



University of Arts in Belgrade

~ Center for Interdisciplinary Studies ~

and

UNIVERSITÉ **LUMIÈRE** LYON 2  
UNIVERSITÉ DE LYON

~ Institute de la Communication ~

**UNESCO Chair in Cultural Policy and Management**

*Master thesis:*

**Rural tourism as the main factor of economic development of the  
southeast Serbia**

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Belgrade, August 2014

## Acknowledgments

I would like to express my greatest gratitude to the people who have helped and supported me throughout my thesis. I am grateful to my mentor Nikola Šuica for his continuous support for the research, from initial advice and contacts in the early stages of conceptual inception and through ongoing advice and encouragement to this day.

A special thank of mine goes to my colleague Marion Renault who helped me in completing the project and she exchanged her interesting ideas, thoughts and made this thesis easy and accurate.

I would like to thank the European movement in Serbia, organization that helped me, as their intern, to complete my work by supporting me all the time, and by organizing interviews with important persons for my research.

I would like to thank many professionals and people who gave me useful information during interviews.

I wish to thank my professor Milena Dragičević Šešić who's books and papers inspired my thesis and thoughts, and to professor Jacques Bonniel who will read and assess my work.

I wish to thank my parents and my fiancé, for their undivided support and interest who inspired me and encouraged me to go my own way, without whom I would be unable to complete my thesis. I would also like to thank my grandfather who supported and encouraged me all my life, and without whom, I would not be able to be where I am today.

At last but not the least I want to thank my Italian friend Serafina Larocca who helped me with my work.

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## Abstract

I choose to write a thesis on the subject of rural tourism as the main factor of economic development of the southeast Serbia because I saw all the possibilities and potentials of that region, and on the other side, I saw that despite all this cultural and natural resources and wealth, this region is being abandoned by its population and it has been partially forgotten by the state.

In this region many factories and businesses were destroyed and infrastructure is in horrible state, the conditions of life are very low. This is the region where all industry was destroyed and since then they are losing their population, especially young and educated people because there are no jobs for them.

They have many historically important places from the time of ancient Romans, to the monuments and buildings left by Turkish invaders and medieval Serbian aristocrats. They also have amazing untouched nature and many interesting and unique animal and plant species.

In addition, they have many sources of mineral healthy water and traditional healthy Serbian food. They have also great potentials for production of healthy teas and other medicinal plants. However, despite all this wealth in resources, this region is most undeveloped region in Serbia.

Main causes of that underdevelopment are mass migrations of local population and abandonment of villages and smaller cities. After the destruction of their industry, people lost their jobs and because of the lack of fertile land for agriculture, they did not have sufficient amount of resources to continue to live there, as a result majority left and are still leaving this region.

On the other side lack of human resources caused many public services to close or to lower their level of services, the state also played its part because very little was done to prevent or to stop this degradation and abandonment. During communism the state gave resources for other areas (urban) and it stimulated people to abandon villages and that type of life for life in big industrial cities.

Having all that in mind I came to conclusion that the southeast region and its population could have better life and higher life standard if they would use their potentials in the optimal way, one of their greatest potentials is their untouched nature which is one of the main reasons for eco and rural tourist to visit there.

Therefore, I started to think about the current situation there and I found examples of other countries in transition that used this type of tourism to revitalize their economy and to stop mass migrations without enormous investments but with decent and intelligent strategies of development.

I saw that at first, they started to organize their legal and economic system and to engage all sectors in joined mission of economic development through revival of their existing resources and capacities. From there, I came to my two intertwined and mutually connected hypotheses.

That is why I came to the idea to test my two hypothesis and to research possible solutions for this situation in the southeast. My first hypothesis was that rural tourism is underdeveloped in Serbia in general and especially in the southeast.

My plan was to test that assumption by doing extensive desk research and to use information obtained through interviews with professionals from fields of tourism, economy and law, as well as with owners of rural households in the southeast.

My second hypothesis is basically the continuation of my first hypothesis – it is about legal and economic stimulating measures which we could create here on all levels and for all sectors in order to help to the economy of the southeast through the development of rural tourism.

My plan was to see how this sector functions within the European Union as well as the functioning of our system. I planned to test my hypothesis by comparing these two legal systems and to discover which are the best models and measures in domains of economy, law and tourism which would stimulate development of rural tourism in the southeast.

As a result of many hours, days and months spent in my desk research and my interviews, I discovered that there are two opposite images of reality.

On one side, I read about great strategic and master plans for the development of rural tourism, and on the other, I heard that our laws and strategies are far from reality in Serbia; That they are an unrealistic imitation of European strategies which are not modified for our current situation.

I also learned that current strategies and plans are not precise enough when it comes to details about the areas that are in need for investments and the amounts that should be invested there. We also do not have proper categorization of objects for rural tourism and that creates a lot of legal and other types of problems.

Our current laws are so outdated that they even stimulate illegal businesses because they complicate legal practice and they basically do not sanction illegal one's. I also discovered that because of the permanent political and economic instability, we change strategies, institutions and people in charge very often, and as a result, there is always chaos and lack of transparency and responsibility in this sector.

In this country which is often in some kind of economic and/or political instability, the best way of creating a better economic situation in the southeast and in the sector of rural tourism in general, is to take European models and strategies but to modify them according to our needs and situation. It would be even better to use strategies of undeveloped EU countries which had similar situation.

So, after, extensive research, on paper and through interviews, in this situation, and in this moment in time, I think that organized and systematic development of rural tourism in this part of Serbia would be very difficult.

## Résumé

J'ai choisi d'écrire cette thèse sur le sujet du tourisme rural entendu comme le facteur le plus important du développement de la Serbie du Sud- Est parce que j'ai vu toutes les possibilités et potentiels de cette région. D'autre part, j'ai vu que, malgré toute la richesse de ces ressources naturelles et culturelles, cette région est peu à peu désertée par sa population. De fait, c'est une partie de l'héritage culturel serbe qui est oublié partiellement.

Le tourisme est un phénomène qui s'est développé pendant la seconde moitié du XIX siècle, passage obligé de l'éducation des aristocrates. Puis, en XXème siècle et particulièrement après la Deuxième Guerre Mondiale, un changement sociétal s'opéra avec l'essor du tourisme de masse : la découverte de la province s'offrait désormais à une grande part de la population.

La nature des voyages s'est également modifiée : le divertissement, la rupture avec la vie quotidienne devinrent les principales raisons invoquées. Destruction des régions naturelles et pollutions suivirent ce changement de paradigme. Nous commençons alors à polluer la nature, amoindrir les ressources et endommager les cultures natives.

Suite à ce bilan, nous avons commencé à développer d'autres formes de tourisme dites alternatives ou vertes, tel que le tourisme écologique ou le tourisme rural lesquels ne détruisent pas la nature et les ressources. Ces formes se basent sur la découverte d'une nature sauvage et préservée de l'empreint humaine.

Cette forme de tourisme s'est imposée auprès d'une certaine clientèle à savoir les diplômés et individus concernés – voire impliqués - par les enjeux climatiques. Conscients des thématiques environnementales et désirant le connaître sans le polluer, ils se défont d'une image « luxueuse » des vacances et privilégient la découverte de la nature et des cultures authentiques et locales de leurs lieux de séjour.

Ces raisons ont motivé le choix de mon étude, percevant dans ce sujet de niche une grande opportunité pour mon pays en développement, dont la nature sauvage est une richesse encore trop peu exploitée.

Dans cette région, un grand nombre d'industries ont été détruites, laissant l'infrastructure dans un état pitoyable. De plus, les conditions de la vie sont très mauvaises. Les possibilités étant de fait réduites, sa population locale se réduit. Cet exode rural touche particulièrement les jeunes gens éduqués, voyant leurs aspirations professionnelles limitées.

Pourtant, nombreux sont les lieux historiques très importants : ils constituent l'héritage des présences romaines et ottomanes sur le territoire, et témoignent de l'activité entrepreneuriale des aristocrates serbes du Moyen Age. Ils possèdent, en outre, une magnifique nature préservée et des espèces animales et herbacées rares.

Par ailleurs, la région du Sud- Est peut mettre en avant ses eaux thermales et ces circuits culinaires afin d'attirer les touristes. Elle a un grand potentiel à développer quant à la production des thés naturels et de concoctions à partir d'autres herbes médicinales. Cependant, en dépit de cette grande richesse en ressources et ces atouts indéniables, cette région demeure sous-développée.

Cet assez bas niveau de développement s'explique par deux phénomènes complémentaires : l'exode rural massif des populations locales et l'abandon progressif des villages et petites municipalités.

Après la destruction de leur industrie, les résidents ont perdu leurs emplois. Cette situation difficile est encore aggravée par le manque de fertilité des terres cultivables, réduisant leurs ressources pour continuer à vivre là-bas. L'ensemble de ces difficultés se conjuguent, conduisant les habitants à rejoindre les grandes villes du pays.

D'autre part, le manque de ressources humaines a causé la fermeture – totale ou partielle - des services publics, sans que l'État ne parvienne à arrêter cette dégradation.

Pendant le communisme, la distribution des ressources financières de l'État s'est concentrée sur les autres régions urbaines. Elle a, de fait, incité les gens à abandonner leurs villages et leurs difficultés, l'idéal communiste aspirant à une « meilleure vie » dans les centres industriels.

Lors de mes recherches, j'ai découvert qu'une politique active du tourisme dans les régions les moins développées avait des effets économiques et démographiques positifs. En effet, beaucoup de pays subissant des crises économiques et démographiques ont eu recours au tourisme comme moyen du développement.

Une situation similaire existe dans l'Union Européenne où la majorité des régions rurales est abandonnée parce que les gens immigreront vers les grandes villes où ils peuvent avoir beaucoup plus d'opportunités et un meilleur niveau de vie.

C'est pourquoi l'Union Européenne a créé des lois et programmes visant à stimuler le développement de ces régions rurales, l'accent étant particulièrement mis sur le développement du tourisme rural comme outil principal dans la diversification de l'économie locale.

Le tourisme peut impacter positivement la stabilité financière d'une région parce qu'il attire les investisseurs, et il crée du travail pour la population locale. Ces investissements peuvent être utilisés pour renouveler – voire construire - l'infrastructure, et améliorer le niveau des services des institutions locales.

Le tourisme rural ne requiert pas de grands investissements, mais il peut amener de grands bénéfices économiques pour la communauté locale et pour le pays en général. L'impact économique constitue la principale raison invoquée par les experts pour justifier le développement du tourisme rural dans le Sud- Est de la Serbie.

Le tourisme crée des emplois pour les catégories sociales en danger comme les femmes, les jeunes et les personnes âgées. L'accès à l'emploi est une condition essentielle pour maintenir les populations sur ces territoires leur offrant les possibilités de réalisation de leur vie professionnelle, familiale et personnelle.

Le tourisme implique des emplois directs et indirects, concernant un ensemble large de professions. Non seulement, l'augmentation du chômage est entravée, mais sans compromettre pour autant le libre choix d'orientation professionnelle des populations.

Dès que l'économie d'un territoire se développe, cela influence de manière positive la démographie – les habitants ne cherchant pas à déménager. Une vie démographique dynamique implique une action économique renouvelée : les investisseurs étant plus disposés à s'engager dans des régions où le taux démographique s'accroît.

Cependant, le développement du tourisme n'est pas infaillible : en effet, cela requiert une grande planification s'appuyant sur une analyse antérieure minutieuse afin de cibler les besoins et rationalités des acteurs en place. Sans cela, un investissement peut s'avérer totalement inutile.

Dans la Serbie du Sud- Est, il faut faire une analyse complète des ressources humaines, de l'infrastructure, des services et des ressources naturelles avant de lancer des programmes de développement du tourisme local.

Ces espaces régionaux ne sont pas dépourvus de grands potentiels, et ce dans divers domaines, aussi bien naturels, qu'historiques et culturels. C'est un reflet de l'Histoire de la Serbie qui s'offre aux touristes potentiels : la gastronomie, l'architecture, les us et coutumes témoignent d'une culture unique dans laquelle les influences ottomanes et serbes s'entre- mêlent.

Après toutes ces recherches et informations, j'ai conclu que la région du Sud- Est et sa population pourraient avoir un niveau de vie plus élevé s'ils commençaient à utiliser leurs potentiels, et notamment l'environnement naturel unique, pour composer des parcours d'éco-tourisme et de tourisme rural.

J'ai commencé à réfléchir à leur situation et j'ai trouvé des exemples dans d'autres pays en transition lesquels ont eu recours à ce type de tourisme pour revitaliser leurs économies. Avec des stratégies de développement soigneusement planifiées et sans grands investissements, des pays sont parvenus à réduire visiblement les phénomènes d'exodes rurales et de concentrations urbaines.

Après ces premières recherches, j'ai formulé deux hypothèses visant à explorer des solutions possibles pour cette situation dans le Sud- Est.

Ma première hypothèse est la suivante : le tourisme rural n'est pas développé dans toute la Serbie, et encore moins dans le Sud- Est, en raison du manque de professionnalisme et de l'instabilité de la situation économique et politique qui détruisent les possibilités de création de stratégies et de plans au long terme.

J'ai examiné cette hypothèse en utilisant toutes les informations obtenues pendant mes recherches et les entretiens que j'ai organisé avec les professionnels du tourisme, d'économie et du droit, et aussi avec les propriétaires de maisons rurales au Sud- Est.

La majorité de la population serbe vit dans les régions rurales (entre 43% et 55%) et la majorité du territoire de la Serbie est rurale (entre 70% et 85%).<sup>1</sup> Néanmoins, la population des régions rurales a un niveau de vie beaucoup plus bas que la population des grandes villes.

Le Sud Est de la Serbie a le plus faible niveau de vie avec un salaire représentant 51% du salaire moyen national. Ils n'ont pas des bons services publics ni l'accès à une éducation supérieure. C'est pourquoi la majorité d'eux ont abandonné cette région.

J'ai découvert que la population locale dans les régions du Sud Est n'est pas informée ou sensibilisée au tourisme rural. De plus, aucune organisation dédiée au tourisme rural ou à la sensibilisation des populations à ces thématiques n'existe en Serbie.

Par ailleurs, à chaque fois que le parti au pouvoir change – ces alternances étant fréquentes en Serbie - les personnels des institutions et des organisations en charge des thématiques liées au développement du tourisme rural sont renouvelés. Cela crée une confusion et un manque de vision au long terme. Ces réorganisations vont à l'encontre de la cohérence des programmes et des stratégies.

Les organisations touristiques du Sud Est ont été créées récemment (2005-2007) et elles manquent d'expérience et d'expertise dans ce domaine.

Ce qui est encore plus grave, c'est que les organisations touristiques du Sud Est ne sont pas très liées avec l'organisation nationale : en effet, un manque de communication, de collaboration est évident au sein de l'administration serbe.

Ce manque de supervision se traduit par un manque à tous les niveaux, et principalement financier. Les activités culturelles organisées par ces structures décentralisées émanent de leur unique initiative : l'État refuse de s'impliquer et de participer à ces événements. Les aides de l'État se dirigent vers Belgrade et la Voïvodine, zones subissant bien moins de difficultés.

Ma deuxième hypothèse prolonge la réflexion issue de la première : il s'agit d'examiner les mesures légales et économiques bénéfiques, qui pourraient être créées à tous les niveaux et au sein de tous les secteurs pour aider l'économie du Sud Est à travers le développement du tourisme rural.

Mon plan est de comparer le système en place au sein de l'Union Européenne et le fonctionnement actuel du système serbe.

J'ai voulu vérifier mon hypothèse en réalisant une comparaison des deux systèmes légaux pour identifier les modèles et mesures les plus adaptés, appartenant aux domaines de l'économie, du droit et du tourisme, qui pourraient avoir une influence positive sur le développement du tourisme rural.

Suite à mes recherches et aux entretiens organisés, j'ai découvert deux images opposées de la réalité. Si le système serbe se compose de nombreux plans stratégiques et plans master, ceux-ci se révèlent inappropriés.

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<sup>1</sup>Plan strategije ruralnog razvoja Republike Srbije, (2009-2013), ministarstvo poljoprivrede, sumarstva i vodoprivrede, Beograd.

En effet, les entretiens ont largement souligné le décalage qui existe entre la réalité et les analyses issues des plans développés par les administrations serbes. Ils représentent une imitation irréaliste (un « copié-collé manqué») des stratégies européennes lesquelles ne sont pas adaptées à notre situation actuelle.

J'ai également compris que les stratégies et plans actuels ne sont pas suffisamment précis. Leur ambition se traduit par une généralité problématique : chaque région a ses propres caractéristiques, problématiques et situations. Ces considérations n'étant pas présentes, les détails opérationnels pour lancer les investissements manquent.

De plus, d'un point de vue plus culturel la catégorisation des édifices n'est pas efficace : en effet, les salaš de Voïvodine sont traités de la même manière que les maisons traditionnelles du Sud de la Serbie. Or les conserver, les valoriser requiert des stratégies et moyens différents. Il s'agit de renouveler le système de recensement des monuments afin de mieux saisir les caractéristiques régionales, de lancer les stratégies les plus adaptées, et résoudre des problèmes légaux.

Nos lois actuelles sont tellement inappropriées qu'elles tendent à inciter des pratiques illégales – ou ignorant la loi – tant les procédures légales sont compliquées. De plus, les sanctions manquant de force, les cas de récidives se multiplient.

J'ai découvert aussi qu'en raison des permanentes instabilités politiques et économiques, nous changeons fréquemment le leadership des institutions, tant et si bien qu'une situation de chaos se crée, reposant sur un manque de transparence, de responsabilité et de lisibilité au sein du secteur.

Dans ce pays en proie aux instabilités politiques et économiques, la meilleure façon de créer une situation améliorée dans le Sud Est, et dans le secteur du tourisme rural en particulier, serait de prendre les stratégies et les modèles européens, mais en les adaptant à nos besoins et notre situation. Cela serait encore mieux d'utiliser les stratégies des pays européens non développés qui ont été confrontés à des situations similaires.

A présent, je vais esquisser quelques recommandations concernant le tourisme rural dans le Serbie du Sud- Est.

Premièrement, on pourrait créer un système synchronisé d'investissements et de subventions. Il faut que tous les niveaux de pouvoir et tous les secteurs s'organisent pour investir aux mêmes endroits pour démultiplier le potentiel par des effets de synergies et de collaborations renforcées.

Deuxièmement, il faut organiser une coopération entre tous les secteurs (public, privé et civil) afin qu'ils s'accordent sur des mesures économiques et juridiques pour le développement du tourisme rural dans les régions non développées. Ils pourraient créer aussi un plan d'investissements précis et transparent.

Troisièmement, il faut créer des mesures de soutien pour le développement des partenariats public-privés dans ces municipalités pauvres.

Il faut créer une base de données recensant toutes les structures en charge du tourisme dans les zones rurales et les inclure dans les processus de décision pour bénéficier de leur expertise et de leur proximité avec le territoire lors du développement des stratégies d'investissements et lors de la formation des programmes éducatifs.

Quatrièmement, il faut créer un système plus décentralisé mais avec une forte coopération et des échanges d'expériences, d'informations et d'employés. Il faut investir dans l'infrastructure et les programmes éducatifs pour la population locale désirant de s'impliquer dans ce domaine.

Cinquièmement, il faut créer des stratégies et plans en utilisant les modèles des autres pays qui ont été dans une situation politique et économique similaire. Cependant, il faut adapter ces stratégies et plans à notre pays, nos possibilités et potentiels. Il faut aussi que notre pays attire les investisseurs étrangers afin d'attirer, par extension, les touristes de ces mêmes régions.

Sixièmement, il faut trouver et employer des experts qualifiés pour qu'ils puissent organiser une coopération entre les organisations touristiques du Sud Est et les autres organisations de ce type à l'étranger, particulièrement dans l'Union Européenne.

Enfin, il faut organiser un système de subventions et d'investissements pour que les catégories sociales en difficultés comme les femmes, les jeunes et les personnes âgées restent sur le territoire.

Ainsi, je pense que le tourisme rural est la meilleure option pour le développement des municipalités du Sud Est et pour lutter efficacement contre les phénomènes d'exode rural.

Trois principales conclusions peuvent être tirées de cette recherche. Tout d'abord, il y a un manque au niveau de la professionnalisation et de l'organisation du tourisme rural. Le désintérêt de l'État à cet égard est particulièrement problématique, étant donné que l'État central qui concentre les financements et que cela influe négativement sur la perception des « villages » par la population. Nous avons aussi des lois et stratégies très ambitieuses qui ne conviennent pas à notre situation politique et économique.

Ensuite, la région de Sud Est constitue une partie très riche de mon pays en termes de culture et de nature. Son potentiel ne doit pas être sous-estimé pour le développement de l'éco-tourisme et du tourisme rural. Toutefois, souffrant d'un développement faible à tous les niveaux (économique, industriel, au niveau des infrastructures, etc.), elle apparaît comme peu dynamique et peu attrayante pour les catégories actives de la population - pourtant porteuses de la redynamisation du territoire -. Il s'agit donc de renouveler son image auprès de sa propre population.

Après mes recherches, je partage le pessimisme des experts entretenus dans le cadre de ce mémoire : un développement organisé et systématique du tourisme rural, considérant la situation actuelle, me semble difficile.

# Introduction

## *History of tourism*

The word tourism is defined from Latin tornare and Greek tornos meaning a circle, or a movement around a central point or axis. In English the meaning of the word changed to represent one's turn.

When the word tour and the suffixes ism and ist are together, they suggest an action or movement around a circle. Tour like a circle represent a journey and it is a round trip or the action of leaving and returning to the beginning, and from that, we can conclude that one who takes such a journey can be considered as tourist.<sup>2</sup>

Since the beginning of the civilized society, there was a need for the discovering of the new and unknown. Travel is one of the best ways to discover the world, widening of knowledge and perception. The desire to travel as a touristic need in the society has been born at the same time as cultural needs.

Tourism as a way of discovering other cultures and countries has developed as the activity of the elite members of society such as scientists or artists who were traveling because they wanted to widen their perception and to improve their knowledge.

Since the second half of the 19<sup>th</sup> century, the tourism starts to develop within the whole society. The term Great tour was employed in order to describe journey of young educated aristocrats and later bourgeoisie. In the mid 19 century Thomas Cook has been the first to create a touristic package for European destinations.

Between first and second world war, the cultural motivation of travelers changed to more prosaic one, relaxation and recreation. After the Second World War, there was a touristic boom caused by prosperity growth.

In the contemporary society tourism is available to everyone because of the decentralization, higher mobility and communication, and it becomes an opportunity for recreation, relaxation and fun. The main reason for touristic travels was the desire to get away from everyday life. People had traveled mainly for the relaxation and the discovery of different type of cultural heritage. (visiting monuments and museums) That is how the mass tourism was created.

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<sup>2</sup> [www.wikipedia.org/history](http://www.wikipedia.org/history) of tourism

Tourism is very important source of income for many countries. In 1941, Hunziger and Krapf defined tourism as people who travel the sum of the phenomena and relationships arising from the travel and stay non residents, insofar, as they do not lead to permanent residence and are not connected with any earning activity.<sup>3</sup>

The definition of the England's society tourism is the temporary, short-term movement of people to destination outside of places where they normally live and work, and their activities at each destination.

Tourism is very important branch of commerce. Tourism is on the third industry in making profit on the international scale. It's the biggest industry with about 500.000 of directly or indirectly employed in the EU, and it generates about 26 milliard euro, and the overall economic influence of tourism in EU is about 65 milliard euro.<sup>4</sup>

International tourist arrivals reached 1.035 billion in 2012, up from over 983 million in 2011, and 940 million in 2010. France was the third touristic earner in 2012 with 53, 7 billion.<sup>5</sup>

Tourism has many negative effects on the social and cultural level, such as false ethnicity of the rural and other areas, the imitation of tourists by the local community, tourists not respecting the local population, and in the countries which are under developed, local population has low scale jobs, while the managers are mainly strangers or urbanized locals and that situation can create many problems.

Nonetheless, with the development of the society, different cultural and individual human needs demand creation of the specific and new kinds of tourism. Touristic needs are very complex and their development is parallel with the development of the society and civilization. Those needs and desires depend on the physical and emotional aspects of each individual, and its cultural and other preferences.

As a result of those differences, different kinds of tourism have developed. Through the years the mass tourism had started to destroy the environment and natural resources. Every tourist wanted to escape from the urban environment and to come to the untouched nature, and as a consequence, people started to build hotels in the beautiful wild parts of the world and they caused urbanization and pollution of those areas.

The post industrial tourism developed during the 80- ties, and the motivation for travels changes, tourists do not want to be just observers but active participants in their adventures. The changes which had influenced on changing the form of tourism from the mass to eco or rural tourism had developed as a response and a reaction to the ever growing pollution of the environment and the destruction of cultural heritage in those areas. Different forms of tourism were created, such as cultural, conference, eco and rural tourism.

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<sup>3</sup> Hunziger, W; Krapf (1942), Wikipedia.org

<sup>4</sup> Štetić, S., (2007), Posebni oblici turizma, str. 138.

<sup>5</sup> UNWTO, (2013), World tourism barometer(WTO)

## *Tourists*

Those changes include the creation of the post modern tourist. That kind of tourist is always in the search for more education and knowledge. The contemporary tourist wants to satisfy many different needs which are intertwined and depend on his or her education, environment, social class and many different factors.

That type of tourist does not want to be a passive traveler, he or she wants to be involved in creating their own voyage, to participate. Certain number of those modern tourists is conscious about the nature and environment, that is way they choose rural or eco tourism as their way of travelling.

The development of this kind of tourism can contribute to the economic development of local communities by creating employment opportunities for the local citizens. Rural tourism gives the opportunity to tourist to discover a way of life and local culture through participation in local everyday life (life-participating tourism), and on the other side, it gives the opportunity to the local community to develop old crafts and production of souvenirs. Moreover, it gives an opportunity for the country to become a tourist brand in the world and to represent itself in the best way.

There is a typology of tourists created by Gibson such as son lowers, action seekers, anthropologists, archeologists, organized mass tourists, risk seekers, explorers, jet set tourists, researchers, independent mass tourists, sport tourists, culturally educated etc.

## *Rural tourism*

Main goal of rural tourism is to provide an authentic experience, and that is the basic desire of rural tourist. Rural tourism has cultural, ecological, demographical and infrastructural effects on the rural areas of the country.

Unlike the other forms of tourism, this form demands small investments and it can give many beneficial effects, which makes it perfect for the developing countries such as Serbia. Moreover, it can create, if developed properly, many new working places for the rural inhabitants which contributes to the stopping of the migrations and revival of the villages.

Rural tourism is a form of tourism that gives the opportunity for participation and learning about the culture by living in the authentic environment. Rural tourism is connected with cultural tourism in many ways.

Many countries in Europe such as France, Austria and Italy are trying to develop the rural areas by investing in the cultural and rural tourism. Rural tourism is very developed in Greece, Italy, Spain, France, Swiss and Portugal. From the countries near Serbia, Hungary has the most developed rural tourism.

Majority of countries members of the European Union realized that the development of the rural tourism and villages will have a positive impact on the quality of life of the people from rural areas, as on the nature, environment and creating a brand which will be well known in the world.

Rural tourism is also a kind of tourism that attracts tourists who are interested in culture and the preservation of the environment, and because of that fact, it is a much better option than other forms of tourism.

The experts are predicting the 6% of growth of this kind of tourism per year in the future. The European commission is also very interested in further development of this type of tourism.

Rural tourism had been created as an answer to a problem of mass tourism. People in the contemporary and urbanized society have a desire to rediscover nature and to get away from the polluted city areas, as well as they have need to participate in their voyages and to discover more.

Rural tourism could contribute to better communication between nations and cultures, to respecting of culture, nature and cultural heritage. It could contribute to the development of local economy through creation of new jobs and bringing the investments. Development of rural tourism demands cooperation of all partners included in its development.

There is a strong connection between rural and cultural tourism because they have both developed out of needs of educated travelers who wanted to experience a deeper form of traveling.

## *Rural tourism in the EU*

Rural tourism is developing in the modern society because of the need to solve the problem of the migrations from villages to the cities. Those migrations are present in all countries because people think that in the city they would have better opportunities.

The development of rural tourism is very beneficial for undeveloped countries because it does not demand big investments. It is based on the authentic place which already exists and there is basically no need to build anything.

The member states have many problems with migrations from rural regions to cities, but also with their migrations to other more developed EU countries. Majority of rural regions is undeveloped and it has a high rate of unemployed people. In the EU countries, the development of the rural tourism is considered as a factor of economic development of rural areas, and it is beneficial both for tourists and local community.

With decreasing of the traditional subventions in agricultural domain, rural tourism is becoming one of the most important forms of diversification which supports the development of economically sustainable village. The services of hosting on small farms and households brings annually about 12 milliards euro, and the overall profit from this kind of tourism in the EU is 26 milliards euro.<sup>6</sup>

The biggest growth of the rural tourism is in the southern and eastern Europe, it is about 25% per year.<sup>7</sup> The service providers in the rural tourism in Europe are working together and they are presenting themselves on the tourist market together. The rural tourism is one of the best structured forms of tourism in Europe. Providers are in total control of their needs and services.

The examples from the member countries of the European Union prove the sustainability of the independent business organizations based on professional approach in the touristic sector. Moreover, the joined actions of the public and private sector has given promising results.

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<sup>6</sup> Hopić,S.,(2009), Ruralni razvoj u Republici Srbiji, stalna konferencija gradova i opština, str. 16.

<sup>7</sup> Štetić,S., (2007), Posebni oblici turizma, str. 116.

## *Rural tourism in Serbia*

Rural tourism is a kind of tourism which demands small investments and in return it has many positive effects. Under developed countries, especially those where the commerce has been deteriorated or vanished, can find a solution for their problems by developing rural tourism. The main problem of both developed and undeveloped countries are the great migrations from rural areas to big cities in a search for a better life.

Other common characteristic of poor and rich countries are the undeveloped rural areas which have a lot of potential in the cultural heritage and the environment that are not used in a proper way. In the same time the demand for rural tourism grows annually in the whole world. The right solution for this situation is the creation of measures in the domain of the policy and economy which could contribute to further development of this promising branch of tourism.

Serbia as a country is very rich in natural resources, and cultural heritage (tangible and intangible) but those potentials for the development of the tourism and generally the economical development of the country are usually neglected. Serbia has many differences between the regions in biodiversity, agro diversity, but also in the cultural heritage and economic state.

Serbia also has very rich culture created from the mixture of many different cultures and nationalities who lived here in the past, and from those who inhabit these parts today. There is a great difference between the tourist offer in Vojvodina on the north and the Danube southeast area of Serbia.

For example, the main resources of rural tourism in Vojvodina are the agricultural goods and western architecture and the specific mix of eastern and western way of life. While in the southeast of Serbia there is a strong influence of Otoman empire, their architecture and their way of life.

Although, in whole Serbia, there are many cultural and historical traces of many civilizations which had left their trail in this small country located on the crossroads between the East and the West. The Romans left a lot of monuments and other cultural legacy, they even gave names to cities and other places in Serbia.

## *Rural tourism in the southeast Serbia*

The region of the southeast Serbia is very rich in natural resources and the untouched nature. That region has a lot of mountains and it does not have a developed agriculture. Those mountains are the habitat for various rare kinds of animals. This region is also filled with the ancient ruins left from Romans and Turks such as castles, baths, fortresses, and many other interesting cultural remains.

Southeast Serbia is underdeveloped. The infrastructure is lacking or in ruins, very small amounts of money from the state are going there. The amount of unemployed people is highest in comparison with whole country. The most endangered categories of unemployed are young people and women.

The population of this region is smaller by the year because of the unfavorable economic situation. The young and educated people leave this region in hope of better life style somewhere else. They are all migrating to the bigger cities, and to foreign countries. That is how they are losing their human resources every year, and without educated and young people there can be no development or significant progress.

Nonetheless, there are ways to stop these migrations and abandonment of villages and small cities. There are also solutions for the bad economic situation and the unemployment. One of those solutions is the development of rural tourism in these areas. Rural tourism demands small amounts of money and it gives the opportunity for economic well being.

Southeast Serbia is also very rich in sources of mineral water, and also the sources of hot fountains with a lot of minerals. Also, these sources are not properly advertised nor marketed, so they remain practically unknown.

# Chapter 1

## *Origins of tourism*

In this chapter I will give a detailed picture of tourism and its economic and demographic effects on the society and country. Because, I want to show that rural tourism is the best option for the economic and social revitalization of rural areas in the southeast Serbia.

First, I will talk about the history, origins and types of tourism and I will later describe its beneficial effects on the economies of countries in transition such as Serbia.

The word tourist has been written for the first time in the year 1800 when the tourist was defined in the newspaper Pegge as the traveler on the voyage of several days, and the word tourism is mentioned for the first time in the year 1811 in newspaper Sporting magazine.<sup>8</sup>

Thomas Cook was the pioneer of contemporary tourism. He organized in 1841 the first group travel by train for the members of an anti alcoholic society. He offered to them the possibility to lend the whole train with music and tea for a unified price.

He had a lot of success so he decided to found first touristic agency in 1848. He innovated a lot by creating reservations, vouchers, packages and the travel programs. He was the founder of the modern organized way of travel. That was the first time in history when the traveler could resolve all travel problems at the same time.

The author Vukićević divides the development of touristic movements in four different stages:

In the first stage of the touristic development in the ancient times there were the first elements of tourism. This stage is divided in two sub stages the time of slaves and the middle age.

The second stage has lasted since the beginning of the XIX century till the First World War. The states were activating through certain measures of the economic politics and the organizing of touristic elements. The moment of touristic progress leads to the organized forms of travel, receptive forms of tourism and commerce, and the creation of the professional organizations for tourism.

The third stage of the development has traits of mass tourism. It lasts from the first world war until 1950. Then various forms of tourism were created such as cultural tourism, eco, ethno....

The fourth and final stage of the development of tourism is poly tourism, it was created in the first half of the 20<sup>th</sup> century and it lasts until today. In this stage tourism becomes the inseparable part of the commercial and social system. Tourism becomes the part of national commerce, an

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<sup>8</sup> Stefanović,V; Gligorijević,Ž., (2010),Ekonomika turizma , str. 28.

element of the social and cultural politics of every country as well as very significant political manifestation.<sup>9</sup>

Tourism had the character of the dynamic psycho physic recreation with the discovering other parts of the world and other nations, their cultural and historical heritage. The manifestation forms of tourism are appearing more and more such as spa tourism, picnics, vacations, sanitary, cultural and especially congress tourism.<sup>10</sup>

Because of its influence and results, tourism is becoming interesting object of research for many researchers. That is why it is analyzed from many different aspects and points of view. Majority of researchers is dealing with its historical development and social economic elements. Because of the multidimensionality of tourism, it is difficult to create its unified image or definition.

The tourist has appeared long before the creation of the formally organized tourism. Tourism has been created formally on the certain level of social development. Only those travels motivated by desire for vacation or relaxation or cultural needs could be considered as touristic travels.

Every human being has a desire to escape everyday life and routine, to abandon the place where he or she lives and to experience something new and exciting. That desire creates touristic voyages. Tourism as an element has a broad meaning and influence (economic, sociological, cultural and political).

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<sup>9</sup> Stefanović, V; Gligorijević, Ž., (2010), *Ekonomika turizma*, str. 31.

<sup>10</sup> Vukićević, M., (1980), *Ekonomika turizma*, str. 116.

## *Contemporary tourist*

Tourist can be defined as temporary visitor who is located outside their place of living at least 24h, and the change of his place of living is caused by those reasons:<sup>11</sup>

1. The desire for physical and mental relaxation
2. The desire for fun
3. The desire for knowledge by discovering cultural and historic legacy of specific countries or areas and the discovering of the natural beauty
4. Because of the health reasons (preemptive protection), which demands the use of climatic and aerial hospices and hotels
5. Amateur sport contests and amateur cultural and artistic manifestations outside of the country
6. The circular travels in boats

The basic motivation for tourist voyage is connected with the desire to discover and understand culture and historical heritage of other countries. Those motives are also related to the desire to discover novelties, traditions and the life of the population of others.

Tourists today are very specific in their demands considering the price of the services. There are more and more individual travelers. Tourists as stakeholders in responsible tourism are rarely clarified by their effect on the ecosystem. Within the concept of responsible tourism, tourists with their ecological thinking assume responsibility for sustainable practice.

Tourism has influence in the spheres of culture and education, health and better understanding. Majority of tourists travel in order to understand and discover history, culture and art of other civilizations. Most of them visit festivals, museums, monuments...

Cultural and educational level of tourist develop and improve when they travel and social, cultural and geographical characteristics of these areas. This discovering and understanding creates opportunities for improved understanding between people from different nations and cultures, but also the promotion of culture and country abroad. Tourism also improves health and mental state of tourist through recreation and relaxation.

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<sup>11</sup> Unković,S.,(1995), *Ekonomika turizma*, str. 21.

## *Economic effects of tourism*

The number of people employed directly or indirectly in tourism is the main confirmation of the economic importance of tourism. Tourism is work intensifier, it creates many jobs. Although, for successful development of tourism in a rural area cooperation and involvement of the local community are essential.

If there is research which predicts that the tourism can create an additional economic gain for the households in an area, the desire to stay in that area intensifies within local population as well as the desire to improve and develop touristic offer.

The use of the development of tourism as a mean of demographic revitalization of certain areas, or regions demands detailed research and analysis of households and the local community and explanation of the development vision to them. After that kind of explanation the local population can decide if they are willing and able to be involved in the development of that kind of activity.

Tourism creates many jobs for the endangered categories of population such as: women, young, and the elderly. They can be involved in basically any touristic activity and they can give their contribution in the economy of the community and at the same time, assure their own income and standard of living.

Many researches claim that the tourism is the starting point of emancipation of women because it can provide them the opportunity to find equality on the job market. The female population is very important in the ethno, eco and gastronomy tourism because they are the invisible driving force of the household economy.

In ethno tourism women are involved in many different activities and services that are offered to tourists within the local community. They can provide traditional cuisine, traditional housing, and also the different workshops where they can teach tourists some traditional crafts in the sphere of the gastronomy and making of clothes or other forms of authentic national forms of art.

The need for the complex touristic activity stimulates development of other branches of commerce and it influences of the number of employees in those other branches related to tourism. There are no methods for the revelation of the exact number of employees in tourism because there are many indirectly employed people.

United Nations estimates that the ratio of directly and indirectly employed in tourism is 1:0, 5.<sup>12</sup> Trying to determine the influence of tourism on employment is very difficult and complex issue because we would have to research those who are directly employed in tourism and in other areas directly related to tourism such as: commerce, infrastructure, various services...

There is a huge percentage of working population which is considered as inactive (women, elderly and young population) who are involved in the creation of touristic services and offer. Tourism gives greater opportunities of activating women working force.

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<sup>12</sup> Devedžić, M., (2006), Prilog izučavanju uticaja turizma na demografski razvitak, str.67.

Women in the rural tourism have considerable economic role in the household. Their contribution to the economic function of the family is so obvious that it cannot be denied even by the most patriarchal husband. (citation Vujosevic, 1978)<sup>13</sup>

It is difficult to determine demographic changes in an area with eco and rural tourism, the so called non massive kinds of tourism. The changes in the organization and economy of households are the main indicators of positive influence of tourism but they are difficult to document.

In the communities where the development of tourism leads to the bigger employment in agricultural field, those changes are basically an adaptation to newly created economic circumstances and they are showing changes in economic and demographic dimensions. Tourism has a great influence on social and cultural changes in a household.

It often happens that village in which there are many tourists, loses some of its traditions and culture of living because it is under the cultural influence of tourists. It is an interesting paradox that rural tourism can aid the village culture in staying authentic, but it could also have negative effects on their culture and way of life.

Rural and eco tourism stimulates the development of the agro economy and traditional forms of organizations, they also develop and restore some of the traditional rural values. The household production is very important for this kind of tourism, and the home made products have greater value.

The instrument which would allow us to see the entire effect of the tourism on the population does not exist. Nonetheless, it is possible to see some of the positive tendencies and make predictions and strategies for the future based on them.

The research in the touristic regions by the author Devedžić has shown that there are three phases of the influence of tourism: initial (upward), developed (expansive) and last but not least stationary (slowed down) which coincide with the different levels of the development of tourism.

In the first phase, the influence is visible in the structural changes, demographic changes are most visible in the developed phase because on that level we can see the acceptance of the tourism on local level. This shows that there is the connection between rural tourism and the population.

Original touristic offers are possible to find only in the form of rural and eco tourism. For those two kinds of tourism weak infrastructure, nor the age of the population do not represent major obstacles, than tourism could really represent the factor of revitalization. For all those reasons, that form of tourism is the best option of development for the southeast Serbia.

There is an opinion that the forms of tourism which supports existing forms of the households and structure of areas, and at the same time, give financial gain would contribute to the social and economic progress of communities or regions or even the whole countries.

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<sup>13</sup> Devedžić, M., (2006), Prilog izučavanju uticaja turizma na demografski razvitak, str. 71.

The most important factor of the economic effects of tourism is the spending of tourist, and as a consequence of that money the local economy improves. The main economic effects of tourism are:

1. The influence on national income
2. The influence on investments
3. The influence on the economic prosperity of the country
4. The influence on the employment of the population

Places that are considered as touristic locations are very attractive for tourists and the tourists are visiting them in larger numbers and during several years, usually during the same periods of time, and they are enabling by their capacities, both the reception and the staying of tourists and the making of the considerable amount of their income.<sup>14</sup>

As the direct touristic capacities are considered:

1. The objects that are contributing to the richer and more various content of staying (cultural , relaxing and sport facilities)
2. Facilities for tourists
3. Commerce
4. Crafts
5. Services
6. Touristic services
7. The services of telecommunication

Indirect capacities:

1. Roads and parking
2. Parks
3. Sewer system

The quality and organization of all those components is a guaranty of bigger number of tourists on that location and a better visibility of that place on a touristic map. In the rural tourism, the facilities for tourists are considered as very important because they are influencing on the tourist interest for the location. That means that the catering industry as an important element of tourism has to be developed further. That industry provides the services of place to stay, food and drink.

The housing facilities are crucial for the development of tourism and they usually posses beside the basic set of services, the additional ones (washing and ironing, exchange office, transportation and garage services).

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<sup>14</sup> Marković, S i Z., (1970), Osnove turizma, str. 142.

Moreover, tourists will stay longer in a household if it offers all those services and not just a place to sleep. Enlarging the offer could also bring more income to the household owner and to the local community from where he could take healthy food and beverages.

Some researches show that about 75% of touristic demand is concentrating towards natural areas.<sup>15</sup> The big part of spending is directed toward rural areas, toward the organized and developed rural regions. The movement of the green buyers is becoming bigger, and the demand for ecologic quality and the health recreational functions of the receptive areas is growing.

Moreover, the number of tourists who's basic principle is in the humans return to the nature and all of its values is also growing, the demand for white and green households is widening, for non urbanized, rural and protected nature areas, as for the villages with considerable cultural and historic values.

Furthermore, there is a growing demand for the refreshment through contrast between the city and village, for the rural and agro tourism which demands staying in the different types of housing facilities (village houses, small hotels, pensions, and hotels...) Clean and free space suitable for moving around, self expression and recreation is required.

The interest for fun and relaxation as well as for the religious, cultural, ecological values and elements (healthy surrounding and food) and many other original and unique contents based on the specific traits of destinations is growing.

The researches had shown that the rural tourists eager to travel are mainly younger, educated people who posses cars and are on the leading professional positions.

In rural areas, where the basic income comes from agriculture, tourism represents an addition to the budget of the household. There, the tourism should be supported by investments in infrastructure, giving loans and stimulating tax policy in the country.

Rural tourism is a great instrument of a sustainable development of rural areas with the preservation of its original values and the environment. Partnerships on all levels are also a necessity for the functional growth and development of rural tourism. The most important partnership is the one between public and private sector, but also the partnership between public and civil sector.

The main economic problems in rural tourism are that the tourist demand is often seasonal, the minimal occupation of the possible capacities, and high level of investment. The development of the rural tourism could be stimulated by using of the local resources (land, work, cultural and commercial activities)

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<sup>15</sup> Popesku, J., (2002), Marketing u turizmu, str. 189.

The necessary measures of touristic policy for the development are:

1. Economic measures loaning, investment
2. Educational education of the local population about tourism, culture, and the ways of applying for funds
3. Infrastructure the construction of traffic system
4. Organizational more active work of the public legislative bodies

Local culture, heritage, language, crafts and values (traditional clothes and food) are the important elements of development of rural tourism. They give the opportunity to tourists to really discover the culture of the country that they have visited.

Planning of the development of rural tourism is complex process which demands organization on all levels. It is necessary to conduct a research in order to contribute to the well being of the community and the quality of the environment in the best way.

For the successful development of the strategy of rural tourism it is necessary to have the support and cooperation of the local community because if the strategy is created without that, all sort of problems related to the conviction of the locals that their resources are being miss used could appear.

It is also very important to create partnerships between different subjects on local level, as well as the partnerships and relations between touristic organization and all other organizations that are involved in the rural tourism.

It could be beneficial to organize some sort of local alliances for all households in the villages and they could cooperate and exchange services and goods. That kind of cooperation could give new strength and vitality to villages. In addition, it is not a new concept, we already had that here before the communist times, so it could just be reused and modified in order to function and produce results.

For creation of successful development strategy, it is important to research all the elements of development and characteristics of rural area such as natural and socio cultural characteristics of the area, the attitude of the local community toward development of tourism, characteristics of concrete areas where the tourism has been developed, characteristics of the concurrent tourist areas, organizations that are directly or indirectly involved in tourism, global, regional and local trends in tourism development.

When planning systematic development of an area, it is necessary to define the development goals such as the growth of the employment rate, the reconstruction of traditional village houses and reconstruction of infrastructure...

## *Demographic effects of tourism*

The relations between the touristic development and the demography are very complex and often unpredictable. It is necessary to analyze those connections in detail in order to avoid possible mistakes. Tourism could lead to the revitalization of areas and whole countries, and there are many examples which confirm that statement.

However, there are also a lot of unsuccessful projects in this sphere. When tourism develops without a precise plan or when it develops in the areas without the sufficient human resources or with a lack of infrastructure, tourism could become a totally wrong investment. That is why it is necessary to perform wide range researches about the possible success of tourism in certain areas and start investing afterwards.

For example, in the area of the southeast Serbia, there were several investments in Stara planina, and they all finished unsuccessfully because the investors did not analyze the situation and existing resources before making the investment. They all had very ambitious plans and at the end, they saw that it was impossible to make profit in the short term, and they abandoned that area.

Tourism can influence social and economic development of a community, region or a state. The development of tourism as a branch of commerce stimulates demographic development by using its economy.

One of the best investment options for areas which do not have an active and developed industry is definitely tourism, particularly ethno and eco tourism because this types of tourism demand unpolluted areas.

Majority of areas in Serbia where the population has grown had some kind of touristic function. The great examples of those changes are Zlatibor or Sremska Kamenica. Although, development of tourism is not necessarily linked with demographic growth.

For example, on mountain Kopaonik tourism has not been developed strategically, and in the proximity of populated areas, but away from them, so, the local population was not engaged in its development and that is the reason why it did not stop the migrations from small villages.

The opposite example is the mountain Zlatibor because, there, the development of tourism has lead to the growth of the population by 200 times.<sup>16</sup> Tourism had stimulated development of other things such as the economic well being and infrastructure.

Tourism stimulates development of those elements which are necessary for functioning and development, such as: infrastructure, urbanization, different services... But those changes are not always the same, because the tourism differs depending on the area where it develops. (type of touristic area, geographic position, urbanization, and the demography)

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<sup>16</sup> Devedžić, M., (2006), Prilog izučavanju uticaja turizma na demografski razvitak , str. 67.

Tourism has a certain kind of the pull effect similar to the opening of factories in the past. Tourism could be the pull factor of migrations. And touristic centers could become the centers of migrations.

Depopulation of certain parts is the dominant demographic process in Serbia. The development of the rural tourism could have an influence on this process. The development of tourism in depopulated areas with preserved cultural historical values and untouched nature could put a stop to depopulation and at the same time, to lead to economic improvement and the new positive waves of migrations.

It is necessary to improve touristic offer and to create different forms of tourism. Nonetheless, it is a common mistake to believe that the development of tourism is a certain mean which will contribute to the economic and demographic changes. Despite many successful stories about positive effects of tourism, the development of touristic capacities and programs is not a certain factor of demographic and economic effects.

It is very important and necessary to create analysis and surveys of the structure of the local inhabitants as well as the research on the environment, infrastructure, and everything else before commencing with this kind of actions and projects. Without those researches it could come to the creation of many organizational and functional problems such as the investment of a large quantity of money in the infrastructure in the area where the tourism will not succeed.

### *The conditions for touristic development in southeast Serbia*

Southeast Serbia is the most undeveloped part of Serbia. In order to develop tourism there it is necessary to develop and build infrastructure, which means roads, institutions... Moreover, it is necessary to have categorization and standardization of services by educating local population about the European standards for food and beverage production as well as about the proper level of service within the households or hotels.

It is necessary to show to the households owners the economic benefits in rural tourism through foreign and domestic experiences. Also tourist organizations in south should organize the marketing and housing activities with touristic households.

The positioning of the product of rural southeast is based on the preserved nature, rich cultural and historical heritage, sources of healthy mineral water, spa, and hospitality.

Planned rural tourism could be used as an element of preservation of rural areas. It must be sustainable, and sustainable development promotes decentralization, organization of local population and it motivates their involvement on all levels. Future tourist program should have socio-economic aspect such as the organization of work groups, planning, political aspect- public initiative, cooperation, ecology, education...

Main groups involved in the process should be: schools, associations, universities, local communities, and regions.

Municipalities of the southeast Serbia are: Dimitrovgrad, Medveđa, Lebane, Babušnica, Leskovac, Vranje and Bosilegrad. In order to have a complete picture of tourist potentials in this part of Serbia, I will portray main positive and negative factors that are influencing tourism in these municipalities. Those data were collected during research done by professors of the University of Geography in Belgrade.

Dimitrovgrad- positive factors for tourism development are: there were no stimulating factors from 2000 to 2010, and negative factors are: bankruptcy of the Balkan resort;

Medveđa- positive factors are: construction of open swimming pools for rehabilitation and recreation, and revitalization of Sirijan spa, negative effects are: past war conflict, distance from bigger cities and bad roads from Lebane to Medveđa;

Lebane- positive factors are: project of the development of paths for bicycles on Radan mountain, elevation of the number of tourists that visit this town when they are already visiting nearby Đavolja Varoš (known tourist attraction), business tourism and the reconstruction of the road Leskovac- Štulac, and negative effects are: lack in road infrastructure, it is not connected directly with Đavolja Varoš, there are not enough accommodation for tourists and their services are below modern tourist's expectations.

Babušnica- positive effects are: there was no progress of any kind in this municipality except the creation of their tourist organization which is unsuccessful; negative effects are: The closing of Zvonačka spa which was one of the most important factors of the development and progress of this municipality, and privatization of hotel "Crni Vrh", and new owner who did not open the hotel.

Leskovac- positive effects are: the festival of their traditional meat specialty – "Roštiljada", carnival, rural tourism, modernization of tourist organization in Leskovac, the opening of info center; and negative effects are: change in governing structures, big influence of politics on professional businesses and poor choice of priorities.

Vranje- positive effects are: traditional spa treatment, good geographic position, proximity of Koridor 10 (big road), low price of therapeutic services, monuments, and negative effects are: poor infrastructure, lack of financial means for development, non existing various touristic contents, high price of staying and non existence of manifestations or events.

Bosilegrad- positive effects are: organization of international Easter festival and international music festival called "Krajište peva i igra". The research did not find negative effects in this municipality.<sup>17</sup>

When we have the scheme of current situation, we can start planning future development of these areas. We could create strategies and plans and implement them in order to enhance qualities and minimize flaws.

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<sup>17</sup> S, Pavlović., M, Belij., S, Stanić., (2010), Komparativan prikaz pokazatelja turizma u opštinama turističkog regiona jugoistočna Srbija.

There are four types of capital which mach four pillars of development:

1. Human capital
2. Industrial capital
3. Social capital
4. Ecologic or natural capital

In tourist organization in Leskovac, they think that the main disadvantage for rural tourism, is besides the finances, lack in education and knowledge of locals about the level of services that they need to offer to tourists.

If the local population starts to educate themselves they could get the opportunity to introduce changes in their life and community. Only if all members take part and the responsibility something will be changed. In order for that to become possible, they have to obtain certain level of knowledge, and it is necessary to involve all the sectors (private, public and civil) for that goal to be reached.

Commerce capital includes farms, services and touristic objects, and products from the environment. Ecologic capital includes rivers, eco systems, islands and cultural landscapes. Social capital includes institutions, such as schools, health and social services.

Rural development will start when we realize that agricultural production is not enough to make a village sustainable. We should work on the development of capital which is already there, because it is very expensive to start from nothing.

In Serbia land that is not suitable for agriculture could be used for cultivating forest fruit, healthy herbs and organized growing of bees. I could be also used for cultivating different types of rare mountain animal and herbal species.

That is the example of the southeast Serbia, where they do not have a lot of agricultural land, but instead, they have a variety of interesting animal and plant species and an amazing mountain landscape as well as abundant cultural heritage.

Program of the development of rural tourism in Serbia was based on joined UN program called “rural tourism in function of sustainable development”. The main goal of this program was the development of rural tourism in Serbia in order to diversifying the economy, preserving of cultural wealth, destroying the poverty and reaching equal regional development.

That program cooperated with our ministry of agriculture and created many positive effects on the local communities and their knowledge about the rural tourism. Moreover, it has stimulated many positive changes on the local and on the state level. Among other things, they formed groups of experts who were educating small entrepreneurs in fields of agriculture and rural tourism.

The general reason of the tourist visiting here are attractive nature, visiting of cultural and natural goods and cultural heritage, gastronomic specialties, traditional gatherings and festivals. Tourists are very interested to work on the agricultural properties and to be involved in everyday activities in order to see and experience real rural life here.

The main types of tourists who are visiting this type of areas are couples, families with kids, groups of friends. Serbia could enlarge its target groups on elderly people, persons with special needs, educational groups...

Visitors are very satisfied with their experience in rural tourism and they are recommending it to their family and friends. Profile of average rural tourist who visits Serbia shows low level of demand in regard of accommodation and services.

Serbia has a great potential for the educational tourism for children and families. The basic goal of rural development in Serbia is the development of social, ecological and economic sustainable product from which benefits will be felt in local communities in rural areas.

Rural tourism depends on a big number of cultural and natural goods that must be preserved. Sustainable rural tourism is a positive stimulator of the quality of life, and the factor of lowering of the level of poverty in rural communities.

Rural tourism is a great opportunity for Serbia to position itself as the leading tourist destination in this part of Europe. Strategies of positioning should contain combination of material and immaterial elements which allow positioning of authentic rural tourism which will represent and reflect authentic spirit of these areas.

Tourism can generate local market for agricultural products at a price that is higher than the usual, and the high quality of agricultural products contributes to the attractiveness of tourist offer.

The relation between tourism and sustainable development can be explained like this- tourism is based on the demand of visitors to feel the environment, authentic history and cultural tradition, tourism makes house owners more conscious about the differences between nations and cultures.

The development of tourism without a care for sustainability could be harmful for sustainable development and the environment. Sustainable tourism was created as a reaction to all the negative effects of mass and other forms of tourism. Only sustainable tourism can be a real opportunity for Serbia to make something good by starting with intelligent planning from the beginning.

Sustainable tourism from the definition of World tourist organization should satisfy similar elements, it enables best usage of natural resources which are elementary in tourism development, it respects social and cultural authenticity and traditional values and it contributes to intercultural tolerance and it assures sustainable long term economic activities, it gives socio economic benefits to all of users, such as employment and eradication of poverty.

Sustainable tourism demands engagement of all the subjects involved, it is a permanent process. Sustainable tourism provides a high level of tourist satisfaction and the development of consciousness about the environment. Moreover, it is a major opportunity for Serbia to revive its untouched rural areas and to engage local population.

Small agricultural village households have always existed in Serbia, and they had been the support system for the city supplies of food. There are several types of small agricultural households such as: households of retired people, natural, semi natural and village non - agriculturally oriented households. Researches from 2002 show that there are 778.900 private households in Serbia, and the average household is about 2, 5 ha of agricultural land.<sup>18</sup>

About 75% of agricultural households have less than 5 ha, and less than 5% has more than 10 ha of land. Majority of those household makes products only for their own needs and they sell only a small percentage of what they produce.<sup>19</sup>

Many families in rural areas depend on non agricultural sources of income. Data from 2002 non agricultural households had become domestic economic category with 62% in the overall number of households in Serbia, and agricultural make 17, 8 % and 16, 4% of mixed households.<sup>20</sup>

In the group of those that have over 5 ha of land, 36% are non agricultural households, 33% agricultural, and 28% of part time. 328,000 of rural households that have up to 3 ha of land make 56% out of overall number of village households.<sup>21</sup>

So, the main result of this situation is that we have many small rural households who could base their source of income on rural tourism combined with development of agriculture, and they could also get connected with other small households and form small networks of rural touristic households and use that network to develop themselves further.

They could also get connected with rural networks of countries in the EU and use their experience and sources of information to develop their business and to adopt some useful models and instruments of development. Nonetheless, they should not imitate their models because we are in very different situation than those countries, so we should take their models as a starting point for our own ideas and projects which are realistically applicable here.

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<sup>18</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 39.

<sup>19</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 39.

<sup>20</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja , str. 39.

<sup>21</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja ,str. 39.

## *Sustainability and potentials of Stara planina*

Stara planina is national park of untouched nature located between Serbia and Bulgaria in the region of the southeast Serbia. It is a chain of mountains, rich in magnificent variety of animal and herbal species. It is also very wealthy in cultural heritage, such as medieval Serbian monasteries.

Stara planina is a magnificent mountain with an amazing potential for eco and rural tourism. It has many rivers, streams and mineral water sources with pure and healthy water. It has great forests and lakes, and it has herbal species specific for Serbia and for this mountain.

It had many developed villages with developed economy which consisted in sheep hording and gathering of fruit cultures. It was multi-ethnic place with many ancient traditions and costumes. However, during the 60'ties, local population started to migrate from this area under the influence of industrialization of nearby cities.

Today, the results of those uncontrolled and massive migrations are visible and disturbing. Entire villages, with their traditions and culture disappeared. Those villages that still exist are also disappearing because of very low standard of life and accessibility of public services.

However, Stara planina is very close to four municipalities of the southeast (Dimitrovgrad, Zaječar, Pirot and Knjaževac), so the human resources for possible development of tourism on Stara planina exist.

Stara planina is suitable for whole year tourist activities, recreation, and cultural presentation. Many domestic and foreign investors are interested for this area and its development. It has amazing conditions for rural, eco, recreational and science tourism.

In 1997 it was proclaimed as a national park by the state, and later, it was recognized by the state as a great tourist potential and a place of untouched nature that should be protected and developed.

For the development of rural or eco tourism there, we would have to consider the notion of sustainability. Sustainability could be reached if the state would organize the development of tourism in harmony with the nature. We would have to create an organized effort in order to develop integral development of tourism.

For example, we could use existing natural and cultural potentials in order to create a fusion of mountain way of life (sheep hording or agriculture) with tourist needs. Local inhabitants could diversify their income, and, at the same time, preserve traditions and crafts by transferring those values to tourists.

One of the main potentials for the development of tourism in this mountain is its division between two states. We could create many interesting projects based on international cooperation. We already have some small ranged projects there, supported by the EU and IPA funds, but the systematic and organized support of the state still does not exist.

This region of Serbia is still undiscovered and untouched, by both, foreign and domestic tourists, so, one of the main strengths could be the mysterious nature of this area. It is also rich in unique gastronomy and a way of life.

When I talked to local inhabitants, they said that many investors tried to organize something there, but, they invested without previous strategy and analysis of the potentials and flaws of this area, and as a result, every investment failed.

The state had organized, in 2006, the construction of tourist resort on Stara planina, with great hotels, tourist villages and a ski center located on Babin Zub. They invested millions in construction of hotel and tourist info centers, but there was no systematic planning or previous analysis of this area.

