($T_e = 1.61 < T_{t_{0.05}} = 12.71$, the degree of freedom 1).

Statistically, there is no significant difference ($p_{Te} = 0.25 > 0.05$) in knowing medicinal properties of fruits and vegetables between the given

options “all above-mentioned” and “enhances organism’s resistance to colds” ($T_e = 0,98 < T_{t_{0,05}} = 12,71$, the degree of freedom 1).

Statistically, there is a significant difference ($p_{Te} = 2E-36 < 0.01$) between the age of respondents and methods of starting the treatment ($T_e = 27,15 > T_{t_{0,05}} = 1,99$, the degree of freedom 62), as shown in Table 3.

Table 3: *Test for determining the significance in difference between the age of respondents and methods of starting the treatment.*

	Age	Method of starting the treatment
Mean	55,48387	2,983871
Variance	230,385	1,393178
Observations	62	62
Hypothesized Mean Difference	0	
df	62	
t Stat	27,15307	
P(T<=t) one-tail	2E-36	
t Critical one-tail	1,669804	
P(T<=t) two-tail	3,99E-36	
t Critical two-tail	1,998971	

Source: *Authors*

The analysis has shown that respondents under 50 years of age, after getting sick, start their treatment by combining medicinal herbs with the medicines from pharmacy, whereas those over 50 years of age contact their chosen doctor, in this case, which has been proven by the existence of statistically significant difference ($p_{Te} = 2E-36 < 0.01$) between the age of respondents and the methods of starting the treatment ($T_e = 27.15 > T_{t_{0,05}} = 1.99$, the degree of freedom 62)

Conclusion

Based on the analyzed parameters of the descriptive statistics of the demographic data of the respondents, we get the profile of an average respondent: a woman, 56 years of age, of secondary vocational education, moderate material living conditions, living in the city in Central Serbia.

Statistically, there is no significant difference in the representation of participation in a survey between “male” and “female” respondents,

“under 50” and “over 50 years of age”, with “high school degree” or “academic degree”, “moderate” and “very good material living conditions”, the ones “living in the city” and the ones “living in the village”, as well as those “coming from Central Serbia” and those “coming from Vojvodina”, which indicates a properly chosen sample of respondents.

The analysis of knowing the properties of medicinal herbs has shown that the respondents have a solid knowledge in this area. The respondents are most familiar with medicinal properties of: fruits and vegetables (three quarters), onion (more than half), and garlic (more than half). When it comes to enhancing organism’s resistance (to colds), the majority of respondents believe that it is best enhanced by: onion (one fifth), garlic (one tenth), and fruits and vegetables (one twenty-fifth).

Interestingly, family members of the respondents use medicinal herbs more “occasionally, when they are healthy” (about half), whereas less than half of respondents do that. Also, family members of the respondents use more medicinal herbs “only after getting sick” (slightly less than half), compared to just over a third of respondents. Respondents use medicinal herbs more “on a daily basis” (slightly more than one fifth), whereas it is the case with one tenth of the family members of respondents.

The analysis of using medicinal herbs has shown that the respondents have more developed culture of everyday use (preventively), whereas the family members of respondents have more developed culture of using medicinal herbs “after getting sick” (Phytotherapy), proving that the alternative medicine is an art of offered choices, or several options, that exist and function outside the ordinary medical practice or system of any country or culture. The styles and methods being used are complementary, holistic and they tend to stimulate natural self-healing process and self-regulation of physical abilities (www.archdermatol.com, 2012).

The analysis has shown that respondents under 50 years of age, after getting sick, start their treatment by combining medicinal herbs with the medicines from pharmacy, whereas the ones over 50 years of age, contact their chosen doctor in this case, as evidenced by the existence of statistically significant differences. The results of this research will be a starting point for a new study that will try to answer the question of

whether there is a potential to include Phytotherapy into the health tourism corpus in Serbia.

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THE ROLE OF PSYCHOTHERAPIST IN THE INDIVIDUAL APPROACH TO THE CLIENT WITHIN THE HEALTH TOURISM

Svetlana Zdravković¹

Abstract

Forest medicine is attracting huge attention all over the world. Based on the Japanese Shinrin Yoku movement („forest bathing“), it gathers scientists in studying the effects of being in the forest. The improvement of health situation, reduction of psychological and physical disorders, faster adaptation to stress and relaxation, are a few of the benefits that spending time in the forest brings. If we, as a part of a team, include a psychotherapist, the mentioned positive effects could get additional dimension. Thanks to his(her) support, methods and interventions, positive changes achieved in the forest medicine could have more lasting effects, could lead toward bigger satisfaction and further unfolding of the client's individuation process. In the presentation, methods of Jungian psychology and psychotherapy will be discussed and applied (with the emphasis on active imagination) in the context of health tourism based on the model: cure forest and healing forest.

Key Words: *health tourism, Jungian psychology, forest medicine.*

JEL classification: *I31*

Introduction

Today, when the emphasis in a lot of different theoretical and practical areas of life and work has been put on the individual approach, the world of tourism that, among other things, includes forest medicine and forest spa, is all but an exception. The vision that promotes and supports the collective approach often neglect the needs of a particular person or a specific group of individuals. That kind of approach is boarding the train going backwards - into the past. New trends in the development of the touristic offer in general and, of course, here in Serbia, need to put the

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person as well as the need of specific, smaller groups of individuals in the center of attention. Each individual and each group of individuals have their particular needs connected with the unique personality that lays underneath and the motives that are keeping the group together. The common factors are by no means to be overlooked, but the whole spectrum of nuances including the individual history, the present psychological and somatic health status, the emotional and work relations, needs of a certain group, etc., is demanding more space. Focusing on the individual is the inseparable part of in-depth psychotherapy including Jungian approach. In order to give a person or a particular group the opportunity to get the maximum benefits from the forest medicine and/or a forest spa experience, the psychotherapist needs to be included.

Forest Spa and Forest Medicine

The Japanese Shinrin Yoku movement of “forest bathing” that began its rise towards the end of the 1980s, described even then a lot of positive effects of being in the forest ambient (Tsunetsugu et al., 2010). The beneficial effects of spending the time in the forest had been shown in a huge number of studies (Ohtsuka et al., 1998; Yamaguchi et al., 2006; Ochiai et al., 2015). The work of Park and colleagues confirmed those findings (Park et al., 2007). Since then, a Shinrin Yoku approach has been seen as a valuable approach in preventive health care in Japan and in other countries in the world (Miyazaki et al., 2015).

In another study, Tsunetsugu and associates demonstrated that, while spending time in the forest, participants had lower blood pressure, lower sympathetic nervous activity and lower heart rate. When the psychological factors are in question, people were more relaxed, more vigorous and less negative (Tsumetsugu et al., 2013).

Besides that, a great deal of research demonstrated a spectrum of beneficial results of being in the forest environment. Among others, the rise of subjective vitality that includes “meaning, having physical and mental energy” was one of them (Ryan et al. 2010).

What Ryan and associates discovered was very valuable, because it showed that positive emotions connected with vitality could make people more resilient and less vulnerable to different kind of illnesses (Cohen et al., 2006).

The collaboration of Forest Spa, Forest Medicine and Jungian psychology and psychotherapy

Having all this in mind, the author - with her colleagues, the president of the Serbian Medical Spa Association, prof. G. Isailović and the president of the Association of Nature and Forest Therapy in California, USA, A. M. Clifford –recognized and promoted the collaboration between forest spa and forest medicine on the one side, and psychological (more precisely, Jungian) perspective, on the other side.

In order to provide a client with the best possible service, the role of psychotherapist could be multidimensional. Through the interview with a client, the analyst could give a “psychological evaluation” of the client’s personality and his special needs, “blind spots”, areas of interest, one-sidedness, creative potentials and other valuable data. That is important, because it could direct the offered touristic services (connected with the forest and medical spa, forest therapy, health tourism) into more individualized way that would produce optimal results and satisfaction for the client. Besides that, Jungian approach, with its method of active imagination could deepen and prolong the positive effect of the forest and medical spa, forest medicine and health tourism in general.

Within the framework of “cure forest”, individuals that are healthy could get into better contact with themselves. That could connect them with more psychological and physical energy that would be very beneficial for their work, their family and their emotional life. Within the framework of “healing forest”, persons with some psychological, psychiatric, psychosomatic and somatic disorders could get into contact with the healthy parts or themselves, with their creative potentials and the additional resources from the unconscious that could promote the healing process.

A fairy-tale like atmosphere that a forest emanates, together with its sounds, fragrances and calmness, provides us with a necessary base for entering the “alchemical” process that is enabling a person to become more as he or she really is. A magical forest ambient, together with the analyst and a forest guide, represents a temenos that enables our clients to feel safe enough in order to dive into oneself and to discover something new and valuable for establishing a healthier psychological and physical balance.

During that process a client will, besides having insights, relax and become more spontaneous and creative. Drawings, collages, figures and other products important for evoking positive emotions and healing process could be very successfully created in the forest. For accomplishing that, we need a bit of dirt, leaves, grass, flowers, branches and similar material from the nature.

Very often, working on the individuation process brings with itself a sense of relaxation and of being renewed. If we give our client a chance to express him(her)self in a creative way, a lot of previously “captured” psychological energy will be released and it could, as a consequence, liberate him or her from the burden of tension, sense of being worried, preoccupied, aggressive or depressed.

The process of letting go of the mentioned negative feelings and sensations is very valuable since the continuous exposure to them, could lead to functional and later, structural somatic disorders.

Active imagination as a method of Jungian psychology and psychotherapy

Active imagination is a very valuable method in analytical psychology, besides the analysis of dreams, transference/countertransference (Zdravković, 2011), working with fantasies and creative ways of expression, etc. It is a very direct, often more direct than words, way of getting in touch with the unconscious contents. Jung, the founder of analytical psychology, defined active imagination as “the mother of all the possibilities, where like all psychological opposites, the inner and outer worlds are joined together in a living union” (Jung, 1921). Since our conscious life is just a small part of our whole personality, connecting with the psychological images from the unconscious could be very beneficial for the person. It could overcome the resistance in the psychotherapy, give a valuable information for reducing onesidedness, widening the experience of oneself and furthering the process of individuation (Zdravković, 2012).

There are a lot of different ways in which active imagination could be performed. A person could draw, paint, model in clay, use dance and movement, make collages, play music etc. By expressing themselves in this way, they could establish a dialog with the figures from the inner

world and enable, as James Hillman said, “the animistic involvement into the world (Hillman, 1985).

Active imagination could be described as dreaming with open eyes. While in dreams Ego is passively watching what is happening before him, in active imagination it has an active role. “By concentrating on a mood or a picture, Sheila Powell tells us, and by paying attention to them the images begin to have a life of their own. They develop according to their own logic ... this creates a new situation for the individual, feeling is raised and the conscious ego is stimulated to react more immediately” (Powell, 1998). It could be done during the analytical hour or between them, with an individual and in the group. Jungians are usually performing it inside, in the analytical room, but it could also be done outside. The author was doing the workshop with active imagination, in the context of forest spa and medicine, outside in the forest ambient.

In the following text, the author will illustrate her work, based on the cooperation between the Jungian analyst and the forest guides, in the context of the forest spa and forest medicine. The workshops were held in Olimia, Slovenia and in La Gerona national park, Spain. The leaders of these workshops had explored the integration of the active imagination (as the method of Jungian psychology and psychotherapy) and making mandalas into forest medicine.

Workshop in Olimia

The first workshop was held in Olimia, in spring 2017. Prof. Isailović and the author were invited to the spa Olimia to help in enhancing their individual approach to the client. There were 19 participants from Serbia and Slovenia: 18 women and one man, age from 23 to 70. The majority of them were on the specialization in medical esthetics within the Academy of applied studies (Visoka škola strukovnih studija). The other part of the participants consisted from the people employed in the spa Olimia. During the walk and the “forest bathing”, participants collected the material from the nature. In a suitable spot, they were invited by the analyst to make a mandala together. Their product could be seen in the figure 1. Each person gave the contribution in making mandala. They were all very eager to do it and after finishing it, they spontaneously made a circle from their bodies around the mandala's circle and put their hands inside it and connected with the ground. That could be seen in the figure 2. All participants had positive associations connected with the process of

making a mandala together as well as with the product itself. They also felt more connected with themselves, with other members of the group and with the nature that was surrounding them.

Figure 1



Figure 2



Figure 3



Figure 4



Figure 5



Figure 6



During the next day, the participants were invited to do active imagination inside. Some of them chose to work alone and others to work in small groups. They were instructed to use the material from the forest they had brought with them. The starting point for active imagination could have been the dominant feeling or a sensation they were having at that moment, the image from a recent dream or the mood they were in. After connecting with it, they were told to let their hands do the work without having the conscious intention or the idea of the product they were going to make. Figures 3, 4 and 9 represent group products of active imagination. They were all centered around the circular shape and were having different images inside and around it. After active imagination, the analyst talked with individuals and with members of small groups. Each small group member had associations connected with their product and the process of working together. Besides the contents that emerged and were important for each individual, they all had an enlarged feeling of joyfulness and group cohesiveness.

Figure 7



Figure 8



Figure 9



Figure 10



Figure 11



People that were working alone also had vivid association about the process and the images that were created. Their products could be seen in the figures 5, 6, 7 and 8. They all had a feeling of something valuable emerging from the unconscious. All of them were much more vivid, energized and relaxed after active imagination. The difference before and after applying active imagination could also be seen in the pictures taken after the lecture - before active imagination (figure 10) and after active imagination (figure 11).

Workshop in La Gerona national park

The second workshop was held in La Gerona national park in Spain. There were 10 participants from age 25 to 70. There were seven women and three men. They were from Spain, USA, China and Serbia. They were all interested in forest medicine and in doing active imagination in the forest ambient. They were evaluated, by themselves and by the Jungian analyst as a part of a “normal” population. No one had psychiatric diagnoses.

During the three day workshop, the psychological state of the participants was evaluated before and after active imagination, making mandalas and walking through the forest and at the beginning and the end of the whole workshop. The evaluation was made by the analyst psychological evaluation through the interview with the participants. Besides that, the voice and speech analysis was performed.

As far as the psychological evaluation is concerned, the analyst compared verbal and non-verbal reactions of the participants before and after active imagination was performed. It included different features: the way a

person talked, the content of the talk, the tone and the changes in the voice, facial expression, eye contact, aliveness, energy level, bodily posture and movement, the sense of connectedness with the others and with the nature, etc.

For each participant, there was a noticeable difference in the psychological state before and after the workshop. There were a lot of similar positive reactions in all participants. Besides that, they gained something additional that was valuable for each of them and was connected with their personalities, their situations at work and at home and with their individual histories.

In the continuation of the paper, the products of active imagination could be seen for each participant. Although they were made from the similar forest material, it could be seen quite clearly that every creation is unique and authentic – since each person was similar, but at the same time, different in some important aspects. Each individual's psychological situation was expressed in the specific images that became personified in these creations. The author made an interview with each participant before and after active imagination and here are some of the results of the psychological evaluation.

Figure 12



Figure 13



Before the workshop begun, the first participant was feeling enthusiastic about the whole project, very curious, but, at the same time, quite physically tired and exhausted because of her situation at work. After the workshop, she was very satisfied, her expectations were met. She recovered physically and felt much more energy than at the beginning. She felt closer to the group and to the forest. Her work can be seen in the figure 12.

The second participant was interested, but quite reserved in his expression at the beginning. He was also very tired, because of a difficult working week and exhausted because of his health problems. After he made his creation, he felt more expressive and energized, refreshed and more relaxed. He was feeling more connected with the forest, too. His product of active imagination can be seen in the figure 13.

Figure 14



Figure 15



The third participant was, at the beginning, curious about learning a different method of working with people than the one she used in her everyday work. She was much more in her intellectual than in her emotional side. After the image from the unconscious emerged, she was satisfied with the experiential work and she became more spontaneous in

her reactions and more open. She felt more connected with the forest. Her work can be seen in the figure 14.

The fourth participant was, at the beginning, very motivated to participate in the workshop, quite communicative, eager to start with the work, but pretty rational in the way he talked. When he made his product, he felt more relaxed and energized. He opened more and became more playful. He also felt more connected with the nature that surrounded him. The image that appeared to the day light through active imagination can be seen in figure 15.

Figure 16



Figure 17



The fifth participant was very polite and introverted, but without too much verbal and non-expression. After the work with active imagination, she became less reserved and more expressive while talking. She felt more connected with other members of the group. The product of her active imagination can be seen in figure 16.

The sixth participant was very curious about the approaching experience, highly motivated, but with a high control concerning his emotional side. After the work, he became more emotional and happy. He acquired a couple of important insights and dropped a few tears of satisfaction,

because of the whole experience. He also felt more connected with the forest. This product can be seen in figure 17.

Figure 18



Figure 19



The seventh participant was quite frustrated at the beginning of the workshop since she had a very unpleasant experience when she arrived to Spain. Her money and passport were stolen. That made her feel anxious. After the workshop she felt much more relaxed and open a bit more towards others and the nature. Her work can be seen in the figure 18.

The eight participant was very interested to see what was going to happen, but a bit to enthusiastic to make an impression on others. At the end of the workshop she became more spontaneous and authentic and more connected with other members of the group. Her product of active imagination can be seen in figure 19.

The ninth participant was interested in the work, but at the same time quite anxious about the unknown method she was about to experience. At the end, she felt more centered and calmer, with the noticable satisfaction because of the fact that she had delt well with the new experience that

was valuable for her. The work of this participant can be seen in figure 20.

The tenth participant was, at the beginning, very introverted and shy, less connected with others. At the end of the workshop, she became more energized, with a few important insights connected with her actions in the future and more open toward the group and the nature that surrounded her. The work she made can be seen in figure 21.

Figure 20



Figure 21



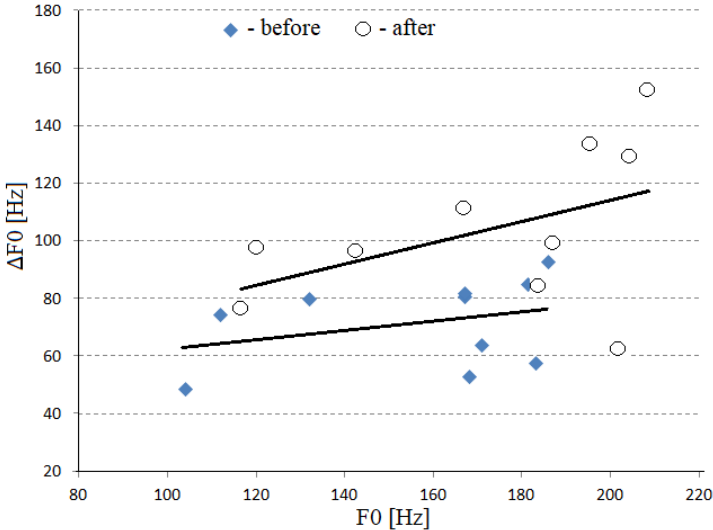
In general, all participants had positive feelings towards the experience they had. Majority of them felt more connected with themselves and other members of the group.

In a pilot experiment with active imagination in the forest, held in La Gerona national park in Spain, a voice analysis was made for ten participants (Zdravković & Jovičić, 2017). It is assumed that participants in the experiment will report more beneficial experiences (positive emotions, feeling refreshed, relaxation, or generally speaking positive changes in the mood) after applying active imagination and that these

experiences will have the influence on participant's voice and speech characteristics. It is well known that positive emotional states can be registered by voice and speech analysis, as well as the difference between positive and negative emotions (Rajković et al., 2018).

The voice of each participant in the workshop was recorded before and after active imagination. The authors posed a question: are there any differences in the participants' voice quality before and after the experiment, as the consequence of the psychological effect of active imagination that had been expressed in positive emotions? The first results of this research are represented as scatter diagram in the figure 23.

Figure 22: *Scatter diagram of basic features of the voice quality before and after active imagination.*



Two basic features of the voice quality were analyzed: a basic voice frequency F0 and a dynamic of the basic voice frequency $\Delta F0$. It is well known from literature that these features have higher values in the positive psychological and emotional states (Gobl & Chasasaide, 2003; Rajković et al., 2018). The results represented in the figure 23 show a statistically significant difference ($p < 0.05$) in the distance of the regression lines on these two features before and after the experiment with active imagination. These results gave a positive response to the posed question. They confirm that there are positive effects of spending time in the nature and the significant influence of the psychological

treatment based on the active imagination to the individuals' emotional state.

Conclusion

Based on the theoretical as well as on the practical part of this article, the author came to the conclusion that including a therapist (in this case a Jungian one) can be very fruitful in terms of enriching and promoting the individual approach within the health tourism. The widely shown beneficial effects of spending free time in the forest ambient can be made more lasting and evoke more satisfaction when the treatment is more adjusted to every particular person. In this way, with a help of a psychotherapist, the best possible touristic services can be provided. Evoking positive emotional reactions and the reduction of the negative ones are necessary factors in keeping someone healthy (within the cure forest concept) and strengthening the person enough to regain his(her) health (within the healing forest concept). Having this in mind, a psychotherapist can be very valuable in evaluating the specific needs of a client through the psychological evaluation in order for the optimal treatment to be applied. Besides that, Jungian method of active imagination can be very beneficial, for a healthy as well as for a client with mental and/or somatic disorders, when combined with forest spa and forest medicine approach.

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CHALLENGES OF SPA TOURISM IN THE REPUBLIC OF SERBIA FOR THE REHABILITATION OF CHILDREN WITH MOTOR SKILLS PROBLEMS

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Abstract

The need for constant and frequent rehabilitation of children with motor skills problems provides an opportunity for tourism development in the Republic of Serbia. It is certain that there is no possibility for tourism development without quality spatial, professional and technical conditions for good physical rehabilitation, medical monitoring and well-trained therapists, who have knowledge and experience in working with children. Once these conditions have been met, rehabilitation centers can become “open to” this field of health tourism that could provide considerable resources. This paper will deal with spa tourism and capacities in the domain of physical rehabilitation of children, when their stay and therapy is provided by the National Health Insurance Fund, but the emphasis will be placed on the additional tourist facilities for a child and a caregiver, as well as spa therapies that will be funded by the spa itself, with special emphasis on improvement of the quality.

Key Words: *health tourism, spa tourism, rehabilitation, additional tourist facilities.*

JEL classification: Z32

Introduction

Tourism is an important economic branch of Serbia. Tourism with the function of rehabilitation of children with motor skills problems could become a particularly attractive branch within spa (health tourism). Serbia has an immense and long experience in this area, but, on the other hand, it

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is clear that this area requires permanent development, so that the impact on qualitative and quantitative improvement would be constant. In this paper, the authors will offer answers to the following questions:

1. What is the state of tourism in Serbia?
2. What are the capacities in spa rehabilitation for children with motor skills problems?
3. How good is the legal solution for children with gross motor skills challenges when it comes to exercising the right to spa rehabilitation and what needs to be changed?
4. What contents need to be included in the existing system of spa rehabilitation and what new types of therapy?
5. Are there potentials for establishing the National Centre for Rehabilitation in Serbia?

General characteristics of spa tourism in the Republic of Serbia

Serbia, thanks to its natural, geographical, historical, climatic and other benefits, has very favourable conditions for the development of those types of tourism that, according to UNWTO's predictions, will be dominant trends in international relations in the future (Čerović et al., 2015). Tourism in the Republic of Serbia has been recognised as one of the priority development sectors. The location and role of tourism are best determined through the analysis of statistical data. Table 1 shows data on tourist overnight stays in the period 2009-2017.

Table 1: Tourist traffic - tourist overnight stays from 2009 to 2017

Year	Total	Index	Domestic	Index	International	Index
2009	6694491	104.4	5231024	105.4	1463467	100.8
2010	6413515	100.0	4961359	100.0	1452156	100.0
2011	6644738	103.6	5001684	100.8	1643054	113.1
2012	6484702	101.1	4688485	94.5	1796217	123.7
2013	6567460	102.4	4579067	92.3	1988393	136.9
2014	6086275	94.9	3925221	79.1	2161054	148.8
2015	6651852	103.7	4242172	85.5	2409680	165.9
2016	7533739	117.5	4794741	96.6	2738998	188.6
2017	8325144	129.8	5150017	103.8	3175127	218.6

Source: *Statistical Office of the Republic of Serbia*

The year 2010 was used as a base year. After data analysis, we can see that the number of overnight stays in the past two years (2016 and 2017)

increased significantly in comparison to 2010. From 2011 to 2015, except for 2014, there was a slight increase in the number of overnight stays. In 2014, the number of overnight stays dropped significantly. The analysis of the guest structure (domestic and international) shows a continuous increase in the number of overnight stays of foreigners, while the number of domestic guests' overnight stays was lower than in 2010, except for 2011 and 2017. Low consumer buying power of most Serbian citizens is the biggest cause of the reduced number of overnight stays. One cannot overlook the fact that the Ministry of Tourism uses vouchers to try to popularise both spa tourism and tourism in general; but the consequences of the crisis are far-reaching and they are not an option for a large number of Serbian citizens. 'Analysing the causes of the crisis, there was almost a consensus that it was derived from the 'flaws' of the market, which usually occur during the period of high rates of economic growth and the greed for endless profit making' (Stamatović et al., 2010). Further expectations will undoubtedly move towards greater participation of international guests in comparison to the domestic ones. Table no. 2 shows the number of guests in tourist sites for the period 2009-2016.

Table 2: *Tourist traffic – overnight stays of tourists in tourist sites from 2009 to 2016*

Year	Main admin. centres	I	Spa sites	I	Mountain sites	I	Other tourist sites	I
2009	660521	96.8	358481	103.9	388616	103.2	525263	102.0
2010	682076	100	344967	100	376648	100	514967	100
2011	697117	102.2	375324	108.8	402221	106.8	512594	99.5
2012	741281	108.7	347192	100.6	397388	105.5	518048	100.6
2013	805046	118.0	405768	117.6	398841	105.9	494630	96.0
2014	850726	124.7	386345	112.0	372672	98.9	489026	95.0
2015	915172	134.2	427456	123.9	446189	118.5	546377	106.1
2016	1035571	151.8	477102	138.3	522424	138.7	605136	117.5

Source: Statistical Office of the Republic of Serbia; Index 2010 = 100

Data analysis shows that administrative centres have an increased number of visitors (Belgrade and Novi Sad). In comparison to the year 2010, the number of visitors in Belgrade and Novi Sad has increased significantly (by more than 50%). When it comes to spa tourism, there is no continuous growth, but the number of visitors is higher every year in comparison to the base year. In 2012, the number of visits was almost identical to the

base year 2010, while the highest increase in the number of guests was recorded in 2016 (38%). The situation is similar with mountain sites, with a slightly lower number of tourists in 2014 compared to the base year (1.1%). In other tourist destinations and other places, the highest growth in the number of tourists was recorded in 2015 and 2016.

Spas and spa tourism are the backbone of health tourism development. The development of tourism in the Republic of Serbia is closely related to the spa tourism development. There are numerous archaeological sites that indicate that Romans had health resorts located on the places of today's spa, which suggests the ancient Romans knew about the therapeutic properties of thermal waters.

The work and traffic in more than 30 spas is being monitored today in the Republic of Serbia. Some people believe that the number of spas in the Republic of Serbia is greater, but due to the unregulated land documentation and the registry of thermal waters, everything remains at the level of 'wild' spas or health resorts.

