

CHAPTER 4

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OPPORTUNITIES AND DIRECTIONS OF RURAL TOURISM DEVELOPMENT IN THE REPUBLIC OF SERBIA

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Rural tourism development planning is focused on both economic growth and sustainable development. Sustainable rural development is essential for conserving and improving resources, while economic growth contributes to a better standard of living. From the aspect of tourist eco-destination, the main contribution is to the general diversification of the rural economy, specialization and creation of new products of rural tourism, creation and additional income from family farms and environmental protection. The main goal of this chapter is to analyze the development of rural tourism in the Republic of Serbia, the possibilities and directions of tourist destinations in the rural tourism sector. The aim of the research is to determine, use the methodology of rural area assessment (PRA), economic activities developed in the village, the importance of rural tourism, and take into account the scope of sustainable development as well as the impact of the Covid-19 pandemic on rural tourism.

1. INTRODUCTION

The first decade of the twenty-first century brought a significant strategic shift from mass tourism to the development of alternative forms of tourism in response to growing uncertainty caused by dynamic and structural changes in consumer behavior, international competition,

technological development, social and environmental responsibility and other factors. In particular, the protection and preservation of natural resources and socio-cultural heritage are considered an important component of sustainable development. As a result, there is a greater appeal for sustainable, responsible and balanced regional development, especially in countries in transition due to the challenging economic and socio-cultural environment. Accordingly, increasing academic attention is paid to the development of rural tourism, which is widely promoted as a means of tackling the social and economic challenges facing rural areas, primarily those associated with declining traditional agriculture and increased population migration. From the tourism aspect, the offer for rural tourism is fully dedicated to individuals and their needs, along with other selective forms of tourism. From the aspect of tourist ecodestination, the main contribution refers to the general diversification of the rural economy, specialization and creation of new rural tourist products, generation of additional income on family farms and protection of natural resources. The attraction of rural tourism is based on the multidimensionality of natural resources in rural areas (Vujović et al., 2020).

The corona virus pandemic has threatened the tourism industry around the world, completely disrupting all types of traffic and border crossings. After the recommendations not to travel or summer outside Serbia during the epidemic, this is a chance for rural tourism during and after the epidemic. This view is shared by all representatives who have been dealing with this form of tourism economy for years. Rural tourism has a chance in Serbia more than ever, but in addition to good food and clean air, the guest should be offered something else.

The negative impact of the Covid-19 pandemic affected all forms of movement in tourism, while tourism in rural areas resisted the pandemic, which we can conclude from the fact that villages revived in that period, many traveled from town to village in a healthier environment. In fact, it is possible that this crisis will improve the development of domestic tourism while improving the quality of tourism services in rural areas. Covid-19 has made a great transformation in the field of rural tourism, tourists have switched to domestic tourism based on nature.

2. MATERIALS AND METHODS

There are many approaches to defining rural tourism. Some interpret rural tourism as residents of cities who rest in the countryside with the

lease of a rural household. Rural tourism as a type of tourism, which facilitates the permanent stay of tourists in rural areas for the purpose of recreation or involvement in agricultural activities. Rural tourism, where much of the tourist experience is based on the cultural milieu of the farm. However, rural tourism is not just accommodation on rural households or farms. Such a territorial approach to tourism limits opportunities for sustainable development and does not meet the real requirements of rural communities. This approach to rural tourism, special trips to rural areas with relatively undisturbed ecosystems and ethno-cultural complexes, have a direct impact on rural development and are subject to control for the purpose of sustainable rural development. (Bogdanov & Cvejić, 2011)

The given concept includes two main definitions. First, rural tourism is called an ecologically oriented tourist product on the domestic and international tourist market. Second, rural tourism is expected to act as one of the tools for sustainable rural development. Following this idea, rural tourism is mentioned as a kind of activity, which refers to the organization of special trips to rural areas, which provides tourists with a complex tourist product (accommodation, meals, excursion services and entertainment), reflects and preserves the natural and cultural identity of the region and ensures the economic benefits of the household through the development of employment opportunities and alternative sources of income for the local population.

The methodology for assessing the potential of rural tourism in rural settlements presented in this paper was developed with regard to previous research in this area, through the assessment of resource efficiency of rural communities, rural tourism potential in Serbia and analyzed the main problems of this industry with special attention to regions.

The needs of the subject research are clearly defined through generally accepted basic business and social attitudes about further directions of medium-term and long-term development of the Republic of Serbia. These attitudes are officially defined and determined by numerous social decisions and documents related to the future development of this area.

The basic goal of the defined research is directed towards objective and scientifically based valorization of rural tourist resources of the Republic of Serbia. It is estimated that there are many undefined economic and social attitudes in this sense. Attitudes, on the basis of quality, scientifically based research, should be precisely defined and programmatically and socially determined by descriptive and comparative analysis. The results expected in this sense should represent

not only a theoretical contribution to the development of the science of rural tourism, but should also have practical implications in terms of determining the direction in which direction and in what concrete way to further develop rural tourism in the Republic of Serbia.

The analysis of understandings and points of view in the available literature, from the field of research, showed that the attitudes of mainly, principled and affirmative character are defined and publicly expressed. Most of the works in this area glorify the available tourist resources and potentials of Serbia, emphasizing the view that these resources and potentials are not sufficiently and adequately used. There are few papers and objective analytical observations focused on limiting factors and specific weaknesses of the Serbian tourist corps. It is about the factors and weaknesses that put this area - according to some relevant determinations, in an inferior comparative position in relation to other neighboring tourist areas.

Studying a wide range of theoretical and practical approaches to rural tourism, for the purposes of this research we highlighted the great social and economic impacts of rural tourism on sustainable rural development, which are (1) creating new employment opportunities and alternative sources of income for the rural population; (2) retention of economically active population and young people in rural areas, lower outflows of migration; (3) establishing a market for local agricultural and organic products, local specialties and handicraft products; (4) preservation of the natural, ecological and cultural heritage of rural areas. The above parameters were accepted as a basis for the development of a methodology for assessing the rural tourism potential of selected rural settlements. (Jovanović & Živković, 2018)

Precisely for these reasons, all constructive and scientifically based efforts aimed at studying tourism in the Republic of Serbia - in terms of its improvement and further development are welcome and have their full scientific and social justification and validity. It is in this sense that the need for the proposed subject research should be understood.

2.1. Opportunities for the development of tourist destinations in the rural tourism sector

Rural tourism consists of various forms of tourism outside the cities, conditioned by the attractions of rural areas, with various contents: tourism in peasant farms, hunting, fishing, sports and recreation, health, cultural, tourism of protected parts of nature and the like. It includes both

tourists (multi-day visitors) and excursionists (one-day visits). Its bearers are rural households. Staying on a rural property in a natural environment is an exceptional experience, you get to know new spaces and socio-cultural contents in the basis of a different way of life, and even thinking. For the development of rural tourism, changes are necessary on the side of the tourist offer in terms of changing the negative attitude about the attractiveness of staying and vacationing in the countryside and in nature. (Janković, 2020)

The development of tourism in the territory is based on the design, development and promotion of numerous attractions for tourists, as well as the provision of services that tourists need to access and stay in the destination.

Tourist attractions are usually based on the available resources at the destination. Undoubtedly, those territories whose allocated resources have a high comparative advantage over others who do not have them. For example, a destination that benefits from an exceptional natural environment or cultural resources has strong comparative advantages that favor the development of tourism. However, through investments in tourism infrastructure, territories can create tourism resources, achieve competitive advantages that lead to better positioning in global markets.

Therefore, resources or attractions in a destination, created ex nihilo or already existing, are the basis for which private and public agents plan and develop tourism products that represent the unique value of the destination's offer. From a holistic aspect, each tourist destination can be considered a complete tourist product.

There is a broad consensus on taking tourist destinations into account as units of analysis when studying the tourism sector. Therefore, the destination becomes the basic geographical unit in which tourist activities are planned, managed and sold. Accordingly, for many authors, destinations are the most relevant brands in the tourism sector. (Manić, 2014).

Figure 1 describes all stakeholders who interact at the destination and who work together to define and offer a tourist destination. As can be seen, the destination is a complex social system, the so-called. destination system, composed of three basic subsystems: tourists, tourism suppliers and government and other organizations and institutions.

The destination system is limited by the scope of a particular spatial unit, whose boundaries are determined by tourist demand, regardless of administrative boundaries. Because of these characteristics, the

destination system requires integrated management in order to achieve a synergistic effect of coordinated horizontal management (territorial management) and vertical management (branch or sector management).

Figure 1: Main components of a tourist destination.



Development planning is the basic function of tourist destination management, and it is the primary function in which all other destination management functions are connected. The importance of proper destination development planning is evident in the need to minimize potential shortcomings in the destination line and development concept. Organizing is the next function in destination management. It must be reported and aligned with the previously established destination plan, and must focus on the effective achievement of planned goals and strategies. This function identifies the most suitable organizational structure for destination management, which essentially requires the interaction of the public and private sectors. (Manić, 2014)

Consequently, the supply of tourism products at the destination depends mainly on the cooperation of private and public agents, but also on other agents that indirectly contribute to the global service delivered to tourists at the destination, such as the host community and other stakeholders, such as working associations. on the conservation of natural resources at the destination.

Consequently, the attractiveness of the destination will be determined by the ability of these agents to coordinate their work, supplement the propositions and cooperate in designing, planning and implementing the destination strategy with the aim of proposing a differentiated and competitive value proposition. To go further, it can be emphasized that

destination tourism consists of a network that includes three components at the same time: actors, material resources (such as equipment and infrastructure) and interactions.

A tourist destination is a geographical area where tourists spend at least one night. It consists of all services and infrastructure necessary for the stay of a particular tourist or tourist segment. It has a physical and administrative boundary that defines its management, its image and positioning that determine its competitiveness in the market. (Cvejić et al, 2010)

It is also possible to talk about "macro-destinations" when addressing countries or territorial units. For example, "Europe" or "Alps", which includes Austrian, Italian, Swiss and French territories, among others. Within the so-called "macro destinations", several micro destinations can be identified, such as e.g. "Cities" (Belgrade, Novi Sad, Subotica, Nis), natural parks (eg Chavash Varmane or Valdaiski National Park in Russia) or ski resorts (St Anton, St Moritz or Courchevel in the Alps).

Thus, "macro-destination" includes "micro-destinations", which are, in fact, the result of the aggregation of various tourist products packaged and commercialized within that territorial unit.

The description of the different levels that can be taken into account when defining a tourism product shows how complex the system of resources and actors is at the level of "macro-destination" or "micro-destination". It is obvious that the managerial implications for destination brands such as "Europe" or "Alps" are more complex and require more coordination efforts by all actors in the territory than the management of smaller areas such as the city.