They have organized that illegally, and they have violated several laws on spatial planning and preservation of nature. In addition, they started without the approval of local population. There was an association who was concerned about the construction of ski center and preservation of the environment, and they fought to stop this plan.

However, all warnings and complaints of this organization were shot down by the state. Moreover, the director of the association for protection of environment, who was against this construction and devastation of nature, was fired because of the pressure of the government.

When the state had replaced all those who were opposed to this illegal construction, they built a hotel Stara Planina, in 2011, and it was closed one year later because the sewer and electricity systems were not functioning there. In addition, all capacities for organized ski tourism were demolished in 2012 because they were built illegally.

Stara planina is an emblematic example of all that is not functioning with our laws and economic measures for the development of tourism in rural areas of southeast Serbia. It has great potentials, but they are misused by incompetent people, and as a result, it is still undeveloped and abandoned.



## Chapter 2

### *The level of development of tourism in southeast Serbia*

In this chapter I shall provide vital information about my first hypothesis, which is, that rural tourism is generally underdeveloped in Serbia because of many reasons such as the lack of professional knowledge, lack of partnerships on local level and unstable political situation which prevents any strategic and long lasting plans and visions of development.

I plan to test my hypothesis by organizing in depth interviews and focus groups with professionals from touristic organizations in Serbia and also to compare our level of development of rural tourism with that level in other countries.

In order to give a detailed and clear picture about the current situation and problems in this domain, I would have to go further in the past and show how this unfortunate situation was created.

In the former Yugoslavia, we had many plans and comities for the development of tourism on the federal level, we had many small tourist alliances and organizations and a lot of state's funds were given for this purpose.

But, in the region of Serbia and Montenegro, majority of funds and plans of development were reserved for sand and sea tourism in Montenegro, and basically nothing was given for the development of continental, rural touristic areas.

Despite the great potentials of the rural areas in Serbia, nothing was done to develop tourist industry there. The state created many factories and industrial facilities in the cities (where the population of the villages went to find work), and neglected villages and their tourist and cultural potentials. (spa tourism, mountain tourism, fishing and hunting, eco tourism, cultural and religious tourism).

Then, when the former state was dismembered and we became separate states, very soon, we were in the unstable political and economic situation because of the civil wars and nothing was done on the development of rural or any other kind of tourism from 1990's to 2000's. Moreover, majority of industry and factories was destroyed during those years and as a result, majority of population in rural areas were left without the source of income.

The only positive element of closing of all those factories is that those places are not polluted, and majority of rural regions in Serbia are very rich in natural resources and in agro and bio diversity which are great potentials for eco or rural tourism.

Then, in 2006, we were again separated from Montenegro, (we lost the sea side) and that is why, we started to think, for the first time, about the possibility of development of rural tourism in undeveloped areas where all industry was destroyed and the population was migrating toward bigger cities in search of better life.

We created several bodies on the state level which were assigned to create strategies for the development of rural tourism and we started to cooperate with foreign states and to use their experiences in our strategic thinking. We started with the cooperation and strengthening of the civil sector which would have important role in educating local population in rural areas in order to teach them how to organize sustainable rural tourism in those areas.

However, the development of rural tourism is not an easy job, because, before we even start planning it, we have to make analysis of our potentials, of tourism market and the local population in those areas. Development of rural tourism can have many positive economic, demographic and socio-cultural effects on the communities in rural areas.

Moreover, in Serbia, politics is often changing, and each time the politics changes, the strategies, plans, and most important people in charge are replaced by new ones. The result of that is a complete chaos in our strategies and development as well as in our economy.

We had several strategies and plans of tourism development and majority were very ambitious and unrealistic for our country. We have over 40 laws that deal with sustainable tourism and development but we do not have procedures which could coordinate and synchronize those laws and regulations.

In order to be able to come to proper measures of policy or to improve something in those areas, we have to have a clear picture of a current situation there, so, I will describe by using quantitative and qualitative data current situation in the southeast Serbia and Serbia in general.

The rural areas of Serbia are socially destroyed and depressive. Natural and cultural heritage could represent a great potential if the development would be based on respecting the sustainability.

The development of rural areas on principles of sustainability demands the application of concept of the multifunctional agriculture and development of other economic activities, improvement of life and socio economic position of the village. Rural areas in Serbia are very different in demographic, social and economic sense.

There are significant differences in population, economics, infrastructure, geomorphology, and the environment. That diversity in resources is great opportunity for tourism development.

The main regions in Serbia and their main characteristics:

**Vojvodina** – covers 28% of the surface of Serbia and 26% of their population. It is the richest region in Serbia and only 10% of the municipalities are underdeveloped (data from UN index of development). They have good traffic and communication networks. The agriculture is the main source of income.

**Central Serbia** – covers 29% of Serbian territory, with 44% of population, it is the most populated and most diversified region with the best infrastructure. BDP is a little bit lower than in Vojvodina , and 21% of municipalities is considered as undeveloped.

**South Serbia** – covers 44% of Serbian territory, it is the largest, poorest, and most undeveloped of the three regions. Bigger part of this region is covered by mountains, 37% of the surface is covered by forest and only 55% is the agricultural landscape. Land is very poor. The main resources of this region are large mountain pastures for animal population and landscape for plants.<sup>22</sup>

Unković and Zečević claim that there are direct and indirect economic effects of tourism. The most important direct effects are national income, community product and the development of touristic commerce, development of regions, investments, employment and the indirect effects are stimulation of the agricultural development and industry.

Although community-based tourism planning has been a subject in developed countries in the last two decades of the twentieth and the first decade of the twenty first century, there is not a significant theoretical work on this issue in the Balkans.

Data from the national rural tourism strategy from 2009 /2013 rural areas are 70-85% of the territory of Serbia, and there live 43 -55% of the population of the whole state, 130 municipalities in Serbia are rural. Low level of inhabited space is the main characteristic of these areas, there are 63 inhabitants per km.

Rural regions of Serbia are rich in natural resources with a great bio and agro diversity. Those areas depend on the agriculture and they have a small income. The unemployment is very high, it is about 21%.<sup>23</sup> Depopulation of these areas is a consequence of migrations of young and educated people towards big cities.

As the main consequence of migrations of young population toward bigger cities, the unfavorable structure of population is being created in these abandoned areas. The data from National program for rural development confirms these statements.

Moreover, great percentage of uneducated people living in villages and other rural areas which is two times bigger than in urbanized areas shows that tendency of young and educated people to leave rural for urban area.

This situation has a negative influence on human resources and economic development in those rural areas because the population is the driving force of progress in every sense. It is necessary to diversify economic activities, and tourism could be a main factor of that diversification.

Rural tourism has direct economic effects on those who provide their services to tourists, and those providers are mainly village households. Tourism gives them the opportunity to employ themselves and all members of their household with minimal investments and it provides them with additional source of income.

The assessment in the Master plan for the development of rural tourism in Serbia about its effects are that the capacities in rural areas generate 5.000.000.000 dinars per year only from the tourists staying there, and it creates also bigger direct and indirect incomes in the tourist sector.

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<sup>22</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 34.

<sup>23</sup> T, Bošković., (2012), Ekonomski efekti razvoja turizma u ruralnim oblastima u Srbiji , str. 31.

Master plan shows that the overall economic contribution of tourism in ten years will generate about 45.000.000.000 dinars.

Having all that in mind it is not difficult to conclude that the only chance that Serbia has in revitalizing and repopulating rural areas is the development of rural tourism in those areas. That could have positive effects both on small village communities in the southeast, but also, on the state as a whole.

In Serbia the regional differences are huge, the differences between the poor and the rich municipalities are 1:9.<sup>24</sup> The most undeveloped and poor municipalities are located in the southeast, and that is the main reason for my choice of this area in Serbia as a subject of my research and analysis.

Some of the main elements that should develop in rural Serbia based on a Master plan are: improvement of concurrency and creation of regional EU cooperation. Cultural heritage is a big resource for the development of tourism in rural areas near Danube.

From the strategy of development of Serbia 2005/2013, many additional projects came, such as: "The road of culture" - The road of Roman emperors -Lebane (Justinijana Prima, Sremska Mitrovica- Sirmium, Belgrade, Kostolac, Niš... Danube is one of the most important factors of economic urban, cultural and historic development of Serbia.

The Serbian strategy of tourism divides Serbia in four main regions:

1. Vojvodina -the rich water system, and panoramic enjoyment
2. Belgrade- Seductive and exciting
3. Southwest Serbia- history and tradition with enjoyment in nature
4. Southeast Serbia-still undiscovered

What is very interesting is the fact that the southeast is still a mystery, something that should be discovered, something untouched by tourism, completely wild and adventurous. Those are the main qualities that could be appealing for foreign tourist eager to discover further tradition and heritage of the heart of old Serbia.

The main strengths of Serbia are cultural and historical heritage, gastronomy and hospitality.

The main weaknesses are insufficient and non existing infrastructure, insufficient capacities, low level of service, unused potentials, lowering of the importance of agriculture.

Main possibilities are the attraction of foreign investments, improvement of cooperation between public and private sector, and public and civil sector, use of the EU funds.

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<sup>24</sup> [www.dunavskastrategija.rs](http://www.dunavskastrategija.rs)

Main threats are slow economic development, poverty, unstable politics, insufficient use of EU funds, underestimating the potentials of the public private partnerships.

Southeast Serbia is a mountain economy oriented on natural resources. They have many negative demographic changes, BDP per inhabitant is much lower than national average, the lowest among rural areas in Serbia and it is 51% of national BDP per citizen.<sup>25</sup>

They have low productivity in agriculture but they have a lot of tourist potential which consists out of natural resources, rural surrounding and cultural heritage. They have monuments from ancient roman times and from Turkish invaders, but also from medieval Serbian architecture. They have untouched nature and a great potential for production of organic food. So, they have a lot to offer to tourists who want to see something unique and beautiful.

In Serbia there are all types of rural areas. The inequality of regional development is evident in the extreme rural poverty of the South in comparison with extreme development of the North.

90% of Serbia could be classified as rural and 43% of the population lives there.<sup>26</sup> Rural areas of Serbia are defined by the OECD criteria as municipalities with the density of population under 150 inhabitants per km.

In Serbia 129 out of 165 are rural municipalities. In rural regions, Serbia has 1.365.000 households (OECD data), which makes 54% from overall number of Serbian households. Rural areas, in particular in mountain regions lose population. From 1991 until 2002 number of inhabitants in these areas has lowered for 3, 6%.<sup>27</sup>

However, one of the big problems and obstacles for development in this area is the lack of young and educated people who could organize all that. People are the vectors of the change, without the local population nothing can be done, even with the best development strategy and financial resources.

Rural tourism is seen as very important vector of rural economy by stimulating of the cooperation between agriculture and tourism. Serbia has great cultural and natural resources for the development of tourism, but they are undeveloped and there is a big lack of other support structures.

About 55% of the Serbian population live in rural areas and create 41% of BDP of the country. The unemployment in Serbia reached 21% and BDP is 74% of national average. It is much worse in rural areas where there is no agriculture where there are million people who live above the lower limit of poverty with an income of 2 dollars per day.<sup>28</sup>

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<sup>25</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 36.

<sup>26</sup> Štetić, S., (2007), Posebni oblici turizma, str. 131.

<sup>27</sup> Bošković, T., (2012), Ekonomski efekti razvoja turizma u ruralnim oblastima u Srbiji, str. 30.

<sup>28</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 36.

Reason for that is the complete dependence of villages from agriculture, for 68% of households the agriculture is only source of income. The average Serbian household is about 3, 7 ha. The economy of the region depends on the exploitation of resources. The age structure of the population is negative, 50 % of farms do not have farmers, and the fourth of farmers are older than 60 years.<sup>29</sup>

Rural working force is mainly oriented on masculine work force. About 30 % of the rural population is illiterate and 36% of women are illiterate. Diversification of the economy is the only way of the revitalization of village.<sup>30</sup>

The endangered groups are poor, young, and women. There is a big lack of social and road infrastructure. The development of rural areas besides the economic role, has ecologic, cultural, and demographic dimension.

But there cannot be diversification of the economy without people, so we should analyze those areas that are still populated and then invest there and create reasons for people to stay and to develop those areas further. The state could give special incentives for the women and youth.

The households which are completely relying on agriculture, as their source of income are in bigger risk of poverty than those who s larger part of income comes from non agricultural sources. Sustainability is not a matter of choice, it is a necessity. Especially in the southeast where the land is not very fertile and they have a lot of mountain terrain. They have to rely on their strong features.

Rural tourism in Serbia is still insufficiently developed and not recognizable on world tourist market. There are about 32.000 registered, and unregistered beds and out of that number only 10.000 are in villages. Touristic organizations have showed that is directly involved in local economy with 10, 4 milliards dinars. And that number represents 16% out of total BDP in touristic sector in 2010.<sup>31</sup>

There are estimates that rural touristic sector has in average 408,580 of overnight staying and it represents 6, 2 of overall staying in Serbia. There is a small amount of filled capacities in rural areas. Domestic tourists represent about 100% of tourists in rural tourism and the amount of money earned that way is 6.200.000 euro.<sup>32</sup>

We have to improve our accommodations offer, as well as our promotion of tourism. Program for the improvement of rural tourism should stimulate its development in that way that it will grow by 8%.<sup>33</sup>

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<sup>29</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 40.

<sup>30</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 40.

<sup>31</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 47.

<sup>32</sup> Todorović, M; Štetić, S, (2009), Ruralni turizam, str. 65.

<sup>33</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 48.

Strategic plan of touristic development for Serbia for 2007 give great importance to rural tourism, as well as to renovation and revitalization of existing village capacities. However, that plan is far from the economic reality in Serbia. It is too ambitious for our situation at the moment. It has to become more realistic in order to work and to have success.

That plan is also defining four tourist clusters in Serbia such as: Southeast Serbia, Southwest Serbia, Vojvodina and Belgrade.

1. Central and western Serbia, Golija, Zlatar, Zlatibor, Kopaonik, central Serbia
2. Southern Banat and lower Danube area
3. East Serbia, Sokobanja and southeast
4. Vojvodina, Fruška Gora, upper Danube area, north.

The main Serbian touristic potentials:

1. The positive opinion of the citizens of Serbia toward tourism and tourists, hospitality, and strong emotional impression that tourist gets as the result of their staying.
2. Geostrategic position of Serbia on the crossroads of several historical and cultural circles.
3. Great unused potential of surface and underground water sources, mineral sources, traditional spas, Danube, Sava, Tisa, Morava and other rivers which are a part of special tourist offer in this part of Europe.
4. Untouched mountain areas, forests, agro areas, and zones for hunting and fishing, and images of these landscapes and activities are creating distinct image of the country.
5. Rich architectural and archeological heritage which is a testimony of historical importance and development of civilizations on the territory of Serbia, and especially highly regarded historic and artistic heritage of Serbian medieval monasteries and other historic locations as the sources of Serbian sovereignty.

The goals of the touristic development in Serbia are:

1. The stimulation of growth of industry, employment and quality of life of citizens by the development of international tourism.
2. Securing the development of our position on the international scale.
3. Securing of the long term protection and integration governance industrial and cultural resources, which is in the interest of the sustainable development of tourism.
4. Securing of international standards of the quality of protection of tourists in regulation with the contemporary European practice.

Tourist policy should secure climate and the conditions for cooperation of interested subjects. Its mission is composed by other functions:

1. Defining of conditions which the subjects in the tourist sector have to accomplish (laws and regulations)
2. Organization of the control of acceptable behavior in realization of activities (inspections)
3. Creating of joined directives and instructions for all or for the majority of tourist subjects.
4. Governing of the process of getting to joined agreement on the strategies, and goals of development for individual destinations and products.
5. Creation of conditions for the efficient interdependency of tourism with all other sectors of the economy and the society.
6. Accomplishment of the influence on national marketing activities, organization of big events, direction of key programs.

## *Rural tourism in the European Union*

There are estimates that within the EU, tourist industry has produced about 1706 milliard euro in 2005, and it has created 24, 3 million of jobs.<sup>34</sup> Rural tourism in the EU is one of the best structured sectors of European tourism, they are connected and united within different associations and communities and there is cooperation on all levels.

57% of the population of European Union lives in rural areas, and rural areas make about 90% of the Union territory. The average rate of inhabitants is 38 per m<sup>2</sup>, and in rural areas it is from 125 in completely rural area, and 614 in partially rural areas.<sup>35</sup>

Rural areas are very rich and various as well as the European economy. There are less than 25% of agricultural producers and only 10 % of their spouses are fully engaged in that kind of work. In agriculture, 30 % of agricultural producers, and over 25% of their spouses are engaged on some other economic activities.<sup>36</sup>

Many house owners of small agricultural households in the European Union could not satisfy their needs from agriculture in it-self, so they are finding the whole specter of additional sources of finances. Their interest is spreading more and more toward other economic activities.

In many periphery areas in EU young population is abandoning rural areas because those countries do not have an interest to invest and develop infrastructure and other types of services in these areas.

In many member or candidate countries there are many existing weaknesses in rural areas from the socialist era such as the non concurrent agriculture, large number of small households, with minimal income, that is the main reason for large scale migration toward city.

The politics of rural development of the European Union was developed as a continuation of the joined agricultural policy. The measures for support of rural development had a LEADER initiative who's goal is the improvement of action with local partnerships in order to achieve integral development.

In the EU entrepreneurs who are involved in rural tourism are organized and connected, they have their alliances and associations. They are cooperating and sharing knowledge and experience and that is the main reason of their success.

The EU commission had created in 2007 European agro fund for rural development (EAFRD) with goals such as: the growth of concurrency of agricultural sector, improvement of the environment, improvement of the quality of life in rural areas. LEADER program supports initiative of organized local communities in rural areas.

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<sup>34</sup> Štetić, S., (2007), Posebni oblici turizma, str. 154.

<sup>35</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 25.

<sup>36</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 25.

Integral development has become priority in European Union, and it is related to demography, institutions, social and cultural reconstruction and revitalization of rural areas. One of the most important programs of rural development is LEADER program, that word comes from French and it means – network of actions directed toward development of rural economy – “ Liaisons entre Actions de development de l’conomie rurale”.

That program supports development of local communities in rural areas. It supports initiatives using bottom up approach, the improvement and development of partnerships in public and civil sector. The main instrument of that policy is relations between national networks into a European network for rural development.

That is the strategy and model that we should try to develop here in order to succeed. In the past, we had such partnerships in the form of village communities, so we could just revive what we had and use it in the present and the future.

## Chapter 3

### *Legal and economic instruments of touristic policy*

Rural areas in the southeast Serbia are the least developed in the country, and a big number of people are leaving in order to find better job opportunities in big cities. Other who cannot leave, are living on the edge of existence without jobs. Well organized rural tourism does not exist in this part of Serbia. And on the other hand, southeast Serbia is rich in natural resources and untouched nature and also, in historical places, monuments and traditions.

Rural tourism is not very well organized in southeast Serbia and it needs to be developed. The main problem is the lack of infrastructure (roads) and lack of funds which are very important for tourists.

My second hypothesis is that it could become more developed and organized by creating a set of economic and legal stimulating measures on the national level, which could provide the support of the state for local communities and small touristic organizations, which could also contribute to the improving of the economic state of the rural tourism in southeast Serbia. We can find ideas and models of these measures within the EU system.

Tourist policy should be directed toward setting goals and means which will help in activating social and economic function of tourism. State should attract private capital in the tourism sector. In every state, there are special state organs in charge of tourism and they are the creators and executors of touristic policy on national level.

Goals of tourism development should be adjusted with the governing levels, define indicators and with them, measure the realization of goals and achieved results. In tourist policy, there are

two levels, micro (income, salaries and tourist numbers) and macro level (quality of life, national income and protection of the environment).

Indicators are the measures of change of economic variables, which are the target functions of the politics of development. Indicators show tourism spending, income from tourism, level of investments in the areas with developed tourist activity... There are also instruments of touristic policy that vary from country to country, such as: partnerships, propaganda...

Public private partnership is an instrument of moving new resources for infrastructure in rural areas. Those are the agreements between public and private sector which can provide services, capacities and infrastructure. Civil societies could take the educational role in the local communities, thus, enabling local population to develop their business and to improve their services.

We had a program which was created by the UN called “sustainable tourism in service of rural development” (2009-2012) and they started to analyze potentials and problems in Serbia, they organized educational programs, they initiated creation of partnerships on local and state level and they cooperated with our ministries as well as with our Network for rural development.

They had success in many areas in which they worked, but they also had many problems in doing their work because of the lack of organization and cooperation on all levels in Serbia. Moreover, at the moment when the program was done basically none of those activities were continued by local and state authorities. They even cancelled their support to the Network for rural development.

The state had created many ambitious strategies and plans for the development of rural tourism but they have many flaws, and there are not existing councils, networks and professionals who could realize those strategies. Moreover, those strategies and plans were basically the imitation of foreign models without proper adjustments to our current situation.

On local level there is a need for structures that encompass community, tourism and environment. There is a need to form partnerships in local community like for example partnerships between private owners and local authorities. Such organizations should work in areas of marketing and management of tourism.

We currently have two important documents that are dealing with this issues- Master plan for the development of sustainable tourism and a national strategy for its development. However, current tourism law does not give proper support to sustainable development. And we do not have expert associations who could realize those plans and strategies.

Even within the national tourist organization there is no separate group of professionals in charge of rural development. They are very focused on promotion of Belgrade which is not a good strategy because Belgrade as the capital is already on tourist maps.

For example, only one of the employees in National tourist organization has shown interest in rural tourism and during my interview I concluded that his current knowledge about this problematic is not sufficient for any kind of systematic approach or action.

Our legal and economic stimulating measures in rural tourism are insignificant and it is very difficult for average household owner to get the funds for starting their business. Moreover, with the beginning of the economic crisis, those measures are even less effective.

Organizations in Serbia which are important for the development of the tourist policy and strategy are ministries, government bodies, national bodies and agencies, commerce organizations, tourist organizations, and on local level those are civil societies, commerce sector, representatives of local communities, NGO' s.

Some regions have organized citizen societies and it is much easier to implement strategies there and they are much more developed than regions where they do not have these types of organizations.

In Serbia NGO is still underestimated and ignored when it comes to important developmental problems. Nonetheless, there are a lot of them who are involved in the rural development, and there are some that are interested in the development as a whole. Network for support of the rural development is the most important way of cooperation between public sector and civil society.

National network of NGO' s with local authorities had systematically initiated changes and stimulated creation of local partnerships that network was relation between local communities and all other potential partners. Their work was similar to the work of LEADER program in the EU.

That network operated until 2011, when the support of the government stopped. The main problem with NGO' s is that they work on short term projects, and they had opportunity as the members of this network, to organize themselves and work on something in long term.

For that reason they created the network for rural development in 2007 in order to assure the engagement of some NGO' s which are involved in rural development. They have been trained in finding sources of funding, management of projects, creation of partnerships...

They lost the support of the ministries in 2011 and they basically stopped with their work. The development of tourism as well as the other sectors is successful if it is planned and organized through partnerships and networks.

In all partnership in this sector, the most important role should go to the NGO sector or local authorities because it is always better to create something by using bottom-up approach. It could be also a good strategy of partnership to create working groups because they can help and create a better coordination and cooperation between partners.

It is always necessary when planning rural development and its strategies and goals, to analyze its potential influence on the society, environment and culture of the local community. The best possible approach would be "bottom-up" approach because the involvement of local communities is necessary in order to have success in any strategy or plan on local level.

A proper strategy should set several common goals. The influence of partnership in strategic planning and development is very important because partnership could provide us with the detailed analysis of rural areas and show which are the main local resources and the way in which they can be exploited.

When we finish with the analysis of all this factors and elements only then we can devise a proper strategy of the development. It is necessary to commence with the participatory or integral development. It is important to improve and discover social and economic potentials of undeveloped areas and to exploit its resources in the proper and sustainable way.

Participatory development is very useful and important for Serbia because it could provides us with stable and long term processes in an unstable economy and an unstable politics.

Sustainable rural tourism in Serbia demands the existence of constant support and proactive advice services and that is very important for creation of rural touristic politics and for its application.

Sector for rural development has been created in 2005 and it was restructured in 2008. There was an intention on government level, that the sector for rural development should be future management body for IPARD program, and take the responsibilities for future agreements and contracts between Serbia and European Commission.

That sector should provide monitoring, evaluations and coordination of the IPARD program. Since 2005 sector for rural development had worked on creation of national rural support.

The development of capacities in this sector is not very developed, and the number of people who are experts and professionals for this subject is insignificant. In the domain of policy of rural development only two people were educated in evaluation, monitoring and making reports, and only two for programming, and one for technical support.

Today, none of them work in that office for rural development. That sector was restructured, and they changed management, so they kept only one former employee who was trained in the matters of rural development. Many structures in Serbia change as the government change, and that is the main source of instability of our tourist policy.

In 2012 new management of that sector reorganized itself , there are hopes and predictions that in the new organizational scheme rural development would become more important element of overall development.

The part of the rural development of Serbia is dedicated to the development of agriculture and other technical questions of the development of this sector are connected to agricultural advisory services. They provide help to farmers with applications for national subventions and grants.

Every advisor had obligation to visit 40 farms regularly and that means that about 8600 farms were getting regular advices.<sup>37</sup>

During 2011 the ministry of agriculture has commence with a new program of employment of about 1600 unemployed agricultural engineers for the advisory service in the sector of

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<sup>37</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 104.

agriculture and rural development with the intention to replace the role of the network for rural development.<sup>38</sup>

This program had very limited success. Despite their big human capital and technical advantages and their important role in helping the farmers in rural areas to advance by using funds and resources from national and IPA funds for rural development, they had many significant gaps in their organization and capacities and their help was limited because of that.

Centers of the network for rural development are constructed in order to serve as places for help for farmers who need support of any kind and those are the places of connection with professional organizations which cover different developmental aspects in the domain of rural development.

Network for rural development had covered approximately 90% of the country in 2010 with a staff made of one manager, and one coordinator in every regional center and one coordinator in local centers under their control.

The network had a lot of significance in the support of rural population in the four years of its existence. If we wanted to analyze one of the indicators of their work and their success, we could say that from the beginning of their work in 2007 with 260.000 registered farms, to 2009 that number has doubled to 456.000 of households.<sup>39</sup>

Thanks to the activities of the network for rural development approximately 190.000 of people had used their services and 127.000 of requests had been sent in the name of farmers. In 2010 members of the network had registered independent national organization and with project "RuralNet" they provided 160.000 of euro of support for the development of service and management capacities and cooperation with the EU networks.<sup>40</sup>

In 2010 the project network for rural development had been cancelled despite the needs of the network for construction and development of the capacities as well as the strategic partnership with ministry.

Main users of the network services were registered agricultural households and rural population in general, local authorities and companies. The main goals and functions of the network were among others:

1. To provide access to the information which are very important for the development of rural areas and which are related to the development policies of agriculture and villages as well as other policies on national and European levels.
2. To identify and promote good practices and successful initiatives in Serbia and EU in order to acquire knowledge and stimulate creativity and new ideas for usage and progress of existing potentials of rural development on local level.
3. To provide complete equality between all rural areas in regard of using state financial sources.

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<sup>38</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 104.

<sup>39</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 104.

<sup>40</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 105.

4. To provide constant and quality training to the members and the network in general and to improve the methods of functioning with various trainings in the domain of methodology of work and making of the projects.

One of the most important elements of rural development in Serbia is the construction of the capacities of institutions and local communities for providing support. The possible solutions for that problem are:

1. The construction of the capacities of local authorities, as well as capacities of other bodies of the government. Having in mind that rural development is multidisciplinary without the cooperation and coordination between the ministries the results are not achieved in the best way.
2. Construction of operative capacity of institutions, and relation central and local level and capacitating them for the application of rural policy and the providing of information “bottom up” for the improvement of rural policy
3. Construction of the capacities of local communities by mobilization and action, with constant training and improvement of knowledge of all the local actors of rural development, owners of households, and the employees in public and civil sector
4. Capacity building for the transfer of knowledge and promotion of formal and informal education
5. Assembling of all the resources for financial and technical support of rural development of domestic and international sources
6. Assembling of experts and creation of expert opinions and reports for the support of the development of all mentioned subjects of rural development, and the construction of expert bodies and electronic data base.<sup>41</sup>

It is also very important to have relation with permanent work groups for regional development of Southeast Europe. One of the first and most important goals of the group of experts would be identification of the need for educative activities in every part of support system of rural development in Serbia.

Without local support and cooperation every strategy or action in rural development, no matter how well planned, is sentenced to a failure or very limited range of influence. Because people are what makes a strategy successful, without their willingness or support any improvement or development is impossible.

Leadership on local level is only one of the problems of rural development. Real and dangerous problems are mainly created on highest state level because of the individuals who come at those working places without basic knowledge about rural development and they could often create obstacles in the system.

Modern age in rural development demands a local leader to be capable for everything, to have broad connections in the community and in business world, to have a high degree of education and practical experience.

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<sup>41</sup>Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 105.

Permanent lack of capabilities in domain of rural development has as a result a bad influence on rural development in general. That proves and underlines a great need for finding real professionals on local level who gained their knowledge through practical activities in rural areas.

Development of human resources is a necessary phase in realizing goals of the sustainable development gained from the cooperation and consultation between local community and expert reports. Local population generally lacks knowledge in areas of level of services, marketing and management.

Serbia has to invest in human resources if we want to achieve sustainable development of rural areas. We could create mobile teams of experts who could educate local communities about rural tourism. People involved in agriculture have to find new and innovative ways of making money.

In order to adapt to the needs of customers, they have need for experts and outside professional opinions. Every kind of intervention is worthy of our efforts because the integration of primary sector of services creates a series of related elements (jobs, other services) which brings income and regenerates and revitalizes local communities.

We should develop rural tourism primarily in the small agricultural or non agricultural households because the population of rural areas will have a direct benefit out of it.

Those who plan and create rural policy often see rural tourism from the economic point of view as a source of additional income for the rural households, and people in agriculture see tourism as secondary activity besides agriculture, and as an opportunity to diversify their sources of income.

Decent strategic and action planning is of a great importance for rural tourism and its financial role in the small range economy. Planning also helps to agricultural workers in the assessment of the touristic potentials of households and local community. That planning also helps them to develop their potential inside their households and connect and make partnerships with others in their community in a coordinated way.

Every kind of strategy or a plan could be incorporated in overall plans of the community and state in order to make a financial plan and plan for investments and the budget for all these interested parts.

Advices and providing of continuous technical support are necessary for small farms in order to give them the opportunity to innovate and create a decent offer on the market and to get financial support for investments.

It is necessary to create coordination in investments between all three sectors, because it could have focused and strategized help to small entrepreneurs in the tourist sector. It is also necessary to adapt our tourism laws to our reality, and have in mind real problems and obstacles of workers and business owners in that sector.

Chances and opportunities exist in the concept of pre joining support of the EU to the rural development and other donor programs which are emerging as opportunities which are the part of the adopting EU strategies.

In Europe they created Trans national network which has a great importance and influence. Local groups who are involved in this network have the opportunity to exchange experiences, could get information, and have some influence on political questions in the EU.

All that can reinforce local communities and their values. Idea of partnerships is central in LEADER program and in the regional politics of the European Union. European fund for rural development had been formed in 1988 and they created many vertical and horizontal relations and partnerships such as relations between regions.

LEADER is an innovative approach to politics of rural development in EU. That is an instrument of mobilization of the rural development in local communities. Experience shows that LEADER can really make changes on local level. LEADER stimulates local involvement in creation of strategy of sustainable development.

That program can stimulate innovations in rural areas. LEADER had significant results in member countries, and that is the main reason for using it in other countries in the future.

## *Financial aspects of rural tourism*

Rural politics should direct the means meant for the development of villages toward profitable economic activities with the support of local community. Responsibilities and interest for rural politics in the EU are spread to several ministries, agencies and organizations. Rural development is just one aspect of the regional policy.

National program of rural development contains activities, instruments, and results of certain stimulating measures. Measures and instruments of rural development are included in the structure which serves to enhance concurrency in agriculture, protection of the environment, program of diversification of rural economy and quality of life.

In the past, Serbia had several programs of rural development and revitalization of villages which did not succeed because of the unstable and unfavorable political and economic situation in the country.

Until 2005, Serbia did not have a specific strategy of rural development, and in that year, the strategy of agriculture has defined first strategies for the development of the village. In 2004, the ministry gave a part of the budget for aiding rural development, they wanted to stimulate diversification of agricultural and rural economy, sustainable use of natural and other resources, provide other sources and possibilities for employment...

Majority of that part of the state budget was invested in renovation and creation of infrastructure such as roads, electricity and sewer system. The means that were invested in this strategy were about 4 million euro for 82 municipalities and local communities.

NGO's got about 1,6 million for the promotion of rural tourism and traditional crafts and arts, young agricultural workers got 7, 4 million.<sup>42</sup> Support of rural development from 2006 was referring to improvement of the sustainability of agricultural production in rural areas, development of the economy and its diversification, and formation of decent mechanisms for planning of rural development.

The main goals of these measures were:

1. Improvement of farm production
2. Development of rural areas
3. Development and promotion of organic production
4. Improvement of the supply

Those who wanted to get a part of those subventions had to have a certain percentage of their own money in order to be able to apply for those funds. Special commission was in charge of checking those applications.

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<sup>42</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 200.

Program of rural policy in Serbia for the period 2008 - 2013 has already some of the measures for village development. Program of the politics of rural development demands introduction of parts of the EU policy in national measures for the support of rural development which will be financed by IPARD program.

National program of rural development has been adopted in 2011, but after the reconstruction of the government in 2011 rural development was put aside and all the support measures were cancelled, and they rely on the support and usage of EU funds.

Rural development is the most complex question in states in transition and it is a very important area of interest. In 2006, EU has created instrument for pre joining aid (IPA) which helps to countries candidates or potential candidates.

They want to help in the process of transition and creation of new institutions, help and support for regional development, for the development of human resources and for agriculture and rural development.

Main components of the IPARD aid are improvement of the market and implementation of the EU standards, preparation actions for the application of agro ecologic measures, LEADER conception and development of rural economy.

Program IPA for 2012 had predicted investment of 15, 6 million euro.<sup>43</sup> After four years Serbia has organized preparations for usage of IPARD funds with preparation of system of management, control and operational organization.

National plan of rural development was adopted for the period of 2011- 2013. At least 6% of the overall financing for Serbia from IPARD should go to sustainable agriculture and its adaptation, 5% for preparation of agro ecological measures and LEADER conception, and 20% for sustainable development of rural economy.<sup>44</sup>

The chance of using IPARD funds is unfortunately minimal if we do not create credit market in order to enable potential clients to be involved in the investments. Master plan for rural tourism except the support to rural development by using funds from the budget and future IPARD funds, the support to these programs will be provided from the funds created in the Serbian financial plans for tourism development.

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<sup>43</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 200.

<sup>44</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 200.

## *Sustainable tourism and sustainable development*

Well organized and planned investment in the sustainable rural tourism (infrastructure and services) could contribute to sustainable development of these villages and small cities in the southeast Serbia (with an accent on the role of small sustainable rural households). And I am planning to test that assumption by analyzing those measures and their impact on sustainable development of villages in Serbia and their consequences.

Responsible tourism is rooted in the concept of sustainable tourism development, which is described as 'paths of development that satisfy the needs and wants of present generations without compromising the ability of future generations to meet their own needs'.

After the Second World War tourism develops and grows. It provides many work places related to tourism, it develops the economy of the countries and it improves international communication and understanding.

The development of the tourism is very complex and difficult task. The growing interest of countries for the development of tourism is explained by the fact that the touristic development creates many positive economic effects and it could contribute to the development of the commerce and industry.

In the 20<sup>th</sup> century many countries have developed tourism because of the economic well being. Today we can see the consequences of that mass tourism on the environment and eco systems, although the main goal is still profit, in the contemporary society the concept of the responsible tourism develops.

That tourism in which the resources and the environment are protected is called the sustainable tourism. Sustainable tourism is the kind of tourism that diminishes tensions between tourists, touristic industry and the environment. That is a positive relation between the development of tourism and the protection of the environment and resources.

Tourism can create positive and negative effects for the environment. The untouched nature is one of the most important things for the tourists and they can pollute the environment or drain the natural resources. The positive economic effects of the tourism are the reconstruction of existing cultural and historical places, investments and donations.

If the tourism does not develop by some kind of a plan or a strategy, it can cause serious problems and consequences for the environment and the local community. In order to develop sustainable tourism it is necessary to find a balance between tourism, environment and natural resources.

When we are analyzing sustainable tourism, we have to mention the Agenda 21 the document about the sustainable development which was approved by 182 countries in 1992 on the world's summit of the United Nations about the natural environment and the development. The conference was about the necessary actions which would ensure the sustainable development of our planet in the 21<sup>st</sup> century.

Document Agenda 21 for the tourism is about the activities in the domain of tourism and travelling. That document specifies the activities and the areas of work which are necessary for the protection of the environment and the development of sustainable tourism for all subjects involved in tourism.

Some of the priority subjects are recycling, efficacy in energy usage, diminishing of the waste, management of the clean water resources, dangerous materials, and transport... The development of the high ecological consciousness of touristic organizations is required.

Under the term of the sustainable development it is required to use the today resources in such a way that they would be here for the future generations. The sustainable development of tourism is mostly concentrated on the development of eco and ethno tourism with a goal of preservation and protection of the plant and animal life.

For the development of this kind of tourism the inclusion and involvement of the local community in that process is necessary. Without their support everything is useless. Another factor of success of the sustainable tourism is finding a balance between economic and ecological interest.

Sustainable development emphasizes the right of local people to take part in the decision-making process and to be consulted on activities likely to have an effect on their well-being.

## *Sustainable rural development*

In the past the agricultural sector was considered as the engine of the development of the rural economy and it represented the dominant source of production, employment and income. Nowadays, all of that changed, and we should find another answer to all of these questions, and that answer is tourism with culture.

The politics of rural development is needed because of three reasons:

1. rural areas are faced with many challenges
2. rural areas often have an economic potential which is not used or it could be used in a better way for overall national development
3. not one sector policy nor a market is not able to give complete answers to heterogeneity of challenges and potentials of rural areas and to fight with all the positive and negative external factors <sup>45</sup>

There is a need for new way of rural development and it needs to be concentrated on territories and investments instead of focusing on subventions. In the past, all production and industry in Serbia was depending on state's subventions, now, that situation has to change. The main goals should be equal conditions of life in all regions, growth of the income and concurrency of households.

All levels and parts of political and governing bodies should be included in that. It is necessary to create an integral instead centralized development in which the development will be controlled at a local level. That kind of development demands organization of local and central institutions which could share their knowledge and information between them in order to function in the optimal way.

Sustainable development of villages in Serbia depends basically on the practical application of combination of concept of multifunctional agriculture, and the integral approach to the overall life conditions, as well as the socioeconomic position of villages and local communities in rural areas, through bigger employment opportunities outside of agriculture and in harmony with existing resources.

Serbia also needs an overall change of opinions toward rural areas. Peasant is a bad word in Serbian language and rural subjects and stories are laughed on. There is a negative attitude toward everything that comes from village.

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<sup>45</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 61.

## *Small rural households and their role in rural tourism and village economy*

In the states in transition, those small rural households are very endangered which can be seen in the experiences of many countries members of the European Union because of the need to transform those types of households in market oriented households.

It is necessary to provide certain conditions for the support of such rural households such as: education, approaches toward tourist market, and responsible business surrounding. Only 29% of households see agriculture as their main source of income. 68% of them claim that they created income from this type of activity.<sup>46</sup>

The economy of small households could improve with the usage of local resources as well as some changes that should be introduced which will be in harmony with investments, cooperation and partnerships within the communities.

Small households are not included in organized forms of business cooperation, neither are they interested in that. More than 41% of small households consider their life quality as bad or really bad. Village inhabitants are generally not satisfied with their quality of life.<sup>47</sup>

They are not satisfied with the availability of services, health protection, and cultural life in villages, as well as with sewer problems, lack of economic infrastructure and social capital. For 22% of the households which tried to diversify their activities and sources of income, did not have a market or financial support.<sup>48</sup>

50% of households see their future outside of agriculture. Despite the negative situation more than 60% of interviewees do not want to migrate toward cities and other urban places. Households that were a subject of surveys see as the conditions for better life the employment outside of agriculture, possibility of taking loans, and better organized market.<sup>49</sup>

Improvement and diversification of income in small village households are a priority in resolving problems in rural areas, problems of nominal and hidden unemployment of the members of household. Without their satisfaction with infrastructure and other services, rural or any other form of tourism cannot develop.

High mountain areas are in Serbia the best and most perspective natural resource. There are mixed households that use all diversified natural resources. For those regions where rural poverty is accentuated .

Diversification demand usage of all available resources in order for the employment to grow and improve. This kind of development is necessary for the Serbian village in order to break out of poverty and depopulation.

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<sup>46</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 61.

<sup>47</sup> Milošević Đorđević, S; Milovanović, J.,(2012), Održivi turizam u funkciji ruralnog razvoja, str. 62.

<sup>48</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 62.

<sup>49</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 62.

Serbian society should preserve village in order to preserve its roots, heritage, culture and resources. Visitor is often welcomed in Serbia as a member of the family. This kind of openness and hospitality attract foreign tourists.

The traditional Serbian hospitality in rural areas could change the negative image of our country in the world, and it could also create a better understanding of our traditions and customs abroad.

### *The contribution of rural tourism to small households*

Rural tourism is a basic market for local agriculture on which there is no concurrency with other regions and countries. It is necessary to research and analyze that market and to make some kind of assessments before starting with a particular product.

The biggest obstacle is insufficient interest of people in agricultural sector to cooperate with tourist agencies and hotels in order to form a marketing plan.

The best option in which small households have the most of the profit is the option in which they can sell their products directly inside their tourist offer. One of the agricultural organizations called "Moba" from Ljig have gathered data about representatives of rural tourism in Serbia in order to analyze and discover the possibilities of households for diversification of their economy and the potentials for starting with rural tourism.

The research was organized in Eastern Serbia, southern Banat, Danube region, and in the region of the lower Danube area. They researched village households which are involved in rural tourism, households interested in entering in the business of rural tourism, and subjects of the agricultural food production, NGO s, communities...

The research encompassed twenty households that are involved in rural tourism, the same number of those with the potential for diversification of their activities and economy, and the same number of important subjects in the region.

The households with at least three members, from which, at least one member is employed and they have somewhere between 2 and 10 ha of land were the object of this research.

The main elements that were supposed to be researched are the resources of small farms (agricultural and human), village cultural and natural heritage, standards about the food safety, the care of households about the environment, agriculture, market surpluses of food, the access of small households to agricultural market, the access to financial aid, and the knowledge about the rural tourism as an option for employment and diversification of income and activities, local specificities of exceptional value, and local products which have a great marketing importance.

From 40% to 60% of households consider tourism as a possibility for the development and with a major potential for the diversification of income, 10- 20% consider agriculture as a prosperous activity and others think that that potential is found outside of farm.<sup>50</sup>

The average age of the members of the household is from about 40 years in southern Banat to 46 in eastern Serbia. Better structure of population contributes to the advantage of the households in the sense of better educational level.

Gender ratio is very balanced, and it is about 52:48 in the favor of women. The quantity of agricultural land is very different between the regions. The households involved in rural tourism have in average 8 beds, with the exception of southeast Banat where they have 15 beds in a household.<sup>51</sup>

Only a small number of researched households involved in rural tourism are not adequately equipped for the tourist offer and other services such as: boats, bicycles... the touristic offer in rural areas is basically concentrated on accommodation and preparation of food, with the exception of southern Banat, southeast Serbia where large number of them offer tourist guides, vine tours.

Organic agriculture is one of the best ways of adding additional value to tourist products from small farms. Organic production and agriculture contribute to the preservation of natural resources and also to the aspects of sustainability.

Organic agriculture in Serbia could be composed out of three types:

1. First type are small eco farms, which are the best example because they contribute to the improvement of the economy of households
2. Second type are specific farms for organized production of fruit which are not practical because they are very expensive
3. Third type is big eco farm which has combined production.

The average number of the members of household included in agricultural activities is about 30% in southern Banat and 70% for the households in southern Banat and lower region of Danube.<sup>52</sup>

Great role in the income of the households is a role of agriculture and they have high levels of incomes from that despite they do not have a lot of land. More than 50 % of them get's more than 50 % of their income from agriculture. Agriculture is very important for properties with potential for diversity in southern Banat.<sup>53</sup>

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<sup>50</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 68.

<sup>51</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 68.

<sup>52</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 69.

<sup>53</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 69.

In the lower region of Danube about 15 % of households had more than 50 % of income from agriculture. Their income usually comes from donations or from their relatives who work in foreign countries.<sup>54</sup>

More than 50% of tourist needs could be satisfied with the production inside the household. Majority of households from southern Banat does not pay much attention to preparation and usage of their own food instead, they buy it on the local market, and in central and eastern Serbia consider homemade food as the main factor of tourist attraction.<sup>55</sup>

Majority of households that have potential, also have a need for some kind of financial support. Majority is ready to start with new business and to enlarge their current activities, but they all think that their biggest problem is the lack of state subventions, lack of approach to credits, and education.

The main lack of knowledge exists in areas of marketing, finances and new trends and tendencies. More than third of households are ready to pay for this type of knowledge.

For more than half of participants of research main reasons for the diversification of activities is the need to improve and stabilize income and the other motivating factor for diversification is the desire to employ their own working force, and exploit resources.

Participants think that the main criteria for business success is satisfied customer - 65-90%, and then profit, and on the last place, the employment of their working force. In eastern Serbia many people had said that the employment of their working force is a priority.

All of them see the need for the improvement of touristic offer. Key elements are the improvement of infrastructure, marketing and enlargement of the list of services, and tourist products from the region.

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<sup>54</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 70.

<sup>55</sup> Milošević Đorđević, S; Milovanović, J., (2012), Održivi turizam u funkciji ruralnog razvoja, str. 70.

## **Research methodology**

For the verification of my hypothesis and assumptions, I will create a methodological plan of my research which will contribute to the clarification of the overall situation, current problems and issues by usage of aid of legal, tourist and economy professionals. I shall design a plan of my research and the main instruments for my thesis. Then I will analyze gathered data, and hopefully come to conclusions.

In order to write my thesis, I shall use methods of sociology, economics and law. I will have to assemble qualitative and quantitative data for verification of my hypothesis.

The collection of qualitative data is very important for my research because I am planning to verify my assumptions and hypothesis by organizing in-depth interviews with leaders of touristic and cultural organizations and institutions, as well as, with the law experts from the ministry of culture, economy, and the professionals from the Belgrade chamber of commerce.

In order to test my first hypothesis about the underdevelopment of rural tourism in Serbia caused by the lacks of professionalism and knowledge, I will use the qualitative research approach. I am planning to organize in depth interviews with the professionals from tourist organization of Serbia.

In order to prove or disapprove my second hypothesis related to the creation of certain legislative and economic stimulating measures on state level which could help to the development and better organization of rural tourism in southeast Serbia I shall use qualitative research approach.

I will use some of the methods of qualitative research such as in depth interviews and discussions with the rural tourism experts as well as with owners of ethno houses which are involved in tourism and they will be one of the sources of data, and for the other, I will use desk research on those kinds of organizations in the states members of the EU.

In order to prove or disapprove my assumption, I will use qualitative approach. I will organize in depth interviews and discussions with experts in our and the legal system of the EU, and their knowledge will be my main source of data.

## *Instruments of research*

As the main instruments of my research, I will use in depth interviews and desk research. Interviews can help me to get the opinions of many important persons in the tourist and economy sectors which will, along with the theoretical research, clarify many problems and provide a wider picture of the current situation.

I will design well organized and structured interviews with some general, and other individually adapted questions. My interviews will contain neutral and objective questions because I want to get genuine and not manipulated opinions and attitudes from selected professionals. I will make sure that they are informed about the anonymity of the interview and that they are going to be used only as a part of my research.

These interviews will help me to further develop my understanding of quantitative data which will assembled, prove or disprove my hypothesis, or even force me to change it or adapt it in some way.

As I am planning to understand and analyze the situation in the sector of rural tourism from the standpoint of cultural policy, I will be interviewing experts from the economic, tourist and cultural sector. Firstly, I will talk to the representatives of the tourist organization of Serbia, Belgrade chamber of commerce, economy and law expert, and the rural households which organize rural tourism and have insights in all the problems and challenges of their work.

All these information will help me to understand the whole functioning process of rural tourism from the top to the bottom, from those who make the policies and measures to those who must adapt and organize their work within those rules.

Some of the people I will try to interview are: Gordana Plamenac (director of TOS), Miladin Ševarlić (Serbian chamber of commerce, and the rural tourism entrepreneurs from southeast Serbia)

For the theoretical part of my research, I shall use the internet sites of TOS and Belgrade chamber of commerce, books and papers on rural tourism from professor Vesna Djukić, articles and papers from professor Milena Dragićević Šešić and many other domestic and foreign authors.

## *Discussion- data analysis*

As a result of many interviews with eminent experts and professionals from the fields of economy, tourism and law, and many hours spent doing desk research I came to various useful conclusions which confirmed my hypothesis and also gave me answers to my research question about the necessary changes of laws and regulations in the tourism domain.

I organized focus groups where we discussed many important problems and issues in the tourism in Serbia in general and also in the southeast Serbia. We analyzed main strengths, weaknesses, opportunities and threats and we came to various different and sometimes opposite opinions which was useful for my further research and conclusions.

I also talked with owners of ethno households in the eastern Serbia, and I basically confirmed my previous ideas and conclusions which I imagined during my desk research. Nonetheless, I had some problems with the fact that I started to do my interviews and focus groups in the month of June when majority of working population in Serbia is on some kind of vacation, and basically nothing is fully functioning.

So, I believe that that was the main obstacle to my research and to reaching sufficient number of professionals in those fields. Moreover, the politics in Serbia is often changing and as soon as one political party assumes the leadership, many professionals, institutions, organizations, and even successful programs and projects are basically shoot down without a proper reason or logic, so that was also a big obstacle in my research.

On the other side, many professionals that talked with me, really gave me many useful information, and the organization in which I am doing my internship also helped me a lot by connecting me to those professionals and experts that I could not reached on my own.

Some of them were able to give me just short answers to my questionnaire via email because of their other obligations and responsibilities and others talked to me only on the telephone, but those short answers sometimes were more useful than the long answers given to me in a live interview.

I used all this answers and information which I got from those live, telephone and email interviews and I used them as an integral part of my desk research, which gave me an opportunity to complete my thesis and my research in the best way possible and with as much knowledge as I could get on this subject.

## *Main results of my interviews with professionals from tourism, law and economy*

Majority of people from those sectors claim that the biggest flaws in our tourism law are that its form is unsuitable for reality in Serbia, and that is destroying all small agricultural and ethno households who want to have a legitimate business and on the other side, it is indirectly encouraging illegal work.

For example, it says that from the moment in which tourist arrive in the ethno household, the owner of the house is obligated to go to the nearest police station and report his guest (in the next 24h) and fill paperwork about him or her, which is very complicated and expensive for people who live far away from police stations in remote villages because they have to drive for couple of hours to the station and the amount of money that they spend on gas is equal to everything that they got from the tourist.

Moreover, they cannot take the money directly from the tourist, but, the tourist have to give the money to the tourist organization responsible for that area and then, the owner can go there and take his earnings which creates many organizational and fiscal problems.

However, if the house owner decides to make his tourist business illegally, there are no proper mechanisms of investigation and prevention of those activities. He does not have to go through complicated and long lasting procedures to get the permission, and he does not have to drive to the police station and to spend his gas, and in addition, he may charge his services on sight, without complex and unnecessary procedures.

In addition, law does not have efficient measures of stopping or preventing this kind of illegal activities, so, the worst thing that can happen to the illegal business owners is that the inspector close their household and they have to pay about 3.000 dinars or 30 euro, and as soon as the inspector leaves, they open their business without a problem.

So, in some way the laws are stimulating illegal work and discouraging all small entrepreneurs who want to make a legitimate way of earning money.

In tourist organizations of the southeast, they think that rural tourism is the only option for revitalization and re population of these areas, but they also believe that our government does not care for this kind of development.

They also think that all master plans and strategies are not clear and detailed. In addition, our strategies do not have specific details about the planned investments and the amounts for each region.

They think that eastern and southern Serbia has great developmental potential for rural tourism, especially Pirot municipality with 32 categorized ethno households with 150 beds in 12 villages on Stara Planina. However, they have many problems in realizing all their plans because of the lack of knowledge of the local population, as well as the lack in infrastructure.

They also have many problems with the uninterested centralized system of governance in Serbia, which does not want to be involved in the development of other regions. They also have problems with lack of professionalism and big influence of politics on the work place.

They think that the state should create more detailed plan of investment and subventions for villages and regions with tourist potential such as: municipality of Pirot and Stara Planina. Pirot has its own tourist organization and strong and well organized work groups, and they have already created successful cooperation with tourist organizations in Bulgaria.

They organized some level of rural tourism on Stara Planina, but there is still a lot of work to be done, and they need the help of the state in order to reach their goals. They suggest that the state should give financial help to all categorized village households that show potential for tourism and that state should organize educational programs for local population.

They believe that we should have work groups of well educated people who would organize cooperation with LEADER program and other EU funds for the development of sustainable rural tourism. They think that we do not have enough of these experts.

They think that the state should invest in adaptation of cultural centers in villages and in the development of cultural manifestations as well as in the organic agriculture and elevation of the quality of services in rural areas. In addition, state should give direct support to each village as well as a development plan.

The main obstacles for owners of rural households are lack of financial means, and lack of knowledge about the level of services required by modern tourist.

They also think that southeast Serbia is undeveloped, but that it has a lot of potential for the development of tourism because it's rich cultural and historic heritage. They believe that the involvement of all sectors is necessary in order to achieve sustainable development of these areas.

They all see Stara Planina as a big potential for rural tourism, there are a lot of villages there that are completely abandoned, but they possess many natural resources and beauties. They started with the development of eco and rural tourism there, so, they are hoping to see the effects in couple of years.

## *Interpretation – policy recommendations*

My recommendations will be based on three elements- theoretical models, councils and recommendations of professionals and my personal conclusions regarding this problematic. I will try to offer realistic solutions for current situation in the domain of rural tourism.

My first recommendation would be to create a system of coordinated investments of all sectors and all levels. Also, I would recommend cooperation between all sectors and creation of joined measures of sustainable development with clear investment and development plans for every region and community in Serbia.

This would provide more transparent system of tourism development and it would enable creation of services that would help individuals in rural areas.

I would also recommend systematic support to the development of village communities and private-public partnerships. Also, we should create national system of data where all village households would be categorized.

In addition, we should have more realistic strategies of development and decentralized system of decision making, as well as, many educative programs for local population in rural areas. Civil societies could organize those programs and help the locals in improvement of tourist offer.

We should also invest in infrastructure in the southeast, and employ experts for rural tourism, who could create cooperation with networks and alliances in the EU. We could get involved in LEADER program and start to use IPARD funds. Moreover, we should form groups of professionals who would coordinate and organize usage of EU funds.

We should renew the Network for rural development and improve its way of functioning. We could form network and alliances between communities and villages in order to share information and experiences between them.

We should create a stimulating tax system for rural entrepreneurs, as well as a system of subventions and investments in endangered types of population, such as: women, young and elderly. The state could give incentives for organic agriculture and local partnerships between agriculture and tourism.

We could create a law on public-private partnerships in tourism domain and thus create a long lasting cooperation. This system could contribute to the sustainable development of rural areas in the southeast generating more jobs for local population and create incentives which could stop migrations from those areas.

We should also create laws that allow to house owners in rural areas to report their guests via internet to the local tourist organization and to charge them on the spot. That would be a big incentive for entrepreneurs to legalize their businesses.

It would be also convenient to create possibilities for local population to get non refundable loans from the state if they have good business plans.

The state should also attract investors in the southeast, and not only in the Belgrade area. And it would be useful if the government would start to cooperate with civil societies interested in rural development. State should decentralize the governing structures and depoliticize tourist and other organizations by employing capable professionals.

We should also create different plans and strategies of development of rural tourism, as well as organic agriculture, concentrated on practical and direct assessments of rural areas and their potentials and investments in their further development.

We should also create national rural tourism propaganda and advertize it in very aggressive and efficient way. In that propaganda, we should concentrate on our historic and natural uniqueness and our welcoming nature.

We should incorporate in national and regional propaganda incentives to domestic tourists to invest in their own economy by spending their vacation here. That was the strategy of many developed countries when they were in crisis.

We should influence on the state of mind of people in Serbia, and promote an image of successful villages, and in that way, contribute to the destruction of negative rural image created in communism.

## Conclusion

After all those desk researches and conducted interviews, I can conclude that rural tourism is a real possibility of development of the southeast, but that possibility cannot be used until the state as a whole understands the importance of this sector.

I also concluded that we have a general lack in professionals, organizations, and associations involved in this kind of tourism, especially in the southeast. We have a lack of state's interest in these regions, and ambitious laws which are not suitable for our current situation and level of development.

I also witnessed complete or partial disinterest of tourism and geography experts in this problematic, and especially in the southeast. It seems as if they do not want even to explore this region because they see it as undeveloped in every sense and beyond saving.

I concluded that southeast Serbia is a very rich part of our country, both in natural and cultural resources and that it has a great potential for the development of tourism. However, they are underdeveloped in basically every sense. A lot of young and educated people left those areas after the closing of factories and destruction of public institutions.

They do not have infrastructure and their villages are disappearing. However, considerable efforts on local level are visible, for example, in Pirot, they are organizing themselves, and they have started cooperation with Bulgaria and many interesting local projects related with this type of tourism.

We have more similar examples, but they are all isolated cases, where municipality and its leaders organized themselves and started projects on their own initiative. That is not enough, we have to have an organized effort in all sectors of the state and they have to cooperate and create similar initiatives in all endangered municipalities with potential.

I also realized that we can adopt some of the measures and policies from more developed countries within the EU, but we have to adjust them to our situation and more importantly, to our mentality and way of life. We should not imitate or copy their strategies because our economic and political conditions differ in many ways.

Our organization and systematic support to the development of this type of tourism is insignificant and it is worst every year, and as a result, more and more people are leaving these areas.

Main economic problem is insufficient financial support to all initiatives within this domain, and unorganized and unplanned investments in areas where they cannot give proper results. Also, there is a lack of coordinated investments and subventions between all levels and sectors.

Main legal obstacles are laws which are too ambitious and unrealistic for our current situation, and which do not offer proper legal stimulating measures to initiatives on local level. Moreover, we do not have organized decentralized system, and as a result basically every important institution and organization is in Belgrade. Moreover, we do not have systematic cooperation between public, private and civil sector.

In addition, tourist organizations in small towns and municipalities are not very organized and they do not receive proper financial and professional support of the state. There is no organized or systematic connection or cooperation between national tourist organization and other organizations of that kind in rural areas and small municipalities which creates many developmental and other problems.

Main social obstacle is lack of local population (because of frequent migrations from rural areas) and lack of knowledge about rural tourism in general, both on local and on state level. Without human capital, every legal or economic stimulating measure is redundant.

This situation of mass exodus and abandonment could be stopped if we all would change our priorities and focus on improving living conditions and economic situation in the southeast with intelligent and strategic planning and cooperation on all levels.

However, in this situation and with this economic and political situation, as well as with total disinterest for these problems and questions, I believe that systematic and organized development of rural tourism in the southeast would be very difficult.

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## *Biography*

My name is Jelena Lalović, I was born in Belgrade, Serbia, in 1988. I have finished studies at the University of Philology in Belgrade in 2012, where I studied French language and literature. In 2013, I enrolled in joined Master program in Cultural policy and management, of University Lumière from Lion and the University of Arts from Belgrade.

I was involved as a volunteer in several organizations where I worked as administrator and assistant, in 2014, I worked for three months as an intern for civil organization “European movement in Serbia” where I assisted on organization of events and I did research for my master thesis.

I also work as private professor of English and French, and I give lessons of Serbian language to foreigners. I speak fluent English, French and Serbian language. I have C2 level in English (TOEFL diploma), and I have a C1 level in French (diploma of the French institute in Belgrade). I am working with foreigners and I communicate with them on every day basis in both English and French.

I love to discover and learn about different cultures and languages, and I like to work and cooperate with foreigners. I hope that I would get an opportunity to be a part of international environment at my future place of work.