Table 3: *The list of spas in the Republic of Serbia*

Vrnjačka Banja	Bujanovačka Banja	Šarbanovačka Banja
Sokobanja	Mladenovačka Banja	Rgoška Banja
Niška Banja	Novopazarska Banja	Roška Banja
Mataruška Banja	Ovčar Banja	Visočka Banja
Bukovička Banja	Pribojska Banja	Banja Kanjiža
Banja Koviljača	Prolom Banja	Junaković Banja
Vranjska Banja	Ribarska Banja	Banja Rusanda
Jošanička Banja	Banja Vrujci	Stari Slankamen
Kuršumlijska Banja	Rajčinovića Banja	Vrdnik
Lukovska Banja	Banja Badanja	Novosadska Banja
Sijerinska Banja	Radaljska Banja	Pečka banja Ilidža
Gamzigradska Banja	Zvonačka Banja	Banjska
Gornja trepča	Banja Jošanica	Bečejska Banja
Bogutovačka Banja	Palanački kiseljak	Banja Tulare
Brestovačka Banja	Obrenovačka Banja	Lomnička Banja

Source: *Romelić, 2008*

Table no. 4 shows the number of tourists in the selected spas. Data comparison indicates that Vrnjačka Banja occupies the leading position. In 2016 alone, 42.5% of spa guests in the Republic of Serbia visited

Vrnjačka Banja. According to the data of the Statistical Office of the Republic of Serbia, there was a drastic fall in the number of visitors in three spas: Mataruška, Gamzigrad and Niška. The reasons differ, but transitional changes are common for all of them. Unsuccessful privatisations, unresolved property-legal relations, lack of titulars led to the devastation of former capacities and the lack of investment in new capacities and further development resulted in the decreased number of tourists in Mataruška Banja in 2016 by almost 95% compared to the base year of 2010. On the other hand, we can 'blame' the lack of investment and engagement in marketing activities, that would not only serve to promote the tourist offer, but also to create an integral tourist product, for this state of spa tourism in the Republic of Serbia. Today, in terms of the tourist services users' interest, the focus is no longer on the individual subject of the tourist offer, but on the creation of an integral destination product (Dašić, 2011).

Branding provides numerous benefits for users and consumers, and one of them is building relationships with consumers. Developing and building closer relationship from purely one-off transactions to fully integrated alliances and networks (Dašić, 2010). Undoubtedly, the culprit is the neoliberal trend of capitalism, which is manifested in the form of domination of market fundamentalism in countries such as Serbia. 'The interest is defined by a new neoliberal rhetoric. Terms: capitalism, imperialism, exploitation, surplus value and enslavement are replaced by the following terms: transition, privatisation, entrepreneurship, employer, business, profit. The new roles are a manager and a shareholder' (Anufrijeva et al., 2011). Vrnjačka banja has the largest number of visitors, but Arandjelovac is dominant when it comes to the growth of the number of guests: in 2016, Arandjelovac was visited by 777% more visitors than in 2010 or more than 18% compared to the previous year.

Children with motor skills problems as an important health tourism target group

Motor skills problems often require a frequent and continuous rehabilitation therapy for many years. In case of central nervous system disease, rehabilitation therapy lasts for a lifetime, not just during childhood.

In this regard, children need to be particularly monitored, and there are several basic categories:

- Types of disease / syndrome;
- The age of the child and his need for a rehabilitation assistant;
- Creation of motorised rehabilitation schemes in order to maximise the impact on child's independence;
- Tourist potentials of a spa, adapted to the needs of children of different ages and various motor conditions;
- School-content potentials of spas for primary and secondary school age children; a pedagogue and teacher can provide help to master school materials; i.e. the synergy of rehabilitation and education;
- Additional tourist facilities that would make the rehabilitation treatment more pleasant and without trauma, especially because a large number of children 'returns' for rehabilitation.

The basic idea of this work is the necessity for a clear and precise national strategy that would recognise this target group, with different problems, and permanently work on establishing the content of additional tourism on the one side and rehabilitation medicine and new rehabilitation developments on the other side.

Unfortunately for children and their parents or caretakers, Serbia is unable to provide therapy conditions in every child's home, so spa tourism for children with motor skills problems needs to be further developed.

Children who have temporary or permanent motor skills problems can be classified into the following 10 categories based on the disease:

- Children with congenital anomalies and locomotor system problems;
- Children with locomotor system injuries,
- Children with peripheral nerve lesions;
- Children with central nervous system lesions;
- Children with rheumatic diseases in remission;
- Children with neuromyopathic disorders;
- Children with acquired spinal deformities of and growth disorders;
- Children with psychomotor development delay;
- Children with conditions after hip and extremity surgery;
- Children with injuries caused during childbirth (torticollis and brachial plexus lesion).

Table 4: *The number of tourists in selected spas from 2009 to 2016*

Spas	2009		2010		2011		2012	
	Σ	I*	Σ	I*	Σ	I*	Σ	I*
Arandelovac	5969	134.3	4446	100	22802	512.9	25513	573.8
Bogutovac spa	2528	105.4	2398	100	2262	94.3	2375	99.0
Vranjska	6542	104.8	6262	100	5628	89.9	4874	77.8
Vrnjačka	147611	100.9	146246	100	152603	104.3	139609	95.5
Vrujci – G. Toplica	/	/	11557	100	11372	98.4	9387	81.2
Gamzigrad	7888	134.8	5851	100	5753	98.3	5207	89.0
Gornja Trepča	10489	100.1	10481	100	9762	93.1	10381	99.0
Koviljača	18434	89.9	20512	100	21693	105.8	17538	85.5
Lukovska Banja	-	-	7795	100	12535	160.8	11173	143.3
Mataruška banja	8839	103.2	8567	100	7138	83.3	6151	71.8
Niška banja	22112	105.0	21049	100	21614	102.7	18338	87.1
Palić*	-	-	-	-	-	-	-	-
Prolom banja	-	-	14915	100	15986	107.2	16712	112.0
Sijarinska banja	7006	104.5	6701	100	6372	95.1	4735	65.3
Sokobanja	55313	113.3	48837	100	53402	109.3	49175	100.7
Spas	2013		2014		2015		2016	
	Σ	I*	Σ	I*	Σ	I*	Σ	I*
Arandelovac	26050	585.9	28102	632.1	29145	655.5	34564	777.4
Bogutovac spa	2074	86.5	1737	72.4	-	-	-	-
Vranjska	4943	78.9	4413	70.5	-	-	-	-
Vrnjačka	156240	106.8	146756	100.3	175153	119.8	202820	138.7
Vrujci – G. Toplica	9202	79.6	7688	66.5	9656	83.6	10162	87.9
Gamzigrad	4389	75.0	3105	53.1	2255	38.5	1750	29.9
Gornja Trepča	9814	93.6	9913	94.6	9718	92.7	11180	106.7
Koviljača	20644	100.6	15147	73.8	15094	73.6	23026	112.3
Lukovska Banja	11318	145.2	11152	143.1	12616	161.8	-	-
Mataruška banja	4767	55.6	2792	32.6	1173	13.7	464	5.42
Niška banja	4440	21.1	4916	23.4	4747	22.6	5059	24.0
Palić*	-	-	22030	100	26656	121.0	28725	130.4
Prolom banja	12831	86.0	11731	76.2	14363	96.3	14078	94.4
Sijarinska banja	5598	83.5	5721	85.4	5802	86.6	6060	90.4
Sokobanja	50629	103.7	42438	86.9	41676	85.3	45918	94.0

Source: Statistical Office of the Republic of Serbia; I* = index; Index: 2010=100, Palić- Index: 2014=100

A brief overview of the history of education and rehabilitation in Serbia

The awareness that special rehabilitation (in fusion with education) should be organized was institutionally raised at the end of the 19th and the beginning of the 20th century. The first written act that defines the procedures and norms of this profession is the Medical Statute from 1881. It regulated the establishment of the 'Shelter for Poor People with Disabilities' in Niš. After this law, new forms of special education and rehabilitation of children with motor skills problems in Serbia were not organized until the end of the Great War, due to the fact that there was a significant increase in the number of people and children with physical disabilities after the war. 'Statute on the Establishment of a State Department for Children Protection' was adopted in 1919, and it regulated the opening of the 'Institute for Accommodation, Teaching and Training of Children with Disabilities', called 'Disability Institute'. The institute opened in 1923 in Zemun, and one year later, in line with the proposal of the famous teacher Veljko Ramadanović, the Ministry of Social Affairs made the decision to include children with hearing and vision impairment and it was transformed into 'Institute for Blind, Deaf and Disabled Children' on 1 September, 1924.

At the end of the second decade of the twentieth century in Serbia, there was a reorganization of care for children with physical disabilities, so in 1928 the education of physically disabled children in Zemun was stopped, and in 1929 special schools were integrated in the regular state educational system, which resulted in the opening of hospital schools in Kraljevica in 1935 and, a year later, a special hospital school in Sremska Kamenica. These schools were not exclusively intended for children with motor skills problems and invalidity, but they were educational and rehabilitation institutions for children who were hospitalized for a long time, which prevented their regular education.

After the Second World War, there was a new improvement in the institutional care for this population and the care for hospitalized children. A number of departments were established at different health institutions, especially in Belgrade. The first official educational programme in hospital conditions was introduced in 1950 at the Institute for TB, although it was introduced unofficially two years earlier at the children's tuberculosis hospital 'Dedinje'. The next institutionalized hospital school was founded in 1954 at the Children's Hospital of the Medical Faculty in

Belgrade, where two school departments were established, and in 1957 a special education of children with motor skills problems was organized within the Institute for Rehabilitation. The orthopedic hospital in Banjica started this programme in 1961. 'The Special primary school for children with health problems was founded in the school year 1969/70, and one year later the name was changed into 'Dr Dragan Hercog'. It has all primary school departments in hospital units in Belgrade and home teaching for children. Due to the fact that children with permanent motor skills problems need to be recognized as the target population that requires a continuous rehabilitation and education, a school for children with cerebral palsy 'Miodrag Matić' was founded in 1972, at the initiative of the Republic Educational Council. The school enrolled 142 students and formed 17 departments that same year (Stošljević & Adamović, 2010). Today, this is a school for children with various disabilities.

The scientific and professional public has been working hard to include children with disabilities in the regular education system for the past several years. Unfortunately, for some children that is not possible, and special schools will continue to have an important part in their educational upbringing, especially because these schools offer a rehabilitation treatment. When it comes to the categorization and procedures, it is necessary to stress that, according to the Decision on Criteria for Classification of Children with Disabilities, children were classified in the following way (Odluka o kriterijumima za razvrstavanje dece ometene u razvoju, 1986): physical disability, visual impairment, hearing impairment, mental impairment and multiple impairment. Children with motor skills problems are also children with physical disabilities and, based on the same Decision, they were divided into the following three subgroups:

- With severe and permanent locomotor system problems or disorder and with severe and permanent deformities;
- With severe muscular disorder and impairments (cerebral palsy, muscular dystrophy, multiple sclerosis)
- With severe forms of chronic illness and a permanently impaired health condition.

It is necessary to emphasize that the spa rehabilitation of this risky population must also contain educational part during the spa rehabilitation.

Rehabilitation rights of children with motor skills problems provided by the National Health Insurance Fund

The resources of National Health Insurance Fund can enable the conduct of spa stationary rehabilitation treatment for the categories described in Table 5.

Table 5: Motor skills diseases and conditions of the children whose spa rehabilitation was provided by National Health Insurance Fund

Neurological disorders			
No.	Diagnosis code	Rehabilitation period	Prolonged rehabilitation
1	Diagnosis code G70: Muscular dystrophy	21 day in every 36 months	-
2	Diagnosis code G80: Cerebral palsy for children under the age of 18	21 days in every calendar year	
3	Diagnosis code P14.3: Brachial Plexus lesion and P14.9: Peripheral nerve lesion for children under the age of 6	30 days in every calendar year	-
4	Diagnosis code R62.0: Motor retardation for children under the age of 18	21 days in every calendar year	-
Locomotor system injuries and diseases			
5	Diagnosis code IK5.3: Condition after spine surgery	21 days	-
6	Diagnosis code EKK5.4: Condition after hip or knee endoprosthesis(including revision)	21 days	-
7	Diagnosis code KO5.5: Condition after corrective pelvic osteotomy	21 days	-
8	Scoliosis for children under the age of 16 after the corrective surgery M41	21 days	-
9	Kyphosis et lordosis for children under the age of 16 only after the corrective surgery M40	21 days	-
10	Diagnosis code S32: Fractura pelvis for at least two bones of pelvic ring	21 days	21 days

11	Fractura extremitatis superioris bilateralis TO2.4	21 days	-
12	Fractura femoris S72	21 days	15 days
13	Fractura cruris,		
14	regionem talocruralem, includes S82	21 days	-
15	Fractura extremitatis inferioris, bilateralis TO2.5	30 days	15 days
16	Fractura pedis multiplex S92.7	21 days	21 days
17	Luxatio et subluxatio coxae congenita		
18	for children under the age of 18 after surgical intervention Q65	21 days	14 days
19	Deformationes pedis congenitae		
Rehabilitation of pediatric oncology patient			
20	Children with oncological disease (under the age 18) during the first 5 years after the diagnosis, i.e. hematopoietic stem cell transplantation	21 days in a calendar year	

Source: *Pravilnik o medicinskoj rehabilitaciji u stacionarnim zdravstvenim ustanovama specijalizovanim za rehabilitaciju*

The table clearly indicates that the rehabilitation of children with motor skills problems is defined by time and other conditions, which is not tackled in our work. Also, the lack of legal framework is reflected in the fact that the 21 days of rehabilitation are not enough for children with motor skills problems. Although these children have a certain number of physical treatments in primary or tertiary health facilities, because of the benefits of continuous spa rehabilitation, which includes a package of therapies during a certain time, parents and caretakers are instructed to organize an additional spa therapy from their own funds. Therefore, the spa tourism of this target population should be considered as a very important segment of spa health tourism.

Certain studies show that 40% of children with neurological and muscular disorders in Banja Koviljača, which is the leading spa institution for the rehabilitation of children with motor skills problems in our country, decide on an extra therapy package from personal funds in addition to therapy funded by the National Health Insurance Fund. The duration of the personally funded therapy is 15 days.

The basic idea of the work is not to criticize the legal framework. It is certainly very positive that this category has been recognized, which also provides a minimum rehabilitation for social categories affected by these diseases. However, from the aspect of social responsibility, inclusion and maximum independence of such children, but also because of the need for continuous permanent therapy as a lifestyle, it is necessary to try to prolong the rehabilitation period in the future. Also, the new legal solutions should find modalities for children with cerebral palsy, who fall out of the category of children at the age of 18, and stop receiving physical spa therapy provided by the National Health Insurance Fund. The therapy duration should be prolonged due to their condition, but also the age limit for spa rehabilitation funded by National Health Insurance Fund should be increased for children with plexus, spina bifida and rheumatoid arthritis. In order to avoid any age discrimination, it is necessary to point out a conscious responsibility towards the dependency ratio in Serbia, but also the world. 'Dramatic demographic changes will continue in the next 40 years due to two main reasons: life expectancy increase and birth rate drop. For a particular country, this means that the dependency ratio in 2040 will be 15. Practically, that signifies a decrease in the working age population in the total population' (Anufrijev, 2007). Although many spa facilities, rehabilitation centres and spa centres have focused their potentials on the population that is no longer active (retirees) for years, and it is expected that future capacities and facilities have the most economic interest where the highest demand is; the need of children with motor skills problems for continuous spa rehabilitation and rehabilitation in general must remain the focus of interest when it comes to the legal frameworks, and expanding the content and qualitative and quantitative capacities for this category.