Although the difference between different levels of tourism products and destinations is useful in defining the scope and complexity of destination management, from a destination search approach they are considered "the basics of tourism products, providing a unique experience to consumers". Accordingly, while destinations are traditionally viewed as well-defined geographical areas, it is now widely accepted that destination has become a perceptual concept, which consumers interpret subjectively. Cooperative organization represents an imperative of modern productive economic development of rural tourism (Mitrović et al.,2021)

Transport infrastructure provides accessibility to destination resources, attractions, accommodation, catering services and leisure activities or business meeting providers. Tourists become the center for which the destination is intended. Consequently, various agents communicate with tourists within Local Tourism Organizations (LTOs). LTOs can

contribute to the coordination of these actions. Accordingly, LTOs play a key role in the destination.

LTOs coordinate the functions of all actors responsible for tourism. They encourage collaboration between all actors to design and complement the global destination offer, and to build a destination image together. Also, LTOs organize communications towards target markets, strengthen destination positioning and ensure destination sustainability. In addition, LTOs can facilitate distribution efforts by linking supply to tourism demand. Finally, LTOs can contribute to the management of the host community by encouraging it to welcome tourists.

2.2. Competitive position of destinations in rural tourism

In general, there is agreement on the fact that a tourist destination is competitive when it has a robust capacity to attract visitors and provide them with satisfying and memorable experiences in a cost-effective way, while improving the well-being of the host population and preserving natural and cultural resources. But what are the factors and conditions that lead to the evolution of a destination through a sustainable and competitive tourism model?

From an empirical perspective, the Travel and Tourism Competitiveness Index, which measures the competitiveness of tourist destinations from 140 countries in attracting international tourists, suggests that the main determinants of tourist destination competitiveness are:

- (1) cultural and natural resources of the destination;
 - (2) the availability of adequate infrastructure that is accessible to tourist facilities and satisfies tourists and
 - (3) a healthy and favorable regulatory framework for travel and tourism;
- (Lukinović & Jovanović, 2018)

Some of these characteristics make destinations attractive to tourists, allowing them to achieve a differentiated position (such as natural resources or cultural heritage) in tourism markets, while others, however, allow destinations to achieve competitive advantages in the long run (such as working on market economy).

This analysis indicates that governments and public administrations in destinations have a strategic role in establishing appropriate conditions and the necessary environment for tourism development. Consequently, the two crucial tasks to be achieved in order to ensure destination competitiveness are the establishment of an appropriate regulatory

framework for travel and tourism and the provision of basic infrastructure.

An indicator of the best competitiveness for a tourist destination is that the destination has stable growth over time measured through the number of destination tourists.

The main predictors of stable growth performance in destinations are:

- (1) affinity for travel and tourism;
- (2) guaranteeing security at the destination;
- (3) the existence of a favorable regulatory framework for tourism;
- (4) environmental sustainability and
- (5) price competitiveness.

After reviewing the most significant contributions that explain the determinants of KTD, we need to address the competitive environments in which destinations conduct their activities.

Tourist destinations are presented as a system of providing services. Accordingly, from the tourist point of view, there are a number of activities that are performed at the destination, some of which are visible, while others remain invisible.

Tourists directly experience the "visible side" of destination management. Because destination managers control a unique environment, composed of the main resources and attractions of the destination, as well as other supporting resources, they influence how the tourist experience will be experienced. Tourists feel more or less satisfied, depending on how the managers perform their tasks.

Other aspects that affect the position of destination managers may directly affect tourists' impressions of the destination: For example, the quality of services provided by contact staff in hotels, restaurants and other care and treatment services. Although individual companies will manage quality, it is up to destination managers to encourage and provide tools to achieve quality in the destination. Again, the experiences of tourists will depend on the effectiveness of such management initiatives. Behind the visible phase where the tourist staff provides services to visitors, the destination itself organizes. Basic activities such as destination planning and development, long-term, as well as destination marketing, in the short term, are achieved to provide the right framework for the sustainable development of tourist activity in the destination. This part of destination management is what we call the "invisible side" because tourists can only experience the management of these factors in an indirect way. On this "invisible side" of the destination organization,

they control and qualify the determinants of the competitiveness of tourist destinations, for example the destination capacity. (Živković, 2018)

Although tourists communicate directly with the visible side of the destination, they experience the whole place, and as a consequence they indirectly experience the effects of destination managers' decisions about the "hidden elements" of the destination. Thus, tourists will develop a destination image in their mind, based on previous knowledge, expectations and experience at the destination

As a result, destinations project an image into different markets, and tourists see this in relation to other destination images projected by competing destinations. Competitive and comparative advantages are taken into account when potential visitors compare destinations, and as a result, some destinations are better positioned than others in the minds of tourists.

Finally, the tourist experience in the destination is also important. This is further reinforced if the section on tourist experiences and behavior is taken into account. We can already say that the tourist demand for the destination will be very sensitive to the efforts in destination branding and promotion, as well as to the exposure and competitive evaluation of the destination. This is especially true when destination digital marketing strategies increasingly rely on social media to communicate with potential visitors. Again, cooperation between all stakeholders becomes essential to broadcast a unique and attractive destination image.

2.3. Potentials for the development of rural tourism in Serbia

The current rural development policy recognizes the multifunctionality of agriculture, ie. those activities that go beyond food production, such as preserving the environment and providing employment and income for the rural population in non-agricultural activities and offer a basis for rural tourism. Sustainable development as a planetary concept can be incorporated into the tourism industry, so today we are talking about the need for tourism activities to be designed and implemented in a way that will have a minimal negative impact on society and the environment. In this regard, sustainable rural tourism relies to the maximum on environmental principles and respect for the requirements of nature and the inhabitants of rural areas, that tourism contributes to economic empowerment, protection of natural and other resources in rural areas.

(Janković, 2014)

Circumstances in the wider environment have led to the situation that Serbia, as a country in transition, has been constantly exposed to complex conditions for more than two decades, in which things began to undergo the most dynamic changes in the field of tourism and rural development. When the socialist system collapsed, it led to significant changes in the economies of the former republics.

The basic postulates built for decades of economics have been destroyed, so that all economies, regardless of some differences in the nature of the system or the market value of some production factors - are marked as - transition economies. Also, our region was engulfed by the wind of war, which left terrible consequences on the economies of all the republics of the former Yugoslavia and on each individual. In addition, these consequences are felt strongly and will probably be present in the distant future. (Bogdanov & Petronijević, 2009)

Given the complex economic and social environment, rural areas are particularly concerned with a large number of negative changes, mostly economic, followed by social and environmental.

Namely, there are many rural areas that are exposed to continuous processes of depopulation, economic decline and complete marginalization due to the intensive process of industrialization, urbanization and electrification. The village is declining and taking away the authentic way of life and the comprehensive culture of the village because people as bearers and transmitters of these values are leaving the villages and leaving. Further depopulation, with the introduction of new non-agricultural activities and the reorientation of mass tourism, is causing rural areas to exhaust traditional agriculture and rural life.

Given these arguments, we can formulate the claim that tourism can be promoted as a means of combating the social and economic challenges facing rural areas in Serbia, primarily those associated with the decline of traditional agricultural industries. It is important to note that tourism is in many cases an additional activity that provides significant support to the traditional rural economy, which primarily consists of agriculture, forestry, crafts and other activities.

The division of rural tourism is very rich and very dedicated to the characteristics of the area in which the tourist activity takes place. Due to this fact, it is necessary to insist on a complex definition of rural tourism. Rural tourism can be defined as any form of tourism that takes place in rural areas, but this simplification can be quite problematic in terms of creating clear boundaries between urban settlements located in rural areas

and authentic rural experience on a tourist farm or in a rural hotel. is a term used when rural culture is a key component of the product ".(Jovanović & Živković, 2018)

This concept presupposes a personalized connection with tourists and a specific rural experience. In addition, if possible, the possibility of active participation in certain agricultural activities and other activities, traditions and ways of life of local residents will be offered. This approach could provide a completely new experience that is almost impossible to achieve in the so-called destination. Mass tourism.

According to an extensive literature review and international research of rural tourist destinations around the world, it is possible to select several specifics for the tourist offer in rural destinations. Namely, the tourist offer is extremely fragmented and represents a large number of micro and small regionally dispersed providers.

The rural tourism venture is largely family-owned and based on limited resources for further development, these businesses usually remain small and rely heavily on family members, especially women. A warm welcome and personalized contact are considered to be the most important competitive advantages compared to other forms of tourism. The typical rural lifestyle is considered to be the main attraction, and therefore the protection of this intangible element of rural cultural heritage is highly recommended. In any case, a previously maintained rural area with authentic rural life is a basic source for rural tourism.

Rural areas where poor production, small quantities and maintenance of traditional lifestyles represent a significant platform for creating innovative tourism products, attractive to tourists from industrial and suburban areas, have lost the key characteristics of recognition as a rural area. This is very important for Serbia and its rural areas of exceptional natural beauty and rich culture and tradition.

On the other hand, there are a large number of risk factors that can affect the development of rural tourism, such as:

- Large lack of inconsistencies regarding the quality of services provided and may differ to a greater or lesser extent,
- Owners of such positions are limited by staff and finances, which directs them to join forces to more effectively implement destination and market management programs.
- Lack of understanding and / or misunderstanding of the concept of rural tourism, together with incorrect initial assumptions about a simple and easy product market, income and employment.

- Non-compliance with development goals of local authorities and development agencies, as a result of inadequate communication, mistrust and lack of a common vision of development.
- Lack of planning for further development and limited use of the marketing concept as a business philosophy that leads to a lack of information about the needs and desires of tourists.
- Lack of funds to start and / or continue operations as a result of insufficient understanding and support from the state, banking and other financial institutions, especially in countries in transition.
- Lack of information on opportunities for further development of tourism, which leads to the exclusion of villages into a single tourist product and lack of support from local, regional and governmental entities. (Njegovan, 2016)

However, it is worth noting that in many cases rural tourism is an additional, multifunctional activity, which complements traditional agriculture that significantly contributes to the diversification of the traditional rural economy, improves the socio-cultural environment and provides protection of natural resources in rural areas.

3. RESULTS AND DISCUSSION

Using extensive literature, available secondary data from state bodies (eg the Government of the Republic of Serbia) and relevant international organizations (UNWTO, WTTC), this part of the paper investigates the status and factors influencing rural development and the development of rural tourism in Serbia. These factors are analyzed in detail to provide ideas and guidelines for future development.

Political and economic changes in Serbia in the late 1980s and early 1990s, according to statistics, did not result in a decline in production, the characteristics of several other countries undergoing transition processes. In the period 2009-2013. year, the growth of total agricultural production was achieved, with an average annual rate of + 2.9% (2014). Despite the stated facts, Serbia is a net importer of agro-food products, due to its untapped production potentials.

Table 1. Basic indicators of development of rural areas of Serbia

	Republic of Serbia	Rural areas
Geographical indicators		
surface area km ²	88.361	65.952
Number of settlements	4,715	3.904
Density of population ih/ km ²	96,74	63,10
Population and human capital		
Population (2002)	7,498,001	4.161,660
Population (2011)	7,186,862	3.786,536
Migration balance	1,48	-0.14
Participation of the population younger than 15	15,69	16,17
Participation of the population older than 65	16,54	17,49
Educated population structure older than 15 years		
% without formal education	21,84	28,19
% with primary school	23,88	26,69
% with high school	41,08	36,09
% with high and higher education	11,03	6,95
% unfamiliar	2,18	2,07

Source: Nacionalni program ruralnog razvoja od 2018 do 2020 godine, "Službeni glasnik RS", br.85/14

Rural areas in Serbia have benefited from the government's policy of increased financial and technical support, created in 2014, when the new Strategy of Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024 was defined. years. ("Sl. glasnik RS", br. 85/2014). The key measures were aimed at higher financial support for various types of agriculture and crops. Also, a key change was made by including the concept of rural development instead of the old development model that defined agriculture as the only or main economic activity in rural areas. In other words, the key element of agricultural policy reform, identified in the Strategy, is the gradual construction of an integrated rural development policy system.

The key challenges of the agricultural sector in Serbia that could be identified as quite critical for future rural development are next in the Strategy of Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024. ("Sl. glasnik RS", br. 85/2014):

1) the need to reduce the lag in technological development behind competing countries and enable the agricultural sector to cope more effectively with the effects of climate change;

- 2) the need to increase the efficiency of the food chain and the competitiveness of the agri-food sector;
- 3) providing a stable income and business environment for farmers and other entrepreneurs;
- 4) achieving economic, environmental and social goals of sustainable development, in which multifunctional agriculture and rural development have a special place;
- 5) readiness to respond to requests arising from the process of accession to the World Trade Organization (hereinafter: WTO) and the European Union (hereinafter: EU).

However, in addition to these challenges, which are listed in the Strategy (2014-2024), the following problems have been identified in rural development: (Njegovan, 2016)

- (1) Negative demographic trends in rural areas;
- (2) low productivity in agriculture;
- (3) underdeveloped agri-food industry with inadequate technical equipment, and as a consequence, relatively high prices of agricultural products;
- (4) Insufficient budget support;
- (5) high unemployment rate, poor infrastructure and low social services;
- (6) Problematic farm sizes (average farm area is 4.6 ha, and more than 50% of farms are less than 1 ha);
- (7) Lack of education and training;
- (8) Expansion services with a small number of employees and limited potential for efficient operation;
- (9) Limited credit and financial opportunities through banks, but relatively adequate financing opportunities through international programs.

At the same time, the Strategy of Agriculture and Rural Development of the Republic of Serbia for the period 2014-2024 ("Sl. glasnik RS", br. 85/2014) define the following priorities:

- 1) build a sustainable and efficient agricultural sector that can be competitive on the world market, contributing to the growth of national income;
- 2) provide food that meets the needs of consumers in terms of quality and safety;
- 3) maintain support for living standards for people who depend on agriculture and are unable to follow economic reforms in their development;
- 4) provide support for sustainable rural development;

- 5) protect the environment from the effects of agricultural production;
- 6) prepare the agriculture of the Republic of Serbia for EU integration;
- 7) prepare a policy of domestic support and trade in agriculture for WTO rules.

In the context of agriculture, a limited increase has been achieved in the last decade, although there have been very stimulating measures for different forms of production. This increase is between 2-3% in the period 2011-2016, but after that, in the period from 2016, there was a decrease of 1% (SZS 2016,). On the other hand, there are still quite serious challenges in terms of agricultural land policy, tax policy, distribution and sales, and underdeveloped links with the tourism sector.

3.1. The impact of the pandemic on the tourism sector

Today, it is obvious that the corona virus (COVID-19) has fundamental effects on economic, social, cultural, tourist, religious, political and security issues, but its intensity and weaknesses can vary in different countries. The recession that has taken place in the international economy has not yet shown good results. The crisis that affects the world economy and its impact on the economies of countries is known almost everywhere in the world, and no country can solve its problems on its own. One part that has been seriously damaged is the tourism industry.

Anxiety caused by the spread of this virus in the world has also affected the tourism industry and canceled many domestic and foreign trips. This situation has caused a crisis in the tourism industry together with the cancellation of most foreign tourist trips to countries, which in the absence of a solution causes concern and imposes huge costs on this industry, and will affect the image of all world and European tourist destinations. Other side effects, such as reduced traffic, include the hotel industry, handicrafts, airlines, and even the domestic transportation system. The tourism industry is experiencing its worst period due to the prevalence of coronavirus in most countries, but experts believe that rural tourism will experience success in countries after the current crisis.

Thus, there has been a dramatic reduction in the business activity of the tourism sector, affecting all jobs in the sector, and a large number of workers have become redundant over a longer period of time. Travel restrictions, reductions and cancellations have significantly reduced the supply of tourist services (domestic and international), while demand continues to decline.

The COVID-19 epidemic has a devastating impact on the global economy and employment. The tourism industry desperately needs vital measures to combat the epidemic, and it seems unlikely that the sector will return to normal any time soon. Even after the phasing out of retention measures, surviving tourist facilities will continue to face challenges, probably a slow recovery. The International Labor Organization (ILO) estimates that the current pandemic has caused the equivalent of 305 million losses, many of which are in the tourism sector. A pandemic and global efforts to curb it could cause the international tourism economy to shrink by between 45 and 70 percent. The domestic tourism industry is also affected. It is estimated that half of the world's population is limited by detention measures. However, domestic tourism is expected to recover faster than the international tourism industry. [ILO, 2020]

Today, it is impossible to predict the total losses that the global tourism and hospitality industry has suffered due to the COVID-19 pandemic. The sphere of tourism and catering aims to meet secondary needs; in the case of declining incomes, people tend to minimize or completely eliminate the need to go on vacation. At the time of the pandemic, this became "normal" for most tourists in all segments of the world. At the same time, caterers are struggling to survive, not only to optimize their business and seek credit, but are also looking for innovative decisions and models for further development, taking into account new conditions and changed consumer behavior.

As for tourism in Serbia, little research has been conducted on this topic. In the decade before the pandemic, there was more literature on tourism in emerging markets, including various aspects of the development of the Serbian tourism market. The results of the study confirm that tourism is becoming increasingly important as a strategic sector of the Serbian economy, as a way to encourage the development of rural regions and small settlements by implementing it in tourist routes and clusters. Based on the understanding, there is an obvious interest in supporting the tourism industry in rural parts of Serbia, that such a multi-layered and complex industry as rural tourism cannot be a burden but a locomotive of post-pandemic economic recovery. At the same time, there is no clear understanding in Serbia that the adoption of the concept of sustainability is crucial and inevitable if ambitious goals are set for the future development of tourism. In other words, people's states must understand that a commitment to sustainability is always imperative. (Radivojević, 2020)

While most published research usually focuses on issues of sustainable tourism in developed countries and in some of the most emerging economies, relevant literature on Serbia is scarce and focuses mainly on the general discussion of the Serbian tourism market. Sustainability issues applicable to rural tourism in Serbia have not been much explored so far. By filling these gaps, systematic analysis of the situation on the Serbian rural tourism market, the intentions of the Serbian authorities to support sustainable tourism, understanding of sustainable tourism among the actors of Serbian destinations for rural tourism.

In 2020, the collapse of international economic activities in the fields of recreation, transport and services put hundreds of millions of people in danger. Since the dynamics of tourist flows are greatly influenced by factors that require demand, this sector immediately suffered; there have been mass closures and layoffs in this sector around the world. Extremely recognized importance in terms of survival and sustainability faced with great challenges have conditioned a large amount of literature on the impacts of COVID-19 on tourism and hospitality.

The COVID-19 pandemic dealt a severe blow to the global tourism industry. Not only did it not neutralize the sustainable development of tourism, but it also made it more significant. Published in 2020, the vision of a planet for a responsible recovery of the tourism sector, based on the UNWTO Global Guidelines for the relaunch of tourism, aims to “become stronger and more resilient after the COVID-19 crisis” (UNWTO, 2020b)

Goals, to achieve them is the need for more and more urgent and necessary. As it progresses, it is essential to protect recent gains as much as possible and to strive for a truly transformative recovery from COVID-19, which reduces the risk of future crises and brings inclusive and sustainable development much closer.

Given that tourism is part of the service sector in which tourists are the focus of business activities, it is crucial that actors in the tourism and hospitality market adapt to the obvious change in consumer behavior, especially in terms of travel safety and increased interest in domestic destinations. It is predicted that tourists will probably return to their old habits, but their behavior will remain changed by new regulations, procedures and ways of tourism. "New habits will also emerge with the advancement of technology, changing demographic data and innovative ways in which tourists have learned to cope with the blurring of the boundaries of work, leisure and education." This often requires

significant changes in business strategy and business models.

On the part of rural visitors, there are also advantages in the form of improved mental and physical well-being due to the cohesive and healing power of nature. It is pointed out that the development of tourism in rural areas is very promising due to the fact that an increasing number of people "are looking for natural landscapes and authentic folk customs in a quiet and peaceful village in order to escape industrialization and urbanization." (Bradić-Martinović & Miletić, 2018)

In Serbia, taking into account the long-term trend of rural depopulation and the disappearance of rural settlements, the issues of sustainable development of rural tourism in the pre-pandemic period were addressed within the Strategy of Agriculture and Rural Development of the Republic of Serbia. In addition to food safety issues, the concept outlined the socio-economic, demographic and environmental aspects of sustainable development in rural areas.

Favorable factors for achieving sustainable development in rural settlements are state aid programs, state-assisted market engagement, namely opening market opportunities through support to small businesses and market engagement with individual companies that not only supply agricultural products but also perform economic activities other than food production. and thus ensure employment outside agriculture. This last (but not the least important) factor builds on the change of opinion during the pandemic period and adds the perspective of the development of rural settlements.

We must admit that the development of agriculture in the Republic of Serbia in recent years has been extremely impressive. Serbian food promotion and export promotion have led to visible positive results, both in terms of agricultural production and in terms of the success of small and medium-sized agricultural enterprises. It is also worth noting that many small and medium-sized agricultural enterprises have added tourism services to their business plans and have begun to develop value offerings for tourists, mostly at the local level.

At the beginning of the pandemic, the tourism sector was completely lost, but a significant recovery was seen only from June and July. Although this decline is also significant, it is far smaller than in the months when the pandemic became obvious and when a state of emergency was introduced.

In the period from the beginning of the pandemic in the Republic of Serbia to the end of 2020, as well as by category of tourist places and structure of tourists, the number of tourist arrivals in the Republic of

Serbia in the period from March 2020 to the end of 20205 decreased compared to the same period last year. is by as much as 69%.

Observed by the category of tourist places, we can see that spa tourism is recovering faster than mountain tourism, but also that in both categories we can already see in July approaching the achieved results from the same month last year. After the almost absolute cessation of tourism in March and April, spa tourism in June 2020 managed to recover almost a quarter of the number of overnight stays from 2019 (24%), while mountain tourism managed to recover only one eighth (12.7%) . A significant recovery was seen only from July (a decrease of 19% and 22% respectively compared to the same month in 2019). (MTT, 2020)

Table 2. Decline in tourism in the Republic of Serbia and by categories of tourist meat in relation to 2019

	March	April	May	Jun	July
Republic of Serbia	- 56%	-98%	-88%	-52%	-50%
Spas	-49%	-98%	-71%	-19%	-11%
Mountain towns	-36%	-99%	-89%	-22%	-20%
Other tourist places	-61%	-96%	-87%	-53%	-46%

Source: Radivojević, 2020

At the beginning of the epidemic, the total number of tourist arrivals decreased by 87.6 percent compared to March and May 2019, and when it comes to foreign tourists, this decline is 97.8 percent. Data on the total number of overnight stays in the Republic of Serbia in this period indicate a very strong decline in the number of overnight stays at the beginning of the pandemic (-95% and -83%). Although the recovery in June and July compared to April and May is evident and significant, it should be borne in mind that even in these months the decline is extremely large. Observed by categories of tourist locations, spa tourism proved to be the most resistant here with a decrease of 43%, while mountain tourism, according to the number of overnight stays in the observed period, recorded a decrease of 51%. As both categories recorded a decline that is less than the total decline in the number of tourist nights in Serbia, it is logical to conclude that city tourism has suffered the biggest blow. This decline was as high as 79%. (MTT, 2020) The evident trend of recovery of the tourist sector of Serbia this year should not deceive the providers of tourist services. In addition, the number of foreign tourists at the beginning of 2021 was significantly lower than usual, which indicates a recovery based on the consumption of domestic tourists, so the question is how much they will be able to endure the tourist season by the end of the year. In addition, the situation in rural

areas of Serbia, which is characterized by hilly and mountainous terrains, harsh climate, short summers and weak infrastructure, is quite problematic.

3.2. Recommendations for further development of rural tourism in Serbia

The problem of rural development is present in a large number of countries. Rural areas today are characterized by negative trends in population migration to urban centers, depopulation, aging of the rural population, declining macroeconomic indicators, etc. The goal is to find solutions to stop these negative trends and start in the opposite direction. The best results in stopping the negative trends were given by the mechanisms that harmonize the development of agriculture with other economic activities on the principles of sustainable development. Tourism with its synergistic character combines a large number of economic activities aimed at satisfying tourists and with its positive multiple effects affects the development of the economy of rural areas. (Janković, 2020)

The high priority given to tourism (and agriculture) as economic activities of strategic importance in several national development strategies and policies in Serbia, generates rapid growth of tourist arrivals, reaching the number of arrivals from the late 80's, but still highly concentrated in destinations next to large tourist centers. Rural areas have not benefited much from tourism, except for destinations near major tourist centers (along with Zlatibor, Vrnjacka Banja and Kopaonik) and areas and villages near Belgrade. The rural tourism sector in Serbia represents thousands of enterprises, mostly family-owned and developed with almost no or very little institutional support. However, the activities of domestic and foreign development agencies (USAid PRO program, etc.)

Future guidelines for the development of rural tourism in Serbia must be focused on: (Becirovic et al, 2017)

- a) Sustainable resource management
- b) Knowledge transfer and technical-technological progress
- c) Growth of competitiveness
- d) Food chain and logistical support to the agricultural sector
- e) Development of rural areas and strengthening of social structure

However, the development of rural tourism is also influenced by external factors that need to be taken into account and which can be placed in the following categories: (Plojovic et all, 2017)

- a) Climate change
 - b) Economic globalization
 - c) Membership in the World Trade Organization
 - d) Common Agricultural Policy - Requirements of the integration process
- Ahead of the publication of the long-term vision of the Republic of Serbia for rural areas, representatives of local and regional cities and municipalities discussed the impact of COVID-19 on rural and remote areas. Although rural areas were initially spared during the pandemic, they were often less prepared to cope with the disease due to a comparative lack of infrastructure and health services. At the same time, the rapid digitization of everyday life may offer new opportunities to the village. This provides new opportunities for the revitalization of rural areas by exploiting their property.

That is why, based on the stated guidelines and challenges before the development of rural tourism, we believe that in the future, we should act in accordance with the following recommendations and special attention should be paid to association and joint performance in both domestic and foreign markets. The importance of association is also emphasized by prof. Manić from the Faculty of Economics in Belgrade, who in her work "Sustainable rural tourism as a factor in the development of rural areas, the example of Serbia", as one of the key factors of rural tourism emphasizes cluster and association in order to achieve joint performance in different fields.

In her opinion, among numerous factors in the development of rural tourism, association stands out as a factor of difference that is rarely present in our area and it is based on the development of rural tourism in those areas where rural tourism is well developed. best shows the site selo.rs. The basic idea of the site is to gather all service providers in the field of rural tourism in one place and to enable them a joint presentation in one place. The selo.rs website managed to catch the eye of 576 agricultural farms which, in addition to regular activities, are also engaged in rural tourism. The idea is to make a serious offer, with true information so that those who are interested can be convinced of the offer in the field of rural tourism.

The site is both informative and sales. Through the site, the tourist can be informed in the total offer, then, after choosing a rural household that interests him, he can open its subpage id and make sure of the offer of

that rural household, to look at the ratings of those who previously used the services of that household. available calendar whether or when he has a reservation and if he finds a free appointment he can make a reservation there, directly on the site.

The disadvantage of this presentation is that it is not possible to search farms according to certain criteria, because that would make it easier to find an ideal tourist destination for a potential guest. In any case, the effort made by the organizers of the site selo.rs is to be commended and it can be said that it is one of the better ways to act together, if in no other direction is it a maker in the direction of presentation and promotion of Serbia's tourist offer in rural tourism.

3.3. Opportunities and directions of rural tourism development in the Republic of Serbia

The Republic of Serbia has exceptional geographical and natural conditions for the development of tourism, but also because the industry, as the former main economic activity of this area, is in a state of re-awakening. Destinations that benefit from an exceptional natural environment or cultural resources also gain strong comparative advantages that favor the development of tourism.

Rural areas in Serbia have benefited from the government's policy of increasing financial and technical support since 2014, when the new Agriculture and Rural Development Strategy of the Republic of Serbia for the period 2014-2024 was defined. years. A key change was made by including the concept of rural development instead of the old development model that defined agriculture as the only or main economic activity in rural areas.

Rural tourism is an additional, multifunctional activity, which complements traditional agriculture and which significantly contributes to the diversification of the traditional rural economy, improves the socio-cultural environment and provides protection of natural resources in rural areas.

From the aspect of tourist ecodestination, the main contribution refers to the general diversification of the rural economy, specialization and creation of new rural tourist products, generation of additional income on family farms and environmental protection.

Tourism can be promoted as a means of tackling the social and economic challenges facing rural areas in Serbia, primarily those associated with the decline of traditional agricultural industries. Tourism provides

significant support to the traditional rural economy, which consists primarily of agriculture, forestry, crafts and other activities. (Lukinović et al, 2017)

Through investments in tourism infrastructure, the creation of clusters and other forms of association as well as the diversification of the portfolio of tourist destinations can create new attractive resources and achieve competitive advantages that lead to better positioning in the domestic and international market.

The negative impact of the Covid-19 pandemic affected all forms of movement in tourism, while tourism in rural areas resisted the pandemic, which we can conclude from the fact that villages revived in that period, many traveled from city to village in a healthier environment. In fact, it is possible that this crisis will advance the development of domestic tourism while improving the quality of tourism services in rural areas. Covid-19 has made a great transformation in the field of rural tourism, tourists have shifted to domestic tourism based on nature.

Pitanje je koliko je trajna sklonost građana Srbije prema domaćem turizmu. Nakon povratka u normalu, većina sprskih turista će verovatno izabrati morske ili planinske destinacije, kao i strane zemlje. Međutim, rastući trend ruralnog turizma mogao bi postati trajniji. Očekuje se smanjenje prihoda domaćinstava u vezi s pandemijom. Malo je verovatno da će domaćinstva odustati od odmora, ali možda traže jeftiniju opciju. Mnogi građani Srbije u vreme trajanja pandemije otkrili su atraktivna lokalna odredišta. Ljudi takođe mogu shvatiti veću sigurnost domaćih ruralnih destinacija, već i u smislu znatno manjeg rizika od infekcije u odnosu na gradove, kao i bolji pristup domaćoj medicinskoj zaštiti itd.

4. CONCLUSION

Rural tourism includes a large number of activities that take place in rural areas, in protected areas, e.g. national parks, or in the wilderness of many mountains and hills. This potential has been partially valorized through rural tourism operators located in the central and northern regions of Serbia. A positive feature of rural tourism is the relatively convenient regional distribution given the need for balanced regional and sustainable development.

The results of the research show that the success of rural communities depends on: diversification of economic activity, which is accompanied by the participation of the population through association and

organization; organized activities intended for local or national authorities; activation of human and social capital; and initiating activities involving marginalized groups. The conceptual and contextual framework of rural tourism in the Republic of Serbia is revealed by reviewing the documents of the Tourist Organization of Serbia, the National Association of Rural Tourism of Serbia, the Republic Bureau of Statistics, as well as reviewing several case studies highlighting key aspects of Rural Tourism Development in the Republic of Serbia.

2021 Serbia has positive trends in the tourism sector, both according to the statistics of tourist arrivals and overnight stays and their structure, and according to the growing impact of this sector on the overall economy of Serbia. Various data indicate a positive trend within this sector and its growing importance. This pandemic should not be seen as a defeat, but as a new point from which we should start, work on the offer, new strategies and together respect the proposed health measures so that we can bring business back to normal as soon as possible.

Wilderness areas have become very popular destinations, especially where these are untouched to this day, and where the attraction of solitude and communication with nature is most common.

Rural areas have the opportunity to offer different products. But diversity can be seen as a weakness in the case of Serbia. First of all, the lack of product specialization is considered a significant shortcoming in a situation where the destination requires a strong highlighting force to encourage tourists to come and stay. Therefore, each rural destination requires a different or unique attraction to motivate tourists to come. Finally, intense competition, whether rural or urban, domestic or international destinations, makes this strategic option more desirable among the public and private sectors involved in the development of rural tourism.

Several scenarios can be expected. One of them is a return to the state before the pandemic. However, even in this case, there will be changes. Many travel service providers are likely to disappear. Another possible scenario is a long-term reduction in tourism that could occur if the spread of COVID-19 strains is accelerated, without a successful vaccine. The third scenario that we consider more probable is a change in the orientation of tourists. Combinations of scenarios are also possible depending on the development of the situation.

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