

Regional Expert Advisory Working Group

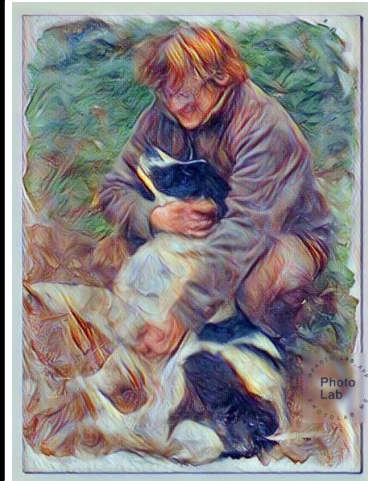
Economic diversification in rural areas through rural tourism

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Concluding remarks on economic diversification policies & institutions supporting rural tourism in Serbia

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ECONOMIC DIVERSIFICATION IN SEE WITH FOCUS ON RURAL TOURISM

Part three

3.1 Concluding remarks

3.2 Recommendations for improving institutional support

3.3 Recommendations for supporting rural tourism development in SEE

3.1 Concluding remarks

3.1.1 Gaps and constraints

3.1.2 Needs for improvements

3.1.1 Gaps and constraints

- **Legal frameworks**
- **Support policies framework**
- **Institutional framework**

Legal frames

- Rural economy in Serbia is so fragile, especially in the most attractive for rural tourism areas, that pressure should be relaxed to zero, while financial and all other kind of support increased.
- Providing support for rural tourism development and laws enforcement seems to have certain level of issues to be solved, while gaps within legal frameworks are not that big except for the lack of understanding that rural environment and businesses should be encouraged as much as possible and not pressed with additional taxations of any kind.
- Legal frames should provide derogations for marginal rural areas, marginal social groups, multicultural regions, border regions etc.

Support policies framework

- strategic documents for the development of Serbia should be updated to recognise a quality relation between business which integrated local economies, valorise properly ecosystem services, natural and cultural heritage which are one basis for successful rural tourism
- further work is required to implement measures which are of direct benefit for development of rural tourism as the unique business which is capable to provide sustainable valorisation of small-scale farming while providing support to natural resources, traditional knowledge and other cultural features of rural areas conservation

- Avoid straight adoption of international standards and practices without adapting to local situation.
- Preserve specific features instead of copy-pasting successful, but inadequate to local conditions
- Introduce the **critical approach to applying best practices**
- Administration must learn how to actively and continuously cooperate with rural inhabitants when designing policies and legislation important for rural tourism
- **Recognise important local features and fight for their recognitions** as factors which in future might become attractors for the rural tourism development. It must also **provide suitable support policies or even derogations from some regulations if needed.**

Institutional framework

- Complex, developed but neither well interlinked nor cooperative
- The cooperation is insufficient, sometimes their relation is even hostile or competitive, which is completely inadequate and harmful.
- The cooperation and networking between stakeholders interested in rural tourism should be supported and cherished.
- Crossborder regional cooperation can help with learning how to make this cooperation effective.

3.1.2 Needs for improvements

- **Institutions perspective**
- **Service providers view**
- **Regional cross-border initiatives**

Institutions perspective

- Closer cooperation between the Ministry of Agriculture, Forestry and Water Management and the Ministry of Trade, Tourism and Telecommunications in the formulation of laws and by-laws will contribute positively to the development of rural tourism in Serbia.
- networking of all stakeholders in the branch and cross-border cooperation should be emphasised to be able to benefit of good practices as much as to joint efforts in inventing new tools, or at least not repeat the same mistakes in creating legal and policy frameworks.

Service providers view

- Increasing state subsidies to stakeholders in rural tourism, as well as providing favorable loans, would significantly contribute to increasing offer and quality in rural tourism in all segments: organization, accommodation, food and beverage production and serving, etc.
- Changing the legislation to appreciate authentic and unique live tourist rural attractions (Rajac and Rogljevo cellar and others) as a special category with special rules would significantly contribute to their valorization, the satisfaction of the owners of the mentioned attractions and their motivation to continue and increase their business.
- Changing the legislation in terms of more pleasant and more favorable business environment for rural tourism households: no payment of lump sum tax by number of beds regardless of their occupancy etc.

Regional cross-border initiatives

- Participatory PPP based planning and cooperation
- Subsidising required contribution for successful applications in CBC and similar calls based on their relevance for the local community instead of almost exclusive support to projects submitted by municipalities themselves.

7. Perspectives and Recommendations

7.1 Utilizing rural tourism as an effective rural economy diversification tool – strengthening, shortening & greening agriculture-tourism value chains

7.2. Upgrading policy and legislation

7.3. Improving institutional capacities

7.4. Recommendations for improvement of public awareness and participation

7.5. Recommendations for improvement of regional (cross-border) cooperation

7.1 Utilizing rural tourism as an effective rural economy diversification tool – strengthening, shortening & greening agriculture-tourism value chains

- More creative use of Serbian agro-tourism resources through integral development of agriculture and tourism
- Adapting local agriculture production structure to local tourism needs
- Shaping tourist product and offers to better use local attractive agriculture and food products and gastronomy

7.2. Upgrading policy and legislation

- Reliable data collection and monitoring for evidence based policy making (upgrade)
- Further strengthening of intersectoral cooperation and getting on board other ministries responsible to achieve sustainable and faster rural tourism development.
- Increasing subsidies and providing favorable loans for increasing offer and quality in rural tourism
- Support to rural tourism provide from diverse sectors
- Change the legislation to appreciate live tourist rural attractions
- Less payments and lower or no taxation

7.3. Improving institutional capacities

- financing
- creating a more stimulating environment for long-term survival
- development of domestic economic entities in agriculture and tourism
- modernization
- integration of business in agriculture and tourism.

7.4. Recommendations for improvement of public awareness and participation

- Support integrated products
- Establishing firm linkages of tourism with local food production through short supply chains and local partnerships.
- provide advisory support as much as extension align with financial
- those which carry out the activities of promotion and improvement of tourism as well as receptive tourist organizations of Serbia etc.
- Serious work on education of tourism entrepreneurs (service providers, receptive agencies etc.)
- Promote local partnerships for marketing and promotion
- Create active interactive links with urban areas
- Promote rural tourist destinations development through short and green value chains for rural tourism as much as cooperation with international partners promoting this kind of tourism.

7.5. Recommendations for improvement of regional (cross-border) cooperation

Shared resources, make border region naturally one destination. Rural tourism development can be applied in these regions due to the exceptional and mainly well conserved nature and their attractive cultural heritage including multiculturalism.

- Establish adequate cross-border cooperation between two or more states at all levels starting with ministries, primarily those responsible for rural development and tourism to local administrations, through civil to business sectors
- This can be achieved by various instruments of cross-border cooperation but also require dedicated support from the highest level in respective governments.