Understanding the significance of trauma and post-operative rehabilitation, which is usually limited, and that complete recovery is expected in a particular framework in most cases, the legislator should put more focus in the future on the content of rehabilitation when it comes to children with permanent damage in motor functions.

Significant aspects of stimulation and spa rehabilitation of children with motor skills problems

‘...mentally or physically disabled child should enjoy a full and decent life, in conditions which ensure dignity, promote self-reliance and

facilitate the child's active participation in the community' (Article 23 of the UN Convention on the Rights of the Child, 1989).

Given the life-long consequences, children with cerebral palsy, which is the most common and most expensive form of chronic motoric handicap beginning at the earliest childhood, deserve the attention of researchers. Unfortunately, there is not enough such research, especially in the sphere of cognitive development, which is one of the main factors in determining the child's quality of life. In order for a research to be properly conducted, it is important that medical record keeping is uniform, precise, systematic and comprehensively implemented through a set of standardized procedures. The sequence of stages in diagnostic processes was proposed and adopted by European and highly specialized agencies and committees in the world, but also CP associations (Ashwal, et al, 2004). In a country like Serbia, which has experienced economic crises, wars, and imposed isolation from the current scientific trends and developments in the past decade, it is not realistic to expect that it can be an equal active participant in monitoring and developing contemporary medical theory and clinical practice. These factors have had a negative influence on the modernization of techniques and procedures for cerebral palsy diagnosis (Vidović, 2016).

The importance of an early rehabilitation of children with problems caused by cerebral palsy, which is the most common neurological disease, is the only possible way of establishing a condition with the minimum possible consequences for a child with motor skills difficulties caused by the disease. In Europe, one in 500 children have cerebral palsy, and every year about 10,000 children get a cerebral palsy diagnosis (Colver, 2006).

It is very important to start with an early stimulation and recommend a stationary spa treatment, because the quality of the movement pattern is observed during the pattern of movement and muscle group coordination. The quality and variety of movement allow the child to change positions independently. The quality of the movement pattern can be:

- Normal – when perceived as usual;
- Abnormal – it is not classified as normal, but it is not pathological. Therapeutic measures and physical treatments during rehabilitation treatment (with an active spa rehabilitation) can lead to a normal pattern, but not to an optimal one, while the aforementioned actions prevent the pathological pattern;
- Pathological - it can never turn into normal.

Therefore, an early diagnosis and treatment is extremely important. The sooner you discover the damage, the bigger are the chances to stimulate a normal psychomotor development. Abnormal patterns of movement that determine the rehabilitation may have two manifestations. Those manifestations are:

- Flexion, abduction, external rotation
- Extension, reproduction, internal rotation.

As abnormal patterns enter the body scheme, the task of rehabilitation is to change the pattern of movement and posture. When the abnormal pattern is in function for a long time, habits are being created, and this worsens the abnormality of the pattern. Practically, all rehabilitation methods for children with motor disorders are validated in medicine. Rehabilitation is very effective, if the treatment starts in the early period. Within the Special Hospital for Rehabilitation Banja Koviljača, the Children's Unit was founded as a special department on 1 March, 1989, and it is the first of its kind in the country. It is especially important when it comes to stimulating motor development of children with gross motor skills problems and it has high medical and therapeutic standards in this field. It is located in a special building with about 100 beds for children and their parents, escorts. All therapeutic procedures are performed in the same building, there are two kinesis rooms, for babies up to one year and for older children, then work therapy, electrotherapy procedures, hydro-kinesis therapy in the pool or hubbard baths, underwater massage, paraffin therapy. Sulfur peloid from Banja Koviljača is used in sulfur baths for children over one year, it is unique in the world and provides excellent results in the treatment of various diseases of children's locomotor system.

One of the biggest advantages of Banja Koviljača Spa is the sulfur peloid. Peloid is locally applied directly to certain skin parts (as a wet heat). The peloid temperature is 38-40 degrees. Application duration is 20 min, followed by bath, rest and kinesiotherapy. Due to resistant contractures, regardless of the etiology, kinesiotherapy is used in peloid (shoulder, elbow, knee, ankle).

The use of Banja Koviljača's sulfur peloid in children's treatment is unique in the world's balneology. The application is based on empirical and expert knowledge over 100 years. Since the children's department was founded, the use of sulfur peloid has been carried out according to strict indications and with expert supervision. Other child rehabilitation

services include electrostimulation when necessary, hydro therapies, kinesiotherapy, and work (occupational therapies).

Further consideration of the scope of therapy and possibilities for their application requires the expansion of the therapeutic capacities of speech therapist, defectologist, but also application of some methods that are considered alternative in Serbia, which are officially used in the world such as Hypotherapy (Horse Therapy) and ABR therapy. The standards that should be imposed in Banja Koviljača, which is the representative centre for children's physical therapy in the region, are:

- Enabling children to attend school during therapy, at least by providing pedagogues that will help older children to study;
- Enabling pre-school children to continue or start socialization by organizing a kindergarten group in the afternoon;
- Expanding tourist facilities for both children and escorts (workshops, games without borders, creative events and artistic content);
- Psychological support workshops for parents;
- Various schools (painting, computers, music);
- Opening the sensory room in order to adjust therapies to children with attention impairments.

Practical experiences from the environment show that rehabilitation centres must be constantly transformed in order to keep up to date with modern achievements, but also to ensure that content is always acceptable to children, since in most cases it is for children with development challenges. Development potentials of Serbia have the capacity to open a strong rehabilitation centre, but also Banja Koviljača has the potential for a greater significance in children's rehabilitation. Experiences can be found in the Renona Rehabilitation Center in Slovakia, Glavić Polyclinic in Dubrovnik, Institute for Clinical Rehabilitation in Tula (Russia), Borsohaz Center in Hungary, etc. The continuous work with patients, constant training of therapists and transfer of knowledge to parents, as well as the affordability of therapy and accommodation can be one of the developmental branches of specially defined tourism in Serbia, with benefit that would be measured by the degree of independence of the motor system of such children, as well as the teaching base for colleagues that would be included in such an undertaking. Therefore, in the future, it is necessary to find ways to enhance quality of rehabilitation of children with motor skills problems in other spas in Serbia that can be included in this segment, but we should not dismiss solutions offered by surrounding

rehabilitation centres, especially when it comes to new therapeutic solutions.

Since Banja Koviljača's capacity is often insufficient for the necessary conditions for the rehabilitation of children with motor skills problems, the National Center for Rehabilitation is a necessary solution for Serbia. In addition to the benefits for children from Serbia, the basic task would be to create a database of children with motor skills problems. The scattering of institutions and the lack of a national base for this category of children is a strategic problem that needs to be addressed alongside activities related to rehabilitation and therapy. Capacities of this kind certainly exist, and the solution to this problem requires quick and efficient action.

Conclusion

Contemporary achievements in physical rehabilitation of children with motor skills problems are being constantly innovated and subject to change. Their ultimate goal is to maximize the independence of such a child, who will grow into an adult. When the cause of the problem is neurological, rehabilitation is continuous and repetitive. When it comes to this problem, Serbian spas have great potential, especially Banja Koviljača. Unfortunately, they have not implemented some modern therapies that have proven to be very effective. Also, generally speaking, a number of overnight stays is greater when it comes to foreign resident than domestic ones, although the Serbian government has offered vouchers for vacations in Serbia for a couple of years. Due to the demographic characteristics, Serbian health tourism spas turn to the older population and pensioners. Thus, the rehabilitation of children with motor skills problems is not in the foreground when it comes to the accommodation capacities. The legislation recognizes this problem and allocates finances for rehabilitation from National Health Insurance Fund for certain diagnoses. However, those funds are not always sufficient so parents of children with motor skills problems are forced to personally fund an additional therapy in Serbian spas, private physiotherapies, or rehabilitation centers in the surrounding area. In this domain, Serbia needs the National Body for Physical Rehabilitation of Children with Motor Skills Problems, which would create and maintain the database for this vulnerable category, but would be turned into a real rehabilitation centre intended exclusively for children in the future. It should have enough content and human capacities, and cover the need for different

types of rehabilitation, socialization or continuation of socialization and parental support. It should be an important centre of health tourism, with accompanying tourist facilities for children and escorts, taking into account the principles of convenience, priority and benefit for children from Serbia, and apply the full market price for children from abroad.

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A CURE AND HEALING FOREST OF GOČ MOUNTAIN – A NEW APPROACH TO HEALTH TOURISM IN SERBIA

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Abstract

Forest medicine is a type of healthcare movement which caused a real sensation within alternative therapeutic procedures. The concept of forest therapy is based on numerous health benefits that forests provide and the inherent capacity of organisms to be healed ('vis medicatrix naturae'). The research area belongs to the forest complex above the largest spa resort in Serbia, Vrnjačka Banja, and includes the management unit of 'Goč-Stanišinci' on Goč Mountain. This 30 ha area can be potentially turned into a type of therapeutic forest - 'Cure and Healing Forest'. We determined the site environmental conditions, conducted the site qualification, defined the basic elements of stand structure and assessed the health potential of the research area. Two footpaths and other specific forest amenities were designed. The results of the research point to favorable environmental factors, exceptional natural values and health effects of the investigated site. Finally, the paper presents the possibilities of the projected therapeutic forest as part of a tourism product in the field of health tourism and special interest tourism in Serbia.

Key Words: *Cure and Healing Forest, Goč Mountain*

JEL classification: Z32, I18, Q23, Q57

Introduction

A trip to a forest awakes human primordial sense of belonging to nature, reduces negative emotional states and improves their psychophysical health. Therefore there is a great number of worldwide studies that deal with the effects of forests on human health (Hansen et al., 2017).

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The health and sanitary-hygienic role of forest ecosystems is reflected in their ability to ionize air and produce 'air vitamins' called phytoncides. One hectare of forest releases about 3 kg of volatile organic matter with phytochemical effects a day into the atmosphere. These are antimicrobial organic compounds: terpenes, isoprenes, balsams, α -pinene, limonene and other essential oils which can be greatly beneficial to the respiratory system. Even very small concentrations of these volatile substances can generate lots of negative ions which are produced by UV radiation. Due to their effects on neural reflexes and humoral immunity of the human body, increased amounts of negative ions in the forest air facilitate the absorption of oxygen, restore and stimulate the exchange of matter and defense mechanism of human body, reduce the secretion of serotonin, cortisol and other stress hormones, regulate the flow of blood through capillaries, reduce heart rate, stimulate erythrocytosis and hypotensive action, increase blood pH levels, improve subjective well-being, reduce fatigue, *etc.* (Li et al., 2007; Živanović & Manojlović, 2016). The treatment of various human disorders and diseases has thus devised new approaches and concepts that integrate health and recreational functions of forest ecosystems with therapeutic procedures within a new branch of complementary and alternative medicine known as '*forest medicine*'. The 'forest medicine' program originated in ancient Japan. Today, forest medicine is a standard preventive healthcare procedure (the so-called '*Forest bathing*'; *Shinrin yoku*) and an inherent component of healthy lifestyles in this country. The development of this type of therapeutic procedures and health tourism has also been started in South Korea, China, USA, Finland, Sweden, Northern Ireland, England, Slovenia, Croatia, Montenegro and others. In 2007, *International Association for the Study of the Effects of Forests on Human Health* was established as the part of the international organization IUFRO, followed by *International Organization of Forest Medicine* (INFOM) which was founded in 2011. Forest medicine is becoming a worldwide trend (Clifford, 2016; Uehara, 2017). Forest medicine programs include walking through a forest, anti-stress exercises that stimulate all senses, visualization and other psychological techniques, music therapy, chromotherapy, climate therapy, heliotherapy, aromatherapy, organic food consumption, art therapy and workshops, massage techniques and various other activities that get us closer to the natural environment, culture and tradition of the area. In addition to the scientific evidence of the beneficial effects of the forest environment on the human body, forest medicine is based on the fact that its user needs the services of professionals who will plan and implement of therapeutic procedures. The

terms Healing Forest and Cure Forest have been defined. Healing forests are wooded areas which are suitable for the therapeutic use in specific medical indications. Treatments accompanied by trained therapists in the forest are able to positively affect the treatment of diseases as well as the extent of the disability caused by this illness (tertiary prevention). Cure forests are wooded areas which, due to their various properties, are suitable for promoting health and well-being across a broad spectrum. Spending time in cure forests helps prevent the aggravation, the recurrence and the chronicisation of diseases (secondary prevention). The first certified European forest in which forest medicine programs were implemented was the *Heringsdorf* coastal beech forest in the north of Germany. Since November 2016 Heringsdorf's coastal forest, Europe's first cure and healing forest, has become a huge outdoor health studio. Its restorative powers are consciously exploited on an area of 187 hectares. In our country, the programs of forest medicine are applied by the *Medical SPA Association of Serbia* (<http://mspaas.org/>; Isailović et al., 2015; Isailović et al., 2016; Vukin et al., 2017). As an area suitable for the implementation of forest medicine programs, Goč Mountain represents an important mountain massif of central Serbia, which together with the neighboring Stolovi and Željin, makes the northern Kopaonik mountain range within the Rhodope Mountains. The eastern slopes of the mountain are covered by rich and abundant forest communities. Although it belongs to three administrative units, better utilization of natural resources of Goč Mountain can be easily attained thanks to its closeness to Vrnjačka Banja as the most attractive tourist destination in Serbia after Belgrade (Mandarić et al., 2017; Vuković et al., 2010). Vrnjačka Banja is a spa resort with a very long tradition and a great international reputation which makes it a very busy place all the year round. The present tourist settlement of Goč, located 15 km from Vrnjačka Banja, is an essential part of its surroundings and its natural resources enhance the resources of the spa itself (Milićević & Đorđević, 2015). The forests of Mt. Goč act as a powerful regulator of important natural processes with strong effects on the environment and human health. Based on the above, we set the following study hypothesis: favorable environmental factors, natural and man-made values and health potentials allow the establishment of a therapeutic forest (Cure and Healing Forest) on the selected area of Mt. Goč. The aim of the study was to select the most suitable area for the future therapeutic forest on Mt. Goč, and it included the following study tasks:

- to study environmental conditions of the selected forest complex on Goč belonging to the Administrative Unit of Vrnjačka Banja;

- to select and estimate the area of the future therapeutic forest, to evaluate the health potential of the investigated forest complex and to propose the most important components and therapeutic techniques.

Materials and methods

Study area. The total area of forests and forest land of Mt. Goč within the administrative unit of Vrnjačka Banja, managed by SE 'Forests of Goč' Vrnjačka Banja (formerly SE 'Borjak') is 8,246.81 ha. 7,799.62 ha (94.58%) of that area is stocked. The study area belongs to the forest complex within the MU 'Goč-Stanišinci', special purpose unit 73: tourist-recreation center of category I (Figure 1). The total area of the MU 'Goč-Stanišinci' is 1,910.44 ha. The forest covered area is 1,770.00 ha and this value was used in the calculation of the basic sanitary-hygienic effects of the forest complex. The projected area is a zone selected for the purposes of the Cure and Healing Forest and it comprises forest stands within compartment 12 in the MU 'Goč-Stanišinci', a forest road and a viewpoint (Figure 2). The total projected area is 30 ha.

Methods. The method of work includes a parametric, empirical and descriptive representation of the state of the selected area that makes the potential therapeutic forest. It was based on the planning documentation of SE 'Forests of Goč' ((2008): *Special forest management plan of MU 'Goč-Stanišinci' (2008-2017)*). The method included four research stages. The first stage of the research included the forest inventory and the study of basic ecological conditions, including orographic, geological, edaphic and climatic factors, determination of vegetation characteristics and typological classification of the selected stand. Climate data, based on the observation of the regime of climate parameters at different altitudes, were obtained from annual reports of meteorological stations of Kraljevo, Kruševac and Jošanička Banja, in the 30-year period from 1981 to 2010. (<http://www.hidmet.gov.rs>). The data were statistically processed by the method of interpolation. Further processing of climate data was carried out using the indirect method for determining the water balance and climate after *Thorntweite* (1948), which is used for ecoclimatological research in forestry. The calculated parameter of pedoclimate - climate index (I_k) was used to determine the climate type of the investigated area for the specified period. This stage further included the study of the most important characteristics of vegetation. The stand type was defined according to the standard classification system applied in Serbia (Jović et al., 2009). The second stage of the research included spatial identification

and qualification of the locality, along with the assessment of its natural values and basic components of its structure (natural suitability) including stand structure, stand quality, the composition of trees, the edge of the forest and the configuration of the terrain. A six-point system according to Rupert (1971) was used. The evaluation process was based on the following evaluation factors or values: structure (FW); mixture and number of tree species (FB), edge of the forest (FR), configuration of the terrain (FO) and the common factor of the natural elements (N).

An analysis of the infrastructure of the allocated space was also performed. In the third stage of the research, the current state was recorded and the basic health potentials of the research area were determined by calculating the ratio between the forest-covered area and the quantitatively expressed sanitary and hygienic effects of the forest per unit area. In the fourth stage, the proposal of the content elements of the therapeutic forest is given, along with the graphic representation of the Healing Forest design concept. Arc GIS 10.5 and Corell DrawX4 software packages were used.

Figure 1: *The purposes of the areas within the Forest Complex on Mt. Goč managed by SE 'Forests of Goč' Vrnjačka Banja*



Source: (2008). *Special forest management plan of MU 'Goč-Stanišinci' (2008-2017)*, Belgrade.

Research results

Geographical position and topography. The selected forest area is located within the forest complex of 'Goč-Stanišinci' management unit. This complex stretches along the middle part of the Goč massif and lies between 43° 30' and 43° 34' of the northern latitude and between 20° 50' and 20° 57' of the eastern longitude (east of Greenwich). The terrain is mostly wide and flat with steep and sharp slopes. The altitude ranges from 910 to 1,120 m a.s.l. The inclination is uniform, steep to very steep (11-25°). The aspect is southern, southeastern and eastern.

Bedrock and soil characteristics. The bedrock consists of serpentinized peridotites and serpentinites. Serpentinization processes are very common in the wider region. They are epimagmatic which means that they were strongly affected by the presence of large amounts of water and water vapor in the last stages of cooling and solidification of peridotite. As bedrocks, these metamorphic rocks give rise to certain soil categories and specific vegetation. The soil is characterized as very skeletal, organogenic, initial phase in the formation of soil on serpentinite. This soil was afforested with Austrian pine seedlings, which has subsequently led to the development of the soil on serpentinite with the morphogenetic structure Ao-Ah/S-S1.

Climate characteristics. The basic climate characteristics of this area are:

- The mean annual air temperature is 7.68 °C, which is about 28% higher than the mean of the altitudes over 1,000 m a.s.l. in Serbia (6.0°C). The annual air temperature values range from 5.9 °C at 1200 m. a.s.l. to 7.9 °C at 800 m. a.s.l., and from 11.9 °C at 1200 m. a.s.l. to 14.3°C at 800 m a.s.l. during the growing period. The mean annual maximum temperature at 1,000 m. a.s.l. amounts to 10.7 °C, and 13.0 °C at 700 m a.s.l., while during the growing period it amounts to 17.2 °C at 1,000 m a.s.l. and 20.0 °C at 700 m. a.s.l.;
- the mean number of frost days is 118, with the last spring frosts occurring in mid-May and the first autumn in mid-September. The average number of days with a snow cover is 112;
- the average annual cloudiness is 5.8, and the deviations depending on the altitude are negligible;
- the average annual air humidity is 77%, with no significant deviations in the values with the altitude. It has the highest values in winter and the smallest in August. In the growing season, the relative air

humidity ranges from 71.7% to 73.1% and has a tendency to increase slightly with an increase in altitude;

- the average annual rainfall ranges from 816 mm at 800 m a.s.l. to 835 mm at 1,200 m. a.s.l. During the growing season, it is in the range of 481 mm at 800 m a.s.l. and 497 mm at 1,200 m a.s.l., which is approximately 58% of the total annual precipitation.

The water balance (Table 1) calculated for the observed period shows that the soil loses an average of 623-580 mm of moisture a year through evapotranspiration, which means that depending on the altitude an average surplus of 212-255 mm remains in the soil. The excess moisture occurs at all altitudes, while the deficit of moisture occurs only at an altitude of 700 m and not at higher altitudes. The climate index (I_k) has a value of 20-40 up to the altitude of 820 m and classifies the climate into the mild humid (B_1) type. The higher parts of this management unit (> 820 m above sea level) have a climate index value (I_k) of 40-60 which classifies the climate into the moderately humid climate (B_2) type. The water balance points to the high humidity of the climate, which means that forest communities have sufficient amounts of affordable moisture throughout the year. The climate of this area belongs to the humid continental climate with cold winters and cool and humid summers.

Table 1: Water balance by Thorntweite for the Forest Complex of the MU 'Goč-Stanišinci' for the period between 1981 and 2010

h (m)	t	PE	P	SE	M (mm)	V (mm)	I_k	designation	Climate type
700	8,9	624	835	623	1	212	33,86	V ₁	Mild humid climate (B_1) type
800	8,4	596	816	596	-	220	36,91	V ₁	Mild humid climate (B_1) type
900	7,8	587	826	587	-	239	40,71	V ₂	Moderately humid climate (B_2) type
1000	7,4	580	835	580	-	255	43,96	V ₂	Moderately humid climate (B_2) type

h - altitude (m); *P* - potential evapotranspiration; *SE* - actual evapotranspiration; *M* - deficit of moisture (mm); *V* - excess moisture (mm)

Source: *Original*

Flora and vegetation. There are about 850 plant species growing at Mt. Goč. The vegetation of the study site belongs to the complex of mesophyllous beech and beech-conifer forest types. It makes a forest of

Goč Austrian pine (ass. *Potentillo-Pinetum gočensis*). Austrian pine is an indigenous evergreen conifer species. Its variety *Pinus nigra* var. *gočensis* is an endemic rarity in this area. According to its bioecological characteristics, Austrian pine is a heliophyte (sun-loving species) and a xerophile with low requirements for atmospheric humidity and precipitation. The stands of the investigated area are typologically classified into the type of Goč Austria pine forest (*Potentillo – Pinetum nigrae gočensis* Jov.) on the evolutionary-genetic soil series on peridotites and serpentinites. Their flora is distinguished by a series of characteristic species of the *Erico-Pinetalia* order, alliances of *Orno-Ericion serpetinicum*: *Pinus nigra* var. *gočensis*, *Erica carnea*, *Galium lucidum*, *Daphne blagayana*, *Laserpitium silar*, *Vicia villosa*, *Chamacytisisus hrisutus*, *Lembotropis nigricans*, *Potentilla heptaphylla*, *Stachys scardica*, *Bromus pannonica*, *Sesleria rigida* and others.

Spatial identification and natural values. Favorable environmental conditions, bioecological characteristics of Austrian pine, the forest air rich in pinenes and other phytoncides, as well as the existence of a special purpose unit designed for tourism and recreation, are the main criteria for the selection of the study area for the future Cure and Healing Forest (Figure 2). In order to determine the natural values of the investigated forest complex, the following basic components were evaluated according to the stated methodology: the state, structure, and quality of the stands, the composition of trees, the edge of the forest and the configuration of the terrain.

The state, structure and quality of stands. The investigated stands are even-aged (medium-aged) well-preserved Austrian pine cultures, with a small share of Scots pine and spruce cultures and a beech high stand. The trees are distributed in diameter degrees of 12.5-37.5 cm. The mean stand diameter of Austrian pine ranges from 15.0 to 20.0 cm. The mean stand height of Austrian pine is in the range from 10.8 to 14.4 m. The number of trees per hectare is 1,207 to 1,229. The total wood volume amounts to 2,478,0 m³, and the volume increment is 114.6 m³ or 10.2 m³/ha. The wood volume per hectare ranges from 286.6 to 309.3 m³ / ha. The stand is 30-50 years old. The stand quality, as one of the most significant stand characteristics, was determined on the basis of tree phenotypic characteristics. Austrian pine trees are straight and medium tapered, with long crowns (1/2 to 1/3 of tree height), normally developed, and with a small share of damaged (10%) and dead trees (10%). The crown density ranges from very thin (0.4) to very dense (1.0). Regarding recreation and

health benefits, the most suitable stands are the ones with the canopy of 0.3-0.6 because they provide, in a hygienic sense, a suitable aeration rate of $1.0-1.5 \text{ m} \cdot \text{sec}^{-1}$. The general health state of the trees and the stands is good. The value of the structure in the zone of use (FW), which depends on the vertical structure of individual parts of the zone (W1c) and the change in the shape of the structure (W2c) is 3.00. This is a moderate and relatively favorable value of the observed parameter, since the stands are even-aged, in the stage of maturation, without significant changes of the age categories, that is, without the participation of higher age categories.

Figure 2: *The area of the Cure and Healing Forest within compartment 12 of the MU 'Goč-Stanišinci'*



Source: <https://earth.google.com/web>

The composition of tree species. The factor of the mixture and the number of species (FB), as an element that contributes to the contrast in the landscape, depends on the value of the stand composition (W1b) and the value of the changes in tree species in certain parts of the zone of use. Since the stand is largely composed of Austrian pine monocultures, FB factor is 2.50. This value is low and it is below the limit of an acceptable value.

The edge of the forest. The length of the outer and inner edge of the forest in the zone of use (Figure 2) is 7.5 km. The edge of the forest factor (FR) depends on the absolute length of the edge of the forest (W1a), the

qualitative representation of the form of the outer (W2a) and the inner edge of the forest (W3a). From the aspect of tourist-recreational and health benefits of the selected forest area or the zone of use, the complex is characterized by an open forest edge due to a relatively thin stand canopy and medium stocking, plenty of open and unstocked areas and an outer openness towards the adjoining forest complexes. Based on the above, the edge of the forest factor (FR) is 5.10. The configuration of the terrain. The value of the upper surface or terrain configuration (F0) depends on its sensory (W1d) and tonic effects (W2d) on humans. These effects depend on the relative altitude differences, i.e. the absolute altitude position. Due to the markedly cone-shaped form of the terrain, relatively large altitude differences (so-called relief energy) of over 200 m at a distance of 3.5 km, visual contrasts of the landscape and a great number of other sensory and tonic effects, the terrain configuration factor (F0) is also high. It amounts to 5.30.

Natural values. The total natural factor (N) is 5.30, which is significantly higher compared to the values of the same factor for individual study areas (river basins) of the neighboring forest complex Goč-Gvozdac (Milovanović et al., 2004).

Health potentials. Given the proximity of the spa resort, the priority functions of Mt. Goč forests include their sanitary and hygienic effects which are as important as the health, climate protection, hydrological, water protection and erosion control functions. Thus the forests of the study area have an important role as a modifier of climate and microclimate conditions of the wider region. They align temperature, increase the rate of condensation of absolute and relative humidity, retain atmospheric deposits, increase cloudiness, reduce wind speed and intensity and regulate air composition and oxygen balance in it. The annual amplitude of fluctuations in the temperature and relative humidity of air and soil in the forest is significantly lower than in the surrounding area. In summer, the air temperature is lower than in the open, while it is the other way around in winter. The sanitary and hygienic effects of forest ecosystems are also reflected in the fact that 1 hectare of forest can filter 50-70 tons of dust and various harmful gases from the air annually, with the filtration area being composed of leaves, branches and trunks. During the growing season, 1 hectare of forest complexes can absorb up to 100 kg of sulfur-dioxide and significant amounts of carbon monoxide and nitrogen oxides. Forests release an annual average of 11 tons of oxygen and bind 15 tons of carbon dioxide per hectare, which shows their

important role in regulating the balance of oxygen and carbon dioxide in the atmosphere and in the global reduction of greenhouse effects and air pollution (Isajev et al., 2007; Živanović & Vukin, 2017). In addition to hydrological richness, physical and geographical features and favorable climate conditions, natural values of the investigated area also include complex beneficial effects of the existing forest vegetation. The effects of the existing forest ecosystems on the environment are reflected, above all, in the efficient production of oxygen and absorption of carbon dioxide in the air and in the emission of 'air vitamins' - phytoncides. Based on stated data about the forest and forest land area within the forest complex of the MU 'Goč-Stanišinci' (1,770.00 ha of forest covered land), the following basic health potentials of the forest ecosystems in the study area were calculated. They include:

- filtration of about 88,500 tons of dust a year;
- absorption of 177,000 kg of sulfur dioxide during the growing season;
- production of 19.470,00 tons of oxygen a year;
- binding of 26.550,00 tons of carbon dioxide a year;
- daily production and emission of more than 5,310.00 kg of volatile organic matter with the effects of phytocinides.

Elements of the therapeutic forest. The defined areas of the Cure Forest and the Healing Forest are shown in Figure 2. The elements of the Healing Forest are shown in Figure 3.

Figure 3: *Elements of the Healing Forest*



Source: *Original*

Thematic footpaths. There are two footpaths (Figures 2 and 4) designed through the whole complex of the therapeutic forest. They include the area of meadows and ski tracks. The length, walking speed and walking time are recommended depending on the user category. Footpath 1 is 3.5 km long. It takes 2.5 hours to walk the path. The elevation gain is 210 m. The starting point is the entrance to the Cure Forest from the asphalt road (INFO 1) at 910 m above sea level and the end point is the viewpoint at 1,120 m above sea level in the Healing Forest area. The path is graded medium strenuous to strenuous, so certain user categories can reach the top point by electric vehicles or the future forest rail. The walking distance of Footpath 2 is 4.0 km. It takes 1.5 hours to do it. The starting point is the viewpoint and the end point is the asphalt road (INFO 7).

The climatorium. As a very significant and specific therapeutic medium, a climatorium is planned to be set in the southeastern area of the Healing Forest (Figure 3) where it would be sufficiently exposed to the sun, especially in the afternoon hours. It would be designed in such a way that it can simultaneously implement climate therapy, aero-ionic and heliotherapy procedures to a large number of users. It would occupy an area of 150 m². It is necessary to locate an outpatient health service nearby. Apart from the main board at the entrance, it is necessary to set up a sufficient number of boards with information related to the procedures applied in that part of the forest, bioclimatic characteristics of the microlocality and the best time to use the natural climate factor. The regime of use should be formed on the basis of continuous measurements of the most important microclimate factors during a whole year (especially concentrations of negative ions in the air, etc.), which can be achieved by establishing a mobile meteorological station. The area of the climatorium should be designed exclusively for therapeutic purposes and other forest visitors should not be allowed entrance. There should be an area with conditions suitable for sitting or lying, which means that its users should be completely or at least partially protected against overhead sun, strong winds and light rain. It is recommended to fence the selected area with hedge species (*Juniperus* sp., *Erica carnea* a, etc.) that do not attain great heights and do not give deep shade but provide a satisfactory level of privacy to users. The substrate should be made of flat stone slabs or any other material that reduces or stops the occurrence of mud after rain. Deckchairs and chairs should be properly spaced according to the prescribed procedure and regime. The users should have enough space to relax in silence. On the other hand, the distance shouldn't be too long. Otherwise, they wouldn't be able to communicate with each other.

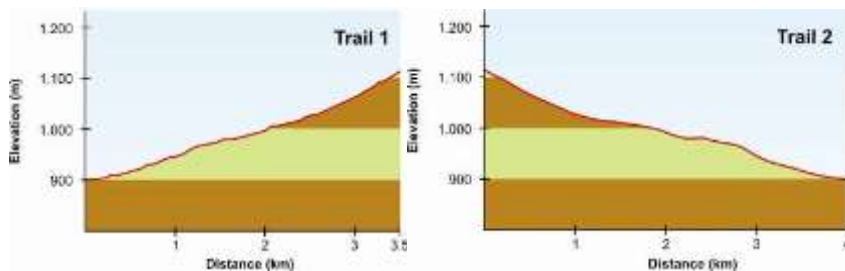
Figure 4: *Footpath 1 within the Cure Forest and the viewpoint within the Healing Forest*



Source: *Vukin, 2017*

This path is graded medium strenuous to low strenuous. The paths meet in the Healing Forest area and they are used for walking and physical training. They are covered with an appropriate substrate that allows them to be used in bad weather. The accompanying info boards provide information about the length and the gradient (Figure 5), the purpose of the path and instructions for appropriate physical activities (depending on the category of the therapeutic forest), which act as a strong motivational factor. Besides info boards, there are recreational areas with simple equipment (balance beam, parallel and horizontal bars, etc.). These areas should also serve for rest, so there are sitting benches at the edges.

Figure 5: *Graphic representation of the cross-sectional profile of forest paths*



Source: *Original*

The forest amphitheater. This landscape-architectural element is designed as another separate spatial solution in the southwestern part of the Healing Forest, on an area of 80.0 m² (Figure 3). The topography of the terrain enables a dynamic arrangement of semicircular wooden elements of the construction so that the amphitheater enables the performance of various activities and serves as a theater for lectures and projections, as well as a place where users, especially patients, can work or relax.

The viewpoint. At the point where the two footpaths meet in the Healing Forest area, a viewpoint with a landmark of a smaller archaeological site was set up (Figure 4). The geographical position of the projected Healing Forest with a viewpoint gives this spatial entity a special attraction, due to its magnificent view of all four sides of the world. From here, you can see Rtanj, Rudnik, Zeljin, Kopaonik, Koznik, Stara Planina, even parts of the Carpathian Mountains, towards Romania. Other facilities include information boards, recreational facilities and equipment, facilities for art therapy, music therapy, spiritual techniques and other therapeutic procedures (Figure 6).

Figure 6: *Therapeutic techniques of the forest medicine*



Source: *Isailović, 2017*

Therapeutic procedures and techniques. Forest therapy guides and facilitators take part in the implementation of forest medicine programs of the Cure Forest, while healthcare workers and doctors participate in the programs organized in the Healing Forest. A Forest Therapy Guide facilitates safe gentle walks, providing instructions - referred to as “invitations” - for sensory opening activities along the way. Each walk begins with establishing embodied contact with the present moment and place. Next comes a series of connective invitations, often improvised at the moment and adapted to the needs of participants. The walks end with a ceremony of sharing tea made from foraged local plants. Forest therapy walks are not hikes in the traditional sense. An entire walk is typically 4 to 6 hours long. In that distance, most people experience contact with nature in a much deeper way than they ever have prior to the walk. On Forest Therapy walks, people have a wide range of experiences, some of which they feel are significant, even profound. Guides are trained in the skills and perspectives needed to be supportive witnesses of these experiences. During these walks, people experience the therapeutic power of the forest. The forest itself is the therapist. By slowing people down and facilitating sensory experiencing, guides open the doorways through which the forest can accomplish its healing work. The practice of forest medicine at a particular site, as a kind of ecotherapy, is integrated with other sets of healthcare procedures and therapeutic techniques, recreation,

professional and creative skills such as climate therapy, aromatherapy, heliotherapy, art therapy and expressive art, music therapy and gong therapy (acoustic ecology), bibliotherapy, various forms of psychotherapy (Technique of 'Visual Walk', 'Active imagination'), life coaching, meditation and other spiritual techniques, nature education and many others.

Conclusions

The concept of forest therapy is based on numerous health benefits that forests provide and the inherent capacity of organisms to be healed (*'vis medicatrix naturae'*). The development of modern alternative forms of medical programs related to forests and the time spent in forests is a new approach to the strategic sustainable development of the wider area of Vrnjačka Banja. According to the described natural values, the forest complex 'Goč–Stanišinci', located above Vrnjačka Banja, has characteristics of an air and climate health resort and potentials for the implementation of the forest medicine program. Goč has characteristics of temperate continental climate which is particularly suitable for the implementation of climate therapy and heliotherapy.

It should be noted that, according to regional climate change projections based on the average annual air temperature increase of 0.3°C per decade, current climate zones are expected to move towards higher altitudes for about 150 m to 200 m by 2050, so in the near future the study area might have a warmer and somewhat drier climate. Significant climate change in the Mediterranean region, accompanied by long-lasting heat waves, increasingly frequent droughts and forest fires during the summer season, as well as a significant reduction in the snow cover and duration in the Alps, can increase the attractiveness of Serbian spa and mountain areas. In this area, there is no evidence of excessive human impact on the environment. The boundaries of the forest complex are not endangered and will not be reduced because this area has an adequate treatment as a forest land in planning documents. The immediate surroundings don't have any potential for rapid demographic development and creation of incompatible contents. It is necessary to select and according to a special program integrate different parts of the forest complex into a coherent health and recreational center in the form of a park-forest with all elements of a Cure and Healing Forest. The edge parts of the forest complex should be special a focus of forest regeneration, restoration and tending measures. It is necessary to landscape the inner edges of the

forest, trails, meadows, pastures and the viewpoint. It is also necessary to implement a harmonious silvicultural system with an appropriate spatial distribution that will achieve a successful alternation of old and young stands, forest plantations and clearings and form two-storey or multi-storey stands with a very thin to medium thin crown canopy (0.3-0.6) in order to fulfill health-recreational functions. The designated Cure and Healing forest at Goč Mountain can be used both by patients from rehab clinics and by members of the general public to promote their own health and personal well-being. Given the existing natural values and infrastructure, climate-therapeutic and other procedures of the forest medicine program can be carried out all the year round, except in extremely unfavorable weather conditions. These procedures should be applied in a planned and professional manner and they should be harmonized with other methods of healing and recreation so that the cumulative effect of 'forest bathing' is as effective and beneficial as possible both to patients and to other users. These benefits, in view of the expected mild effects of the ongoing climate change, indicate that the local climate potential, together with other natural values, will be an important factor in the development of health tourism and special interest tourism of the investigated area. In this sense, the establishment of the Cure and Healing Forests will represent a new and attractive part of the overall tourism product of the wider spa and mountain area.

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MIGRATION TRENDS AND THE CONCEPT OF ECOTOURISM

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Abstract

The paper presents the results of a study of the impact of the population migration in the area of Eastern Serbia (Kladovo, Negotin, Zaječar and Knjaževac municipalities) on the natural potentials for the development of ecotourism. There are over 60 protected, rare, vulnerable or endangered plant and animal species, 7 protected natural resources, a large number of cultural and historical monuments and natural rarities registered in the area. On the other hand, there are certain limiting factors for the development of ecotourism, such as rich but polluted hydrographic network, proximity to Bor mines and transboundary impacts. The most striking features of the area are the demographic emptying of its mountain and hill areas and the migration of the population to their administrative centers. Demographic emptying of the area can be considered as a positive process, as it enables the natural ecosystem restoration and the return of endangered plant and animal species to their natural habitats.

Key Words: migration, sustainable tourism, ecotourism, development constraints, Eastern Serbia

JEL classification: Q24, Q25, R14, Z32

Introduction

Ecotourism is now defined as `responsible travel to natural areas conserving the environment, improving the well-being of the local people, and educating the tourists`. Ecotourism typically involves travel to destinations where flora, fauna and cultural heritage are the primary attractions (The International Ecotourism Society, 2015).

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In order to develop ecotourism in an area, the area must fulfill the conditions that determine its tourist attractiveness, while the facilities of rural tourism must meet certain criteria. These conditions and criteria are used to determine the potential of an area for the development of ecotourism (favourable climate, unpolluted air, water and soil, absence of noise and vibration, absence of natural disaster risks, preserved nature, preserved architectural and cultural heritage, good road connections, regional cuisine, *etc.*).

Ecotourism, as a sustainable and selective form of tourism, is determined by the adequate protection of natural values, their presentation and evaluation (Ratknić & Braunović, 2015). In line with the above, we studied the recent state of biodiversity and geodiversity of the categories that are most important for the development of ecotourism in the study area. Special focus was put on the limiting factors because eastern Serbia has poorly developed tourist infrastructure. Otherwise, it is ideal for the promotion of ecotourism with its exceptional combination of geomorphologic characteristics, natural contrasts, rich flora and fauna and very low population density.

Natural characteristics

The study area includes the border part of eastern Serbia, *i.e.* the municipalities of Kladovo, Negotin, Zaječar and Knjaževac, covering 3 990 km². The topography of this area is characterized by diverse landforms (mountains, river basins, valleys and terraces), which have been formed through complex processes of genesis and evolution (tectonic processes, volcanic eruptions, seas, lakes).

The forest belt stretches along the mountain massifs of Rtanj, Čestobrodica, Južnokučajske planine, Crni Vrh, Stara Planina, Tupižnica, Tresibaba, Miroč, Deli Jovan, Severni Kučaj, Liškovac. The altitude ranges from 28 m a.s.l. (Negotin) to 2,196 m a.s.l (Midžor). The most fertile part is the Negotin Plain, which covers an area of 260 km² at an altitude of 37 m. It is suitable for all agricultural crops as well as for irrigation (close to the Danube and other smaller streams). Negotin is a municipality with an extraordinarily large share of arable agricultural land. Its total area of agricultural land amounts to 70,341 ha, which is 64.5% of the total area. About 25,000 ha of this area is cultivated. ("Official Gazette of Negotin Municipality", 2015). The municipality of Zaječar is crossed by the rivers of Crni Timok (The Black Timok) and

Beli Timok (The White Timok), which merge to form The Veliki Timok (The Great Timok) and make the backbone of the hydrographic network of this region. The Timok River basin is of great importance because of its fertile valley which is suitable for agriculture.

According to its geographical position, the area of eastern Serbia belongs to the continental climate zone with pronounced temperature extremes, rainfall variations and its unfavourable distribution during the year (Table 1). The mean annual temperature ranges from 10.4°C (Knjaževac) to 11.9°C (Negotin), and the annual rainfall from 579 mm (Zaječar) to 630 mm (Negotin). May and June are the wettest months in all municipalities. Because of its extremely low altitude, Negotin has a specific climate with very warm summers (265 sunny days) but cold and harsh winters. The municipality of Knjaževac has a semi-arid continental climate type with hot and dry summers and cold winters.

Table 1: *Climate characteristics*

Municipality	Climate type	Mean annual	
		Temperatures (°C)	Precipitation (mm)
Knjaževac	semi-arid continental	10.4	599
Negotin	humid continental	11.9	630
Kladovo	humid continental	11.3	560
Zaječar	humid continental	11.1	579

Source: *Authors*

A developed hydrographic network is made of the catchment areas of The Trgoviški Timok, The Svrliški Timok, The Crni Timok, The Beli Timok, The Veliki Timok, and the Danube Basin. The Trgoviški Timok River is formed by the confluence of several rivers. It starts as The Strmna River at about 1,200 m above sea level in the northern part of Stara Planina (The Balkan Mountain Range). Upstream, its right tributaries are The Crnovrška River with The Debeštica River, The Janjska River and The Golaška River which strongly dissect this part of the terrain. The left tributaries of The Strmna River are numerous unnamed streams of relatively short flows and deep and narrow riverbeds. The second branch of The Trgoviški Timok stream is The Stanjanska River.

In the village of Izvor, The Izvorska River flows into it from the left side and together they form the upper stream of The Trgoviški Timok. In the

village of Kalna, The Trgoviški Timok cuts through the surface to make a gorge at the point where The Brezova River with The Mala River and The Papratna River with The Repušnička River flow into it from the east side. Downstream from Knjaževac, The Žukovska River with The Dejanovačka, The Aldinska and The Leva streamlets and their smaller tributaries join them. Near the confluence, The Balinačka and Štitarska Rivers with their smaller streams flow into The Žukovska River. All the water collected on the slopes of Stara Planina are carried by The Trgoviški Timok until it merges with The Svrliški Timok and starts The Beli Timok watercourse, which flows through the lowest part of the Knjaževac Basin.

The Beli Timok tributaries are The Znička River, The Jelašnička River, The Jakovačka River, The Vitkovačka River, The Selačka River and The Bela River, whose sources are near the border with Bulgaria. From the western side, it has The Volevačka River with The Žubetinska River and its tributaries - The Gradna and Pavlovačka Streamlets and The Sokolovačka River with The Bučanska Streamlet as its tributaries. The Manjinačka River "carries" water from the southern part of Tupižnica Mountain. Watercourses named after the villages flow through the villages of Debelica, Trnovac and Vrbice and accumulate waters of the eastern slopes of Tupižnica Mountain before they flow into The Beli Timok. In the area of Vratarnica Gorge, The Beli Timok receives The Šaska River from the east and The Zagrađska River from the west. Below the gorge, the Grliška River flows from the west and with a number of small and large tributaries joins The Beli Timok, as well as The Lubnička River. The Beli Timok meets The Crni Timok above Zaječar forming the main course of The Veliki Timok.

Artificial (accumulating) lakes in this area are Grliško Lake, Rgotsko Lake and Sovinac Lake. Grliško and Sovinac Lakes serve for water supplying purposes.

Hot springs include Gamzigradska Banja (hot mineral springs with a modern spa health resort), Nikoličeva and Rgoška Banja (a number of springs that emerge on a water producing fault 800 m in length). Rgoška Banja is a spa located on the bank of The Svrliški Timok, 5km southwest of Knjaževac. It has been known since ancient times, which is evidenced by the remains of a Roman bath.

The map of land use was the basis for the assessment of the share of non-productive (man-made) areas, productive areas and water basins (Table 2). In the category of productive areas, the share of forests and semi-natural habitats ranges from 34.4% in the municipality of Zaječar to 64.1% in the municipality of Knjaževac, while the share of agricultural area ranges from 34.9% in the municipality of Knjaževac to 63% in the municipality of Zaječar. The high share of forest and agricultural ecosystems is an important indicator of the ecotourism potential. Furthermore, Knjaževac and Negotin vineyards are also valuable. 'According to the 2012 Census, there are 1076.47 hectares of vineyards in the Knjaževac region (about 1033.37 ha or 95.55% of which are fertile vineyards) with 118.23 ha of stone grape varieties and 958.24 ha of wine grape varieties. There are 978.04 hectares of vineyards in the Negotin Krajina region (about 955.83 ha or 97.73% of which are fertile vineyards), with 87.92 ha of table grape varieties and 890.12 ha of wine grape varieties' (Ivanišević et al., 2015).

Table 2: *CORINE land use*

CORINE land use	Zaječar		Knjaževac		Negotin		Kladovo	
	Area (ha)	%	Area (ha)	%	Area (ha)	%	Area (ha)	%
Man-made areas	2730.0	2.5	625.2	0.5	2844.9	2.6	1550.3	2.5
Agricultural land	67310.9	63.0	42194.5	34.9	66271.3	60.9	26789.8	42.5
Forests and semi natural areas	36749.5	34.4	77380.3	64.1	39560.7	36.3	29895.2	47.5
Wet habitat	0.0	0.0	0.0	0.0	223.0	0.2	99.2	0.2
Water basins	109.6	0.1	0.0	0.0	0.0	0.0	4665.5	7.4
Total	106900.0	100.0	120200.0	100.0	108900.0	100.0	63000.0	100.0

Source: *Authors*

Protected natural areas

`Stara Planina` Nature Park was protected by the Decision of the Government of RS No. 110-1307 / 97 of 18 April 1997. The area of the Nature Park is 142,219.64 ha. The position of Stara Planina in the center of the Mesian floristic province, the diversity of its bedrock, soil and terrain and the altitude have contributed to the diversity of flora and vegetation of this mountain. From the lowest point of the Nature Park (about 300 m above sea level) to the highest peak of Midžor (2,169 m

above sea level) there are seven vegetation belts. Its vegetation richness is reflected in the diversity of forest, shrub, meadow, pasture and peatland communities within strict nature reserves and natural monuments. The Nature Park has protection regimes of 1st, 2nd and 3rd degrees. The first-degree protection regime prohibits the use of natural resources and restricts activities to scientific research and educational purposes. The second-degree protection regime allows the selective and limited use of natural resources and controlled interventions and activities in the area provided that they are in line with the functions of the protected natural area or that they are related to traditional forms of economic activities and housing, including tourism. All the remaining areas are under the third-degree protection regime.

`Golema Reka` was declared nature reserve in 1981 (`Official Gazette of SRS`, No. 50/75) with a total area of 34.60 ha. The reserve belongs to the Golema Reka Basin, at an altitude of 1,250-1,350 m. on a steep terrain. The boundaries of the reserve include the forest community of mountain beech (*Luzilo – Fagetum serbicum* Misic at Popović 1954.). This virgin forest community is native to Stara Planina. It occurs in patches (as small stands in the oak zone) on its western, southwestern and northeastern slopes, at an inclination of 20° - 40°.

`Draganište` was declared nature reserve in 1981 (`Official Gazette of SRS`, No. 50/75). The area of the reserve is 112.03 ha within the altitude zone of the subalpine spruce on Stara Planina (1,200 - 1,800 m above sea level). Babin Zub peak was proclaimed natural monument in 1981 (`Official Gazette of SRS`, No. 50/75) as a monument of geomorphological character. It covers an area of 44 ha at an altitude between 1,710 and 1,758 m.

Depending on the meso and micro topography and microclimate conditions of the locality as well as its other site conditions, it has developed a complex, diverse and unique mosaic of meso and micro vegetation types including mountain pasture communities (*Hygronardetum*, *Coccineo – Dechampsietum*, *Deshampsietum subalpinum*, *carici – Sphagno – Eriophoretum*, *Nardetum strictae*), shrub communities (*Vaccinio – Juniperetum nanae*) and a belt of broadleaved forests (*Fagetum montanum* and *Fagetum subalpinum serbicum*).

`Bukovo` Reserve is a mixed stand of beech, sessile oak, hornbeam, common ash, mountain elm, linden, field maple, etc. It was protected by

the former Institute for Protection and Scientific Research in Natural Rarities of the People's Republic of Serbia of 26 July 1961 ('Official Gazette of the NRS', No. 46/91) and covers an area of about 10 ha.

The Canyon of The Vratna River with three gates was proclaimed natural good of geomorphological character by the Decision of the former Institute for Protection and Scientific Research in Natural Rarities of the People's Republic of Serbia No. 274 of 20 June 1957. 'Near the Vratna Monastery, on a clear mountain river suitable for fishing, there are huge stone gates, which nature made without a chisel or a hammer'.

The first gate is called Veliki Prerast, the second is Mali Prerast, and the third is Suvi Prerast. The whole complex of the Vratna, including a village, a monastery and the gates, is surrounded by rivers and forests. These 'nature jewels' are only thirty kilometers away from Negotin. <http://www.negotin.rs/turizam.htm>

The Canyon of The Zamna River with a stone arch was proclaimed protected natural good of geomorphological character by the Decision of the former Institute for Protection and Scientific Research in Natural Rarities of the People's Republic of Serbia No. 275 of June 20, 1957.

Stevan meadows are located at the foot of Deli Jovan Mountain, at an altitude of 480 meters. Its natural and climate conditions make them one of the most famous air climate spas of Serbia. Nature lovers have marked hiking trails leading to the top of Deli Jovan mountain.

8. Part of the National Park Djerdap

Protected, rare, vulnerable and endangered species

Rare, vulnerable and endangered species include 12 species of ground flora, 41 species of mammals, reptiles and birds, 5 species of trees and 2 species of fungi (Table 3).

The group of meadow vegetation consists of a large number of medicinal herbs (artemisia, belladonna, yarrow, chamomile, centaury, St John's wort). Rural areas have a tradition of collecting these raw materials but they lack processing capacity (Ratknić & Milovanović, 2016).

Table 3: *Protected, rare, vulnerable and endangered species*

Data on species			
Latin name	Common name	Latin name	Common name
<i>Allium ursinum</i> L.	The ramsons	<i>Lepus europaeus</i>	The European hare
<i>Apodemus uralensis</i>	The pygmy field mouse	<i>Martes foina</i>	The beech marten
<i>Asarum europaeum</i> L.	The asarabacca	<i>Meles meles</i>	The European badger
<i>Betula pendula</i>	The birch	<i>Mustela nivalis</i>	The least weasel
<i>Boletus edulis</i> Bull.	The penny bun	<i>Myotis myotis</i>	The greater mouse-eared bat
<i>Bubo bubo</i>	The Eurasian eagle-owl	<i>Natrix natrix</i>	The grass snake
<i>Canis aureus</i>	The golden jackal	<i>Onthophagus (Furcathophagus) furcatus</i>	The dung beetle
<i>Canis lupus</i>	The wolf	<i>Oreopteris limbosperma</i>	The mountain fern
<i>Cantharellus cibarius</i> Fr.	The chanterelles	<i>Otus scops</i>	The Eurasian scops owl
<i>Capreolus capreolus</i>	The roe deer	<i>Pieris brassicae</i>	The cabbage butterfly
<i>Cervus elaphus</i>	The red deer	<i>Rosa canina</i> L.	The dog rose
<i>Columba palumbus</i>	The common wood pigeon	<i>Rubus fruticosus</i> L.	The European blackberry
<i>Cornus mas</i> L.	The cornelian cherry dogwood	<i>Rubus idaeus</i> L.	The red raspberry
<i>Corvus corax</i>	The common raven	<i>Salamandra atra</i>	The salamander
<i>Corylus colurna</i> L.	The Turkish hazel	<i>Salamandra salamandra</i>	The fire salamander
<i>Crataegus monogyna</i>	The common hawthorn	<i>Sciurus vulgaris</i>	The red squirrel
<i>Cuculus canorus</i>	The common cuckoo	<i>Sorex alpinus</i>	The alpine shrew
<i>Darevskia praticola</i>	The wall lizard	<i>Strix aluco</i>	The tawny owl
<i>Dendrocopos major</i>	The great spotted woodpecker	<i>Sus scrofa</i>	The wild boar
<i>Dendrocopos medius</i>	The middle spotted woodpecker	<i>Testudo hermanni</i>	Hermann's tortoise
<i>Dendrocopos minor</i>	The lesser spotted woodpecker	<i>Thymus serpyllum</i> L.	Breckland thyme
<i>Dryomys nitedula</i>	The forest dormouse	<i>Tilia tomentosa</i>	The silver linden
<i>Erinaceus roumanicus</i>	The northern white-breasted hedgehog	<i>Turdus merula</i>	The common blackbird
<i>Felis silvestris</i>	The wildcat	<i>Tyto alba</i>	The western barn owl
<i>Fragaria vesca</i> L.	The wild strawberry	<i>Upupa epops</i>	The Eurasian hoopoe
<i>Garrulus glandarius</i>	The Eurasian jay	<i>Vipera ammodytes</i>	The horned viper
<i>Helix lucorum</i>	The land snail	<i>Vipera beru</i>	The common European adder
<i>Hypericum maculatum</i>	The imperforate St John's-wort	<i>Vulpes vulpes</i>	The red fox
<i>Ilex aquifolium</i> L.	The common holly	<i>Zamenis longissimus</i>	The Aesculapian snake

Source: Authors

Socio-demographic characteristics

The basic demographic characteristic is the existence of the areas of demographic rise (cities) and the areas of demographic decline (most rural settlements). The uneven distribution of population has been caused by the migrations from rural areas to administrative centers (Table 4).

Table 4: *Population and population density by municipalities*

Category	Population							
	1948	1953	1961	1971	1981	1991	2002	2011
Knjaževac								
Urban	4862	5906	7448	11249	16665	19705	19351	18404
Rural	56698	56067	51997	40761	32124	24331	17821	13087
	61560	61973	59445	52010	48789	44036	37172	31491
Negotin								
Urban	6143	6982	8635	11166	15311	17355	17758	16882
Rural	57304	57376	56774	52540	48662	42204	25660	20174
Total	63447	64358	65409	63706	63973	59559	43418	37056
Kladovo								
Urban	3867	4019	4484	8625	10024	11183	10218	9729
Rural	22294	23773	23733	24548	23352	20698	13395	10906
Total	26161	27792	28217	33173	33376	31881	23613	20635
Zaječar								
Urban	11861	14489	18690	27599	36958	39625	39491	38165
Rural	51026	50418	49926	45548	39723	33138	26478	21296
Total	62887	64907	68616	73147	76681	72763	65969	59461
Study area								
Urban	26733	31396	39257	58639	78958	87868	86818	83180
Rural	187322	187634	182430	163397	143861	120371	83354	65463
Total	214055	219030	221687	222036	222819	208239	170172	148643
Population density (inhabitants/km ²)								
Knjaževac	51.2	51.6	49.5	43.3	40.6	36.6	30.9	26.2
Negotin	58.3	59.1	60.1	58.5	58.7	54.7	39.9	34.0
Kladovo	41.5	44.1	44.8	52.7	53.0	50.6	37.5	32.8
Zaječar	58.8	60.7	64.2	68.4	71.7	68.1	61.7	55.6
Average	52.5	53.9	54.7	55.7	56.0	52.5	42.5	37.2

Source: *Statistical Office of the Republic of Serbia, 2014a*

The trends of population, household population and population density were analyzed according to the Censuses of 1948, 1953, 1961, 1971, 1981, 1991, 2002 and 2011 (Braunović & Perović, 2017). The 2002 census is not fully comparable to previous Censuses. The Censuses of

1971, 1981 and 1991 included not only the population living in the country as permanent residents but also the population temporarily working abroad and their family members living with them. The population analysis was based on data for 4 municipalities: Knjaževac 86 settlements, Negotin 36 settlements, Kladovo 23 and Zaječar 42 settlements. Data were collected and analyzed for 187 settlements. Compared to 1948, the population decreased by 69% in 2011 and the biggest changes occurred in the municipalities of Knjaževac and Negotin. A decrease in the total population was followed by an increase in the urban population and in the number of urban households at the expense of the number of rural people. This process is most noticeable in the municipality of Zaječar. Regarding the study area, there has been a triple increase in the number of urban households. On the other hand, rural households have almost halved.

Table 5: *Comparative overview of the number of households*

Category	Number of households							
	1948	1953	1961	1971	1981	1991	2002	2011
Knjaževac								
Urban	1667	1901	2353	3650	5179	5854	6268	6168
Rural	12226	12328	12391	10962	9814	8451	7114	5404
Total	13893	14229	14744	14612	14993	14305	13382	11572
Negotin								
Urban	2074	2291	2874	3767	5075	5630	6212	6240
Rural	13180	13087	13505	12763	11946	10731	8989	7666
Total	15254	15378	16379	16530	17021	16361	15201	13906
Kladovo								
Urban	1030	1093	1255	2760	3108	3499	3575	3594
Rural	4749	4996	5348	6041	5601	5208	4722	4151
Total	5779	6089	6603	8801	8709	8707	8297	7745
Zaječar								
Urban	4261	4913	6118	9119	11955	12666	13733	13441
Rural	12131	12160	12525	11991	11074	9856	8974	7590
Total	16392	17073	18643	21110	23029	22522	22707	21031
Study area								
Urban	9032	10198	12600	19296	25317	27649	29788	29443
Rural	42286	42571	43769	41757	38435	34246	29799	24811
Total	51318	52769	56369	61053	63752	61895	59587	54254

Source: *Statistical Office of the Republic of Serbia, 2014b*

Table 5 shows a comparative overview of the number of households according to the Censuses from 1948 to 2011 by municipalities. The

municipalities of Knjaževac, Negotin and Zaječar had the largest number of households in the 1981 census, and then it decreased in all municipalities. In the municipality of Kladovo, the number of households has been in a constant decline since 1971.

The analysis of the presented data shows a decline in the population and in the number of households since 1971 in all municipalities, with an exception of urban settlements that had increasing population until 1991, and since then, there has been a slight decline.

Out of a total of 187 analyzed cadastral municipalities, the largest number of settlements are in the altitude zone from 101 to 300 m (68 settlements), then in the zone of 301-500 m (46 settlements) and in the zone below 100 m (37 settlements). The highest concentration of settlements is in the zone below 500 m (151 settlements). Accordingly, this altitude zone has the highest concentration of population (Table 6).

The altitude in the municipality of Knjaževac ranges from 177 to 1126 m a.s.l. The largest share of settlements are at altitudes between 300 and 500 m, and the smallest share of them are over 1000 m. According to the 2011 Census, there are 3 inhabitants in the settlement of Tatrarnica (1126 m above sea level), while Repušnica village (956 m) hasn't been populated in the last decade.

Table 6: *Number of settlements by altitude zones and municipalities*

Altitude zone m a.s.l.	Knjaževac		Negotin		Kladovo		Zaječar	
	Number of settlements	%	Number of settlements	%	Number of settlements	%	Number of settlements	%
below 100			16	44	20	87	1	2
101-300	17	20	16	44	3	13	32	76
301-500	35	41	3	9			8	21
501-700	26	30	1	3				
701-1000	7	8						
> 1001	1	1					1	1
Total	86	100	36	100	23	100	42	100

Source: *Authors*

The town of Negotin and 35 settlements in the municipality are located mostly below 300 meters above sea level (32 settlements), 16 below 100 m and 16 from 101 to 300 m. Their altitudes range from 44 m to 758 m. In the municipality of Kladovo, 87% of settlements are located in the

zone below 100 m a.s.l and 3 settlements in the zone from 101 to 300 m. In the municipality of Zaječar the settlements are located in the range between 94 and 1158 meters above sea level. Out of 42 settlements, 33 are in the zone below 300 m a.s.l., 9 in the zone of 300-400 m a.s.l. and one settlement above 1000 m a.s.l. (Braunović et al., 2017).

Table 7: *Settlements by category of population*

Category	1948	1953	1961	1971	1981	1991	2002	2011
	Number of settlements							
Municipality of Knjaževac								
no inhabitants							1	1
1 to 10 inhabitants						1	2	5
11 to 20 inhabitants					1	1	3	7
21 to 50 inhabitants					2	7	10	9
51 to 100 inhabitants				1	9	11	13	23
101-300 inhabitants	12	13	14	30	26	34	37	33
301-500 inhabitants	25	25	23	17	23	20	14	4
501-1000 inhabitants	33	31	35	34	21	9	4	2
> 1000 inhabitants	16	17	14	4	4	3	2	2
Total	86	86	86	86	86	86	86	86
Municipality of Negotin								
301-500 inhabitants			2	3	3	7	15	22
501-1000 inhabitants	11	11	11	10	12	13	14	8
> 1000 inhabitants	25	25	23	23	21	15	7	6
Total	36	36	36	36	36	36	36	36
Municipality of Klatovo								
101-300 inhabitants	2	2	1	1	1	3	6	7
301-500 inhabitants	1	1	2	1	3	2	2	2
501-1000 inhabitants	9	8	8	6	7	6	9	13
> 1000 inhabitants	11	12	12	15	12	12	6	1
Total	23	23	23	23	23	23	23	23
Municipality of Zaječar								
101-300 inhabitants	2	2	2	2	3	6	12	20
301-500 inhabitants	1	1	3	4	7	11	12	8
501-1000 inhabitants	13	15	14	18	18	12	8	8
> 1000 inhabitants	26	24	23	18	14	13	10	6
Total	42	42	42	42	42	42	42	42

Source: *Authors*

The number of settlements by population categories (settlement size) is shown in Table 7. The analysis shows a decreasing tendency in the population and in the number of large settlements (with the population of

300), while at the same time there is an increase the number of settlements with the population below 300 (particularly the settlements with the population below 100). The total population of the settlements with the population below 100 increases along with the number of settlements of this size. The number of settlements with the population over 1000 was reduced in the period from 1953 to 2011 from 78 to only 15. According to the altitude zones, the number of settlements in them and the changes in the population numbers, the following areas can be distinguished:

1. The area with positive demographic development (the zone below 300 m a.s.l.) and constantly the highest concentration of population.
2. The area with variable (positive and negative) demographic development (the zone of 300-500 m a.s.l.).
3. The rural area with negative tendencies of demographic development and the pronounced depopulation processes (above 500 m a.s.l.).

The changes in the population and its structure in the hill and mountain areas have brought about the changes in the land use patterns (Braunović & Ratknić, 2012). The most important change affecting the development of ecotourism has been the abandonment of agricultural areas at greater slope inclinations, which has contributed to the stabilization of soil and vegetation cover and natural restoration of vegetation on abandoned fields, meadows and pastures. Furthermore, the level of environmental pollution and the number of pollutants have been reduced.

Table 8: *Population in the altitude zone of 701-1000 m*

Knjaževac Municipality	Altitude	Population by Census years							
		1948	1953	1961	1971	1981	1991	2002	2011
Aldina Reka	941	315	332	396	184	35	20	12	1
Banjski Orešac	701	356	350	323	311	247	154	96	66
Crni Vrh	893	1325	1303	1243	805	383	225	133	91
Ravno Bučje	994	521	436	349	218	85	40	28	15
Repušnica	956	369	333	297	149	12	6	-	-
Stanjinac	752	762	707	614	506	289	156	95	53
Tatrasnica	1126	820	724	435	102	45	21	5	3
Total		4893	4607	4059	2629	1407	846	541	343

Source: *Authors*

This is confirmed by the fact that the population in the zone of 701 to 1000 m a.s.l. has been drastically reduced and a great number of settlements in that altitude zone have been abandoned. All the settlements

in this zone belong to the municipality of Knjaževac. According to the 1948 Census, there were 4893 inhabitants. According to the Censuses of 1953 and 1963, these settlements recorded a slight decrease in the number of inhabitants, and since 1971 their population has been falling sharply. The last Census (2011) registered only 343 inhabitants (Table 8).

The share of agricultural population

In the study area, 28.2% of the total population is engaged in agriculture. In the municipality of Knjaževac, according to the official data of the Census of Agriculture (Statistical Office of the Republic of Serbia, 2012), 4,959 agricultural holdings use agricultural land and 11,151 inhabitants (35.4%) are engaged in agriculture. In the municipality of Kladovo, 2,132 households use agricultural land. In Kladovo there are 4,883 people working in agriculture (23.7%). In the town of Zaječar, 6,124 households use agricultural land, while 15,113 inhabitants (25.4%) are engaged in agriculture. In Negotin municipality, 4,658 households use agricultural land, while 10,809 inhabitants are engaged in agriculture (29.2%). The largest number of households are family households (99.5%), and the rest are legal entities. Most of them have arable fields and farm plots, i.e. they most commonly grow grain corn, wheat and spelt. The largest number of households raise different combinations of crops and cattle. There is a significant share of households that grow vine (municipalities of Negotin, Zaječar and Knjaževac).

Cultural heritage

Trajan's plaque, Trajan's bridge (the remains of a bridge of the Pontes fortress located in the village of Kostol, 5 km downstream of Kladovo), Diana Zanes, a fortress built on a high bank of the Danube (in the village of Sip), remains of Rtkovo – Glamija fortress about 3 km downstream of the village of Rtkova (the most prominent point to the Romanian border, and thus very important in the defense of the fortress), Fetislam fortress built in 1524, the 'Pena' and 'Varnica' balloon stations at Djerdap - the former system of six signaling balloon stations on both banks of the Danube, which were used to regulate the river traffic (today they are part of monumental Infrastructure Heritage), St. George's Church in Kladovo built in 1735, Monastery of St. Trinity in Manastirica, The Archaeological Museum of Djerdap are only some of the monuments in this area. Pimnice are unique complexes dedicated to vine growing and wine production. Whole villages in Negotin are turned into wineries. There

used to be wineries in all settlements around the Timok River, but they are now preserved in the villages of Rajac, Rogljevo, Smedovac and Štubik. Most of them were built in the 19th and early 20th centuries, but it is thought that some wineries existed in the 18th century.

Restrictions on the development of ecotourism

Unfavourable demographic trends (reduction in the natural increase rate, population migration to urban centers, demographic emptying, depopulation, change in the population age structure, unfavorable spatial distribution) and inadequate financial support of the state have hampered the development of this type of tourism. Land use analysis shows that the `waste disposal` category is not registered in this area. According to the Census of Agriculture 2012, about 60% of the total number of households do not dispose of the waste such as oil, plastics or packaging on the designated dumping places, but `somewhere else` (Table 9). These substances directly endanger ecosystems, soil and watercourses, thus making the method of disposing waste from agricultural holdings a limiting factor for the development of ecotourism.

Table 9: *Waste disposal methods in the study area*

Municipality	Kladovo			Negotin			Zaječar			Knjaževac		
	1	2	3	1	2	3	1	2	3	1	2	3
Oil	277	320	995	143	1186	2300	320	1239	2576	349	707	1667
Plastics	995	225	433	348	1627	1933	962	1647	2183	752	866	1509
Rubber	320	324	806	219	1508	1828	366	1499	2272	307	624	1552
Plant protection product packaging	635	266	760	320	1532	1763	609	1474	2732	568	832	1980
Veterinary healthcare packaging	488	251	765	188	1158	1479	310	1205	2387	411	532	1320
Other waste	378	396	1024	175	1868	2134	495	1800	3348	406	1147	2986

Legend: 1. By the communal utility service; 2. By households on designating dumping sites; 3. Other methods.

Source: *Statistical Office of the Republic of Serbia, 2012*

There is a Regional Waste Management Plan and Agreement on Joint Waste Management between the Local Self-Government Units of Zaječar, Bor, Negotin, Kladovo, Knjaževac, Boljevac and Majdanpek, which set goals and tasks related to municipal waste management, financing of

preparatory activities and construction of a joint regional center for the management of municipal waste at 'Halovo' landfill (the city of Zaječar). Its construction has not been realized yet.

Conclusions

The analyzed part of eastern Serbia is a natural, cultural and spiritual treasure which completely fulfills the prerequisite of ecotourism - to see, feel and enjoy the richness of natural resources and cultural and historical heritage. The natural attractiveness of the rural areas in the investigated area, their preserved state and cultural and historical heritage make an essential and important requirement for the development of tourism, but it is not enough. A number of negative factors such as inadequate road network connectivity in rural areas, lack of tourist tradition, bad communal infrastructure, spatial and demographic imbalance in the network of settlements, pronounced depopulation and demographic decline of rural settlements above 500 m above sea level etc. disturb the ecological and sociocultural aspects of sustainable ecotourism.

Demographic emptying of areas above 500 m can also be considered to be a positive process. Apart from enabling the natural restoration of ecosystems and return of endangered plant and animal species to their natural habitats, it has reduced the pressure on forest ecosystems and the number of pollutants of soil and rich hydrographic network.

Sustainable tourism (which includes ecotourism) is the most important factor in the development of the rural part of the investigated area. The rural environment plays an important role in the protection of bio-, geo- and landscape diversity. In this way, its role is not only the production of healthy food or the provision of recreation and holiday facilities but also the provision of new job prospects and increased sustainability of rural areas.

Recognition of the restrictions on the development of ecotourism should help the local community become aware of the black spots that can prevent its development in this area.

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