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## **RURAL TOURISM OF THE EASTERN CROATIA – THE ORGANIZATIONAL NEEDS AND OPPORTUNITES**

### **RURALNI TURIZAM ISTOČNE HRVATSKE – ORGANIZACIJSKE POTREBE I MOGUĆNOSTI**

#### **ABSTRACT**

*Rural tourism is an important factor in the activation and sustainable development of rural areas in Republic of Croatia. Although, rural tourism in Croatia is still in its initial phase, it represents a great potential which has not been given enough attention so far. This article shows that rural tourism development in Croatia needs to be primarily based on sustainable development and development of Croatian rural tourism should follow the traditional way of life in them. Sustainable development of Croatian rural areas must be dealt with far-reaching strategy assessment, which will primarily prevent all its negative impacts. It is therefore necessary to encourage stronger collaboration of all relevant institutions in order to develop rural tourism which will make Croatian tourism much more competitive. The aim of this article was to determine organizational needs and opportunities for rural tourism development in eastern part of Croatia which will contribute to management efficiency of the responsible institutions.*

**Key words:** rural tourism, rural areas, eastern Croatia, sustainable development

#### **SAŽETAK**

*Ruralni turizam je bitan čimbenik u aktivaciji i održivom razvoju ruralnih područja u Republici Hrvatskoj. Iako je ruralni turizam u Hrvatskoj još uvijek u početnoj fazi razvoja, on predstavlja veliki potencijal za koji do sada još nije posvećeno dovoljno pažnje. Ovaj članak pokazuje da se ruralni razvoj turizma u Hrvatskoj treba prvenstveno temeljiti na održivom razvoju te da on treba slijediti tradicionalni način života u tom području. Održivi razvoj hrvatskih ruralnih područja treba rješavati izradom dugoročne strategije, što će prvenstveno spriječiti sve njegove negativne utjecaje. Stoga je potrebno potaknuti jaču suradnju svih relevantnih institucija u cilju razvoja ruralnog turizma što će hrvatskom turizmu pomoći da bude više konkurentan. Cilj ovoga rada bio je prikazati organizacijske potrebe i mogućnosti za ruralni razvoj turizma u istočnom dijelu Hrvatske koje će pridonijeti boljoj učinkovitosti upravljanja nadležnih institucija.*

**Ključne riječi:** ruralni turizam, ruralna područja, Istočna Hrvatska, održivi razvoj

## 1. Introduction

Many rural communities in developing areas around the world face the challenge of finding adequate income generating activities. Young people in particular leave rural areas for lack of opportunities. Traditional agricultural-based rural economies do not offer sufficient employment opportunities. Many in the development community turn to rural tourism as one solution to alleviate poverty, slow the exodus of youth, and invigorate small farms in declining rural areas. In many areas around the developing world people in rural communities are working with NGOs<sup>89</sup> with explicit socioeconomic objectives of poverty alleviation and rural development. (<http://www.integratedtourism.com/?Book>, accessed 20 march 2012) Croatia has a significant and numerous natural and socio-cultural resource base for tourism development in all its regions, not only in the maritime ones. However, is this resource base sufficiently and properly used, and is there an appropriate and feasible strategy for the development of rural tourism and other activities related to sustainable development of rural areas in Croatia? (Demonja & Ružić, 2010, 306) This article will present possible organizational structure of rural tourism management in the four counties of the Eastern Croatia: Požeško-slavonska County, Brodsko-posavska County, Osječko-baranjska County and Vukovarsko-srijemska County.

### 1.1. Rural tourism as a motor of the growth

Strategies to use tourism as a motor of growth in rural areas emerge in different contexts. They are, at heart, about enabling rural producers to reduce reliance on agriculture, and engage in new economic opportunities that are competitive in the more globalised markets, which now reach their doorstep (or farm gate). In Eