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Complementarity of Multifunctional Agriculture and Rural Development with Rural Tourism and Possibilities for their Implementation in the Republic of Serbia

***Abstract:** Rural economy is not strictly related to agriculture, but also includes the so-called non-agricultural income generating activities in rural areas.. Rural areas in Serbia are characterised by spatial-geographic diversification, socio-economic devastation and relatively good ecological, cultural and historical preservation. Thus, the concept of sustainable development imposes itself as an imperative in strategic planning and is in line with the increasing demands for the development of rural tourism, because it is rural tourism provides opportunities and has the capability to connect a larger number of economic activities in rural areas. The concept of rural tourism cover two complex because it touches upon two important economic sectors: agriculture and tourism.*

The key question for the Republic of Serbia is determining the “gap” between the current situation and the desired objective. To this end, the paper approaches the complex problem through phases. The first step shows theoretical and methodological approach to the concept of multifunctional agriculture. Later on, the concept of rural tourism is explained with a review of the current situation, and in the end complementarity within the development of rural tourism (between agriculture and tourism) is indicated as well as the significance it would have on initiating the overall economic activities in rural areas.

Expectations, based on particular countries’ experiences in the European Union, are that the application of the model of multifunctional agriculture and within it the implementation of rural tourism in areas that possess the necessary conditions, could reinforce the overall economic activities and contribute to ending the current negative trends. The state with its institutional mechanisms and development policy should play an important role in this process.

Keywords: multifunctionality, agriculture, rural development, model, rural area, economic activities

Introduction

The multifunctionality of agriculture first appeared as a concept in 1992 at a conference in Rio de Janeiro. The final document was signed by 178 of governments of the UN member states and contains 40 chapters on 500 pages. The full title of the final document is *The Rio Declaration on Environment and Development, and the Statement of principles for the Sustainable Management of Forests* and XIV chapter entitled: “A. Agricultural policy review, planning and integrated programmes in the light of the multifunctional aspect of agriculture, particularly with regard to food security and sustainable development”¹.

During the 1990s this term was broadly accepted in numerous political documents which dealt with development concepts of agriculture and rural areas. There is a consensus that the concept emerged because it was necessary to present the reformed European agricultural policy to the opponents of the World Trade Organization in a politically acceptable form.

Despite several attempts to give a comprehensive definition of multifunctional agriculture, which were so far made, there is still no one definition, but the concept promotes agricultural production, which in addition to its basic function has a number of non-production functions related to rural and sustainable development as well as a strong socio-demographic function.

As much as the European Union is a good example of understanding and practicing the concept of multifunctional agriculture, rural economy and rural development, in Serbia, unfortunately, this happens without incentive. The Republic of Serbia is still dominated by traditional, monofunctional agriculture, and implementing the concept of multifunctional agriculture and rural development is in the initial phase.

The Republic of Serbia belongs to the group of the top agricultural producing countries in Europe with the dominant pre-modern agrarian structure. Agriculture still represents one of the most important industry sectors, both in terms of participation in the gross domestic product, and the employment structure. It is characteristic that this share has increased over the years.

In order to eliminate the current negative trends in rural areas, it is necessary to reform agricultural and rural economy. The change of attitude towards rural areas is essential. This is a long and complex process that institutions and organizations dealing with agricultural activities need to perform at all levels.

¹ web link: <http://sustainabledevelopment.un.org/content/documents/Agenda21.pdf>

The concept of multifunctional agriculture and rural development

During the 1960s a certain distancing from the previously dominant traditional understanding of agriculture occurred (Bogdanov, Đorđević-Milošević, 2005). Namely, the restrictions of conventional conceptions of agriculture (integral, sustainable and organic) led to the emergence of a new concept which would connect primary agricultural production and its other important functions, for example, social, demographic, cultural, etc. (Rossing et al., 2006).

In this regard, the development of some alternative systems of agricultural production started. Evolution of farming systems with the basic characteristics is shown in table 1.

OECD (2001) describes the multifunctionality of agriculture through the existence of production and non-production benefits that arise as a result of agricultural production. Non-production benefits have characteristics of externalities or public benefits that are not directly observable in the market.

Table 1. Systems of agricultural production

| | |
|----------------------|---|
| Conventional | Production of food for population (urban and rural), job provision (employment and income) for rural population. The concept is basically aimed towards growth of productivity and towards enabling full employment of manpower in agriculture. |
| Integral | It strives towards reduction of the use of dangerous pesticides and other harmful ingredients in agricultural production. It does not substitute conventional systems, but its purpose is to contribute to awareness development of the need for improvement of agricultural production through the application of appropriate technologies in the whole chain of production, processing and consumption. |
| Sustainable | The stress has been put on the management in order to enable constancy in the returns of certain land under cultivation. |
| Ecological (organic) | It strives towards reducing the influence of chemical and all other harmful inputs in agriculture in order to enable organic production of food. |
| Multifunctional | It strives to include all basic functions of rural areas and unite them in interests of agricultural producers. The concept includes primary agricultural production with the stress on the environmental protection. |

Source: Vuković, Roljević and Sarić (2009), *The Strategic Orientation to the Concept of Multifunctional Agriculture and Environmental Protection*, p. 46. *Poljoprivredna tehnika*, No. 4, pp. 45-53.

If we accept this interpretation, it is necessary to analyse agriculture and its functions in order to properly interpret the existence of productive and non-productive benefits it has to the society. Functions of agriculture can be divided into economic, environmental and social.

- *Economic function*, as the name implies, indicates production of food and raw materials for the manufacturing industry and the market. This enables food security and supplies market with food of appropriate quality at affordable prices.
- *Social function* deals with keeping the population in rural areas as well as the balanced development of all parts of the territory within the state. More precisely, agriculture is a generator of development in remote areas where there is no opportunity for employment of the population in manufacturing industry and tertiary sectors of the economy.
- *Environmental function* is reflected in the preservation of natural resources as well as the preservation of biodiversity functions but also the cultural heritage of rural areas.

European Special Committee on Agriculture in 1999 considered in its working documents (Commission of the European Communities, 1998) the concept of multifunctional agriculture in the context of food production, conservation of the area, environmental protection and land use planning. Emphasis is put on the fundamental difference between the European model and the competitors' model, which is in the multifunctional nature of European agriculture and the role it plays in the entire economic system, maintaining environmental standards in society as a whole and ultimately preserving the rural landscape.

Later interpretations add the corresponding functions to the concept of multifunctionality (agricultural production, environmental, cohesive, recreational, residential, cultural, etc.).

The UN FAO promoted the concept of multifunctional agriculture in several official documents. For example, in 1999 in the document *Cultivating Our Futures – Issues Paper: The Multifunctional Character of Agriculture and Land*, the basics of this concept were given.

Daugbjerg and Swinbank (2015) note that the process of reforms of the European agricultural policy has been continuous and constantly reforming for over thirty years.

The concept and characteristics of rural tourism

The concept of rural tourism is complex, because it stems from the fact that it touches on two important economic sectors (agriculture and tourism). The *Encyclopaedia of Tourism* (2005) points out that rural tourism draws its generic power

from rural areas. To date there have been more attempts to give a comprehensive definition of rural tourism both in the literature and by the relevant international organisations that monitor its development.

OECD (1994) accepted the attitude that due to the complexity of the problem it is necessary to adopt a working definition of rural tourism according to which it is:

- Located in rural area;
- Functionally rural, built upon the rural world's special features: small scale enterprise, open space, contact with nature and the natural world, heritage, "traditional" societies and "traditional" practices;
- Rural in scale – both in terms of buildings and settlements – and, therefore, usually small scale;
- Traditional in character, growing slowly and organically, and connected with local families. It will often be very largely controlled locally and developed for the long-term good of the area;
- Sustainable – in the sense that its development should help sustain the special rural character of an area, and in the sense that its development should be sustainable in its use of resources. Rural tourism should be seen as a potential tool for conservation and sustainability, rather than as an urbanising and development tool;
- Of many different kinds, representing the complex pattern of rural environment, economy, and history.

The UN FAO (2004; Scialabba, Williamson, 2004) distinguishes the following types of tourism that are taking place in rural areas: ecotourism, agro-tourism, agro-ecotourism and eco-organic tourism. The division is explained as follows: **Ecotourism** involves activities that support the preservation and improvement of quality of life resources.

Agro-tourism represents the symbiotic relationship between tourism and agriculture. It is a key element of an environmentally and socially responsible tourism in rural areas. Rural hospitality offers new employment and income generating opportunities for rural populations, including agro-tourism and it is an expression of cultural exchange of agricultural practices, artistic heritage and craftsmanship and culinary traditions. Agro-tourism may take several forms: holiday farms, farmhouse bed-and-breakfast, farm camping, mountain resorts, equestrian centres and other forms of rural accommodations. Such facilities are an innovative payment system for environmental services generated on and around agricultural lands.

Agro-ecotourism. While ecotourism is nature-based and agro-tourism is farm-based, agro-ecotourism is a combination of the two. The rural landscape, usually a combination of wild and agro-ecosystems, is the most important resource for tourism development. It is obvious that a diversified agricultural landscape, with

semi-natural habitats, has a greater aesthetic and recreational potential over uniform, degraded and/or polluted agricultural areas. In Europe, agri-environmental policies often promoted organic agricultural activities as a most effective means for landscape conservation. Agro-ecotourism in certain locations provides a strong economic incentive to small farmers to commit to biodiversity-friendly agriculture management.

Eco-organic tourism. When agro-ecotourism develops around an organic farm, it is referred to as eco-organic tourism. The valorisation of specific elements of the agro-ecosystem landscape offers an additional economic resource for environmental protection. Conversion to organic management in agricultural areas and the development of connected activities such as tourism are increasing. When farms are organically-managed, they increase the motivation for tourists' visits. New tourist expectations have enhanced the quality of the supply such as diversified farm landscape, environmentally sound farmhouse architecture and local/typical gastronomy.

The European Federation of Rural Tourism ("EuroGites"), at a general meeting held on 29 September 2005 in Yalta, Ukraine, adopted "general standards of rural tourism". Standards are, as pointed out, equal to the area of the whole of Europe and are valid for all members of the Federation to the present (table 2).

In the documents *Strategy for the Development Tourism in Serbia* (2005), *Strategy for Sustainable Rural Tourism Development in Serbia* (2011), *Master Plan for Sustainable Rural Tourism Development in Serbia* (2011), the term rural tourism involves a series of activities, services and other services that organise the rural population on family farms in order to attract tourists and create additional income while respecting the principle of sustainable development and conservation of natural resources.

Table 2. The criteria for defining the framework of rural tourism by the European Federation of Rural Tourism ("EUROGITES") from 2005

| No. | Criterion | Explanation |
|-----|---|---|
| 1. | Position of the household in the natural environment, a village or small town. | Less than 5,000 residents in the village / town or in typical / traditional neighbourhoods. |
| 2. | Rural area with emphasized characteristics of traditional agriculture and the outstanding natural values. | Outstanding natural values (natural park, etc.). Traditional agriculture excluded industry. |
| 3. | Tourism is not the main or predominant activity or source of income in the surrounding area. | The ratio of the number of tourist beds and residents in rural areas should not exceed 1:1 ratio. |
| 4. | Good environment, quiet and peaceful location, no noise and pollution. | Acceptable noise and odours that is characteristic of traditional agricultural production. |

table 2 cont.

| | | |
|-----|--|--|
| 5. | Authentic accommodation and environment. | - |
| 6. | Hospitality | Personal care host about the guest (tourists). |
| 7. | Small capacity units | The upper limit capacity is 40 beds, if not legally designated or prescribed by internal standardisation by members. |
| 8. | Respect the legal criteria for evaluation | Respect for standards adapted to evaluate quality. |
| 9. | Social sustainability in the context of multifunctional activities in rural areas. | The application of the criteria of <i>Agenda 21</i> for tourism.* |
| 10. | Connection with the local community and traditional culture. | Minimum integration activities within the communities in the region, guests have the opportunity to make contact with local realities if they want to. |
| 11. | Local products and gastronomy. | Available in the environment. |
| 12. | Culture (folklore, handicrafts, customs, heritage, etc.). | Available in the environment. |
| 13. | Excluding criteria: – urban and industrial locality and their surroundings. – areas of extreme mass and developed tourism. – noise, pollution, etc. | - |

* Considering that tourism has simplified impact on economic and social development, it is reasonable to highlight the “social costs of tourism”, as well as determining the consequences of its development. Many tourist places, adapting to the needs of tourism development are losing their originality and uniqueness. For this reason, it has developed a concept called “sustainable tourism”. Sustainable tourism is defined as the positive approach that seeks to reduce tensions and frictions that arise from complex interactions between the tourism industry, visitors, the environment and society as a host. “Such a tourism including work for lasting quality of natural and human resources”, which is particularly emphasized in the document *Agenda 21*.

Source: Ružić (2009), *Rural tourism*. Institute for agriculture and tourism, Poreč, p. 16.

Analysis of the current state of rural tourism development in the Republic of Serbia

Rural areas occupy more than 80% of the territory of the Republic of Serbia (*Strategy for spatial development...*, 2009) and according to the results of 2011 Census of Population approximately 44% of the total population lives in these areas. Hence a conclusion about the importance of development issues in these areas to the overall economic and social life of the country.

In December 2015, Serbia made first steps on the road to the EU accession. By this act Serbia accepted all the conditions and development models expected by

the EU. Terms commonly used in the concept of the Common Agricultural Policy are: rural development, sustainable food, environmental protection, organic farming, rural tourism, etc.

A group of authors (Zdorov, 2009; Barlybaev, Akhmetov, Nasyrov, 2009), indicates the impact of rural tourism on rural development and suggests that rural tourism has developed in stages in most of the countries. Three stages of development are suggested: independent founding, purposeful development, arrangement of the unique agritourism complex.

The first stage termed independent founding in Serbia started in the 1970s. Soon after, the leading travel agencies started to match tourist offer in rural areas with the demand in urban city centres.

Milojevic (2004) states weaknesses and strengths characteristic for the period until 2000. The basic strengths in rural tourism development refer to: preservation and abundance of natural resources, rich cultural and historical heritage, abundance and diversity of rural communes, the richness of local traditions, traditional hospitality, diversification of the tourism product. Weaknesses are: inadequate rural infrastructure, “archaic” tourist product, undeveloped information system, unsatisfactory quality of accommodation and other services, lack of educational programmes (training) for farmers in order to provide adequate quality of service, lack of experience, lack of motivation, undeveloped awareness in rural areas of the economic and other benefits of rural tourism development.

The second phase termed purposeful development began in 2006. Namely, the Ministry of Agriculture, Forestry and Water Management of the Republic of Serbia (*Анализа буџетске...*, 2009), in the period from 2006 to 2008, allocated a total of RSD 91,580,215 for rural tourism development and diversification of economic activities in rural areas. In 2008, there were 173 beneficiaries of these funds (141 registered agricultural producers, 23 associations of citizens, 7 legal persons and 2 cooperatives). The largest amount of funds was distributed to the regions of Western Serbia and Vojvodina, while among the districts, the largest amount was distributed to Zlatibor, and the lowest to the North Backa district. Analysis of the investment types indicates that 91% of allocated funds was directed to the restoration of traditional rural households (construction, extension and renovation of buildings, equipment, etc.), while 9% was allocated to promotional and educational activities.

Number of villages and municipalities engaged in rural tourism increased in 2009 (41 municipalities, 119 villages with 164 registered households, 570 rooms and 1,628 beds). The main weaknesses in the development of rural tourism until 2009

were lack of organisation and the absence of network structure of tourism operators (Штетих, Тодоровић, 2009).

According to the data presented in the *Master Plan for Sustainable Development of Rural Tourism in Serbia* (2011), which was made in cooperation between 106 local tourist organisations, rural tourism encompasses 2.7 million overnight stays, which stands for a total of 145,354² individual overnight stays in rural tourism and 2,556,128³ of common tourist overnight stays usable for rural tourism. Rural tourism provides more than 32,000 beds (registered and unregistered), where 10,000 beds are located exclusively in the countryside. The total number of beds is estimated to bring more than RSD 5 billion annually in income and RSD 5 billion in direct income to the tourism sector. The income of RSD 10 billion does not include visitors who stay for a night or stay with their friends or relatives (although they also spend money on tourism and other services during their stay) and it does not include the indirect contribution to the local economy in terms of income and employment. The income of RSD 10 billion represents 16% of direct GDP from travel and tourism, as calculated by the World Council for Travel and Tourism in Serbia for 2010, which is RSD 62.4 billion (*Master Plan...*, 2011).

The weaknesses of the existing accommodation capacities in rural tourism in the second stage of development concern (Ђуровић, Цвејић, 2011):

- insufficient development of accommodation capacities and unsatisfactory quality of the existing ones;
- insufficient occupancy rate of the existing capacities;
- inadequate offer of basic tourist services;
- the economy of low volume and low prices;
- underdevelopment of additional services;
- small investment capacity of households and slow development.

Problems that burden further development of rural tourism in the Republic of Serbia are (Штетих, Тодоровић, 2009):

- insufficient education of interested rural households as to how to receive and host visitors / tourists;
- insufficient number of tourist points in the villages where this form of tourism exists and poor connection with municipal, regional and national tourism organisations (TOS);
- insufficient and inadequate social and road infrastructure.

² This data was taken from Local Tourist Organizations. As it was mentioned in this document “no central institution is responsible for the collection of data, unless the Council of each municipality or LTO”, p. 15.

³ The *Master Plan...* points out that “general tourist overnights used for rural tourism” means accommodation in rural areas that can be used by tourists who visit rural areas, but it is not called “rural households”.

The objectives of rural tourism development within the concept of multifunctional agriculture and rural development – situation and conditions in the Republic of Serbia

The World Tourism Organization (UNWTO, 2002) gave the key objectives in developing rural tourism, correlated with the concept of multifunctional agriculture. These development goals are as follows:

- 1) **Economics.** Rural tourism offers an opportunity for income generation and job creation. It is, therefore, an activity that can help deliver additional economic activity in addition to replacing traditional rural economic activities now in decline (i.e. agriculture), and in so doing, arrest rural depopulation.
- 2) **Protection of the environment.** The environment is of central importance to rural tourism. Appropriate legislation, a balanced approach to planning, and the adoption of best practice approach to running rural tourism enterprises, are essential in order to ensure that the environment is protected.
- 3) **Legal framework.** The establishment of appropriate legislation and laws are a necessary pre-requisite to successful rural tourism. The support and involvement of a number of government departments is necessary.
- 4) **Quality of life.** The flow of visitors into rural areas can help maintain the viability of existing services (i.e. shops, etc.), thereby contributing to the overall quality of life of the host population.
- 5) **Preservation of culture and traditions.** Because of the importance of culture and local traditions to visitors, rural tourism can play a significant role in ensuring their long-term preservation.
- 6) **Transition to the market economy.** Because tourism is an economic activity, it can play an important role in facilitating the transition of former centrally planned economies, to market economies.

1) **Economy.** The process of transition in Serbia has not been implemented adequately and, therefore, it has negatively affected the agricultural sector. Furthermore, due to the well-known events of the 1990s rural areas are additionally burdened with economic problems. The decline in macroeconomic indicators, employment, migration of the working age population into urban city centres, etc., stand out as the most significant economic problems. Hence, the expectations that the overall economic environment in rural areas could be accelerated through the so-called diversified economic activities. The government of the Republic of Serbia has sought to reduce the current negative trends with the appropriate investments. Thus, for example, after the decision of the Ministry of Agriculture, Forestry and Water Management to allocate the funds for tourism development and diversification of economic activities, the region of Central Serbia experienced a significant expansion in the development of rural tourism. In this way, areas where rural tourism is developed have spread to the entire ter-

ritory of Serbia⁴. This decision has considerably increased the chances of eliminating the current negative trends in rural areas. Expectations are that by linking tourism and agriculture, the tertiary sector of the economy could develop as well as primarily trade, taking into account the favourable opportunities for the production of organically produced “healthy food” and the possibility for its placement through tourism. This would largely increase farmers’ income.

2) **Environmental protection.** One of the basic prerequisites for the development of rural tourism is ecologically preserved rural ambience. In the Republic of Serbia, according to the Institute for Nature Conservation of Serbia, 10% of the territory consists of protected areas. From the aspect of quality of environment preservation, Serbia in general has a well preserved natural environment. Five national parks with their natural and anthropogenic values are the evidence of specific tourist significance (table 3).

Table 3. Protected natural resources in the Republic of Serbia

| | SR SRBIJA | Central Serbia | AP Vojvodina | AP Kosovo and Metohija |
|---|--------------|-------------------|-----------------|------------------------------|
| Total | 1,106 | | | |
| National parks | 5 | 3 | 1 | 1 |
| Nature parks total | 14 | 4 | 9 | 1 |
| Landscapes | 17 | 14 | 2 | 1 |
| Landscapes of outstanding features | 11 | 8 | 2 | 1 |
| Reservations – total | 73 | 45 | 21 | 7 |
| Special nature reserves | 15 | 4 | 11 | - |
| General nature reserves | 1 | 1 | - | - |
| Monuments of nature – total | 312 | 192 | 85 | 35 |
| Monuments of nature of botanical character | 257 | 152 | 83 | 22 |
| Geological and natural monument of hydrological character | 55 | 40 | 2 | 13 |
| Areas of cultural and historical significance – total | 43 | 32 | 6 | 5 |
| Total protected natural goods | 464 | | | |
| Natural rarity plant species – total | 215 | | | |
| Natural rarity of species – total | 427 | | | |

Source: the Institute for Nature Conservation of Serbia, website: <http://www.zzps.rs/novo/index.php?jezik=en&strana=naslovna> (21.01.2015).

However, the attitudes of Okech, Haghiri and George (2012) should be considered. They notice that the “top” tourist destinations are located in rural areas that are attractive in terms of nature, such as, for example, national parks, mountains, lakes, and cultural and historical heritage, e.g. old towns, forts, etc. For this reason, tourism in these areas today is an important driving force for development. However, tourism will never come to be completely dominant form of the econo-

⁴ However, according to data released by the Tourism Organization of Serbia at Tourism Fair, which was held in Belgrade in 2009, to this moment the only region in which rural tourism has not developed was central Serbia.

my in rural areas. There are vast swatches of rural areas for which rural tourism is not relevant to economic development, at least not for the foreseeable future. These are the two extremes, because, on the one hand, we have destinations with natural attractions and a developed tourism industry and, on the other, we have poor rural areas. Between these two extremes are rural areas with some tourism potential, and there is an urgent need to develop tourism as an additional economic activity in order to prevent the current negative trends.

In order to put the environment in the function of rural tourism the *Master Plan for Sustainable Rural Tourism Development in Serbia* (2011), on the basis of a diagnostic report, suggests the following:

- Environmental strategy development;
- Strategy for protection and management of natural and cultural resources;
- Incorporation of rural areas into regional waste management system;
- Development and use of renewable energy sources;
- Minimisation and management of environmental risks;
- Social awareness and community involvement;
- Nature tourism development.

These strategy proposals are, at the same time, the demand and necessity facing rural tourism destination development if Serbia wants to become an attractive and internationally competitive tourist market. Suggestions for improving environmental quality are based on the requirements that must be met before accession to the EU.

3) Legal framework. In the Republic of Serbia, the issue of legal regulations regarding rural tourism are intensified and become actual in recent years, which is understandable, with regard to the transition process which influences all segments of society, and the fact that rural tourism has not developed adequately yet. Legal acts that regulate this sector are: legislations, ordinances, regulations, specific legal regulations. Secondary legislation is still not fully aligned with the recently adopted Law on Tourism. Expectations are that the process will continue, equally actual and intense in the future, considering the transition turbulences and the increasing demand for rural tourism.

A large number of other by-laws should be adopted that will closely and more precisely regulate the field of rural tourism in accordance with the new law, and consequently facilitate management in this business sector.

Poustie and associates (1998) suggest that there are twelve areas of business regulation in tourism: contracts, agency's operating, regulating the responsibility for tourism products, companies, criminal responsibility, employment, supplier obligations, food security, vacations, planning and environmental law, licensing, and discrimination.

In order to ensure the normal course of business in tourism it is necessary to regulate the rights and obligations of all parties, both of those who are in the “tourism offer chain”, and of those who are on the side of the tourist demand (Baggio, 2008; Bonetti, Pertillo, Simoni, 2006; Farrell, Twining, 2004).

4 and 5) **Quality of life and preservation of culture and tradition.** Since the 1970s, when rural tourism started developing, the service sector has experienced a large expansion and has become the dominant sector in many economies. Over time, interest in the quality of service was growing, as studies have shown that it is a prerequisite for the success and survival of the company in a competitive environment. In other words, providing quality services to customers creates an opportunity for companies to gain a competitive advantage in the market (Ghobadian, Speller, Jones, 1994; Wang, Lo, Hui, 2003). In other words, since rural tourism concerns services provided by farmers, it is providing quality service to tourists that raises the quality of life at the very farms or in rural areas that become rural tourist destinations.

The management process at the “right place” to ensure that visitors experience a “special experience” or “a memorable travel experience” and to provide opportunities for the fulfilment of all tourist expectations or exceed them in a positive way and, at the same time, to benefit from it is business imperative (European Commission, 2000). For this reason, the European Commission (2000) drew attention to the necessity of integrated quality management (IQM) in rural tourism. A detailed view of the integral development model is presented in figure 1.

IQM has two basic objectives in rural tourism (European Commission, 2000):

- 1) Focusing on tourists / visitors, improving the product quality, satisfying their needs and influencing their activities, so that tourists / visitors wish to come back again or recommend the rural tourist destination to others.
- 2) Involvement of the local community and local tourism enterprises / entrepreneurs in the process of destination management as actual participants and tourists as consumers / customers, in order to improve the performance of a tourism destination.

Figure 1 illustrates the process of IQM in rural tourism with three key interest groups (local community, visitors and tourism enterprises / farms) and target results of the process (satisfied clients, improved enterprise performance, increased employment and income, community benefit without conflict). The process of IQM is designed as a comprehensive concept that refers to the internal, operational and management problems, while at the same time it solves wider problems (social, cultural and environmental impacts of tourism) (Youell, 2003).

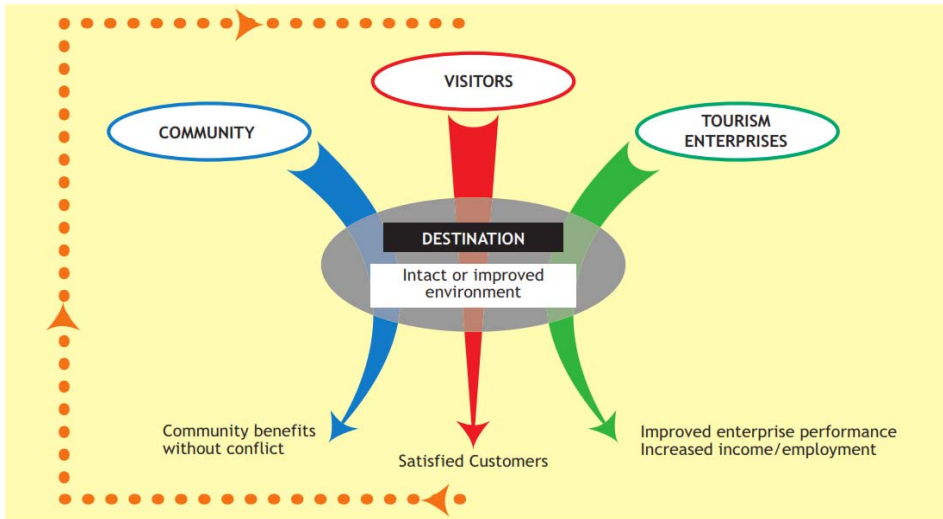


Figure 1. The process of integrated quality management in rural tourism

Source: European Commission (2000), *Towards quality rural tourism – Integrated quality management (IQM) of rural tourist destinations*, p. 11., Enterprise Directorate-General Tourism Unit, Brussels, 2000. Website: <http://www.eceat-projects.org/tourism-manual/3-4%20Towards%20Quality%20Rural%20Tourism.pdf> (as of 29.06.2014).

Conclusion

Due to a large number of negative effects of deep political, economic and social crisis that occurred during the 1990s, Serbia now has economically, socio-culturally and partly ecologically devastated rural areas. The model of multifunctional agriculture and rural development is suggested as a possible alternative development model that could reverse the current negative trends characterised by a decline of macroeconomic indicators, unemployment, migration of the working age population into urban city centres, depopulation, the process of accelerated aging of rural population, etc. This is also in accordance with generally proclaimed attitude regarding the accession of the Republic of Serbia to the European Union.

Considering the fact that Serbia is in the initial stage of the EU accession process, and that the first steps to it have already been made in December 2015, it is reasonable to expect compliance of Serbia's agricultural policy with the EU policy, which promotes the concept of multifunctional agriculture and rural development through CAP. Development of rural tourism is suggested as one of the promising ways which could in addition to other measures and models of agricultural policy help the development.

Serbia has respectable natural and human (anthropogenic) resources for the development of this economic activity. A large geographical diversity of rural areas, ecologically preserved natural environment, rich cultural and historical heritage, provide opportunities for the development of a wide variety of rural tourism products.

Expectations are that rural tourism could by its synergy effect to link economic with non-economic activities and by its famous multiplied effects (economic, social, cultural, environmental, etc.) have a positive impact on the development of rural areas.

Over the last decade Serbia has made some efforts to improve rural tourism by providing adequate subsidies and other forms of incentives to rural households interested in the development of rural tourism. Certain areas where rural tourism was previously undeveloped recognised the benefits of tourism and now tend to link their activities in the primary agricultural sector with tertiary sector, i.e. with rural tourism.

This approach is in line with the aspiration of the government of the Republic of Serbia concerning the development of small and medium-sized enterprises, and launching private entrepreneurship that could largely relieve the public sector of the economy, which is one of the main problems in the transition process.

Ministry of Agriculture, Forestry and Water Management is decisive in accepting the full responsibility for mobilizing the complete administration, all its resources and bodies and for providing support to the development of rural areas so they could retrieve the place and role belonging to them. All levels, regional (spatial), economic (industrial) and social should provide assistance.

To be able to measure the impacts and effects of appropriate measures in rural development it is essential to:

- Identify rural areas where appropriate measures will be applied, and some of them would definitely be oriented towards the development of rural tourism;
- Create specific development policies on the basis of existing rural characteristics;
- Define the indicators for assessing the effects of the applied development policy.

Considering the large number of problems in rural areas and experience of developed EU countries where a “bottom-up” approach is promoted, one should insist on this approach in Serbia, because it emphasizes the importance of local entrepreneurial and innovative potential for tourism development. At the same time, the country would in this way be obliged to develop links between key institutions and entrepreneurs who will start the development process. This means that local government has to share the resources, funds and risk with the business sector in order to establish a stable and sustainable growth path. This would raise

the very competitiveness of rural areas, which is also in line with the concept of local tourist destinations promoted by the World Tourism Organization in its business guidelines.

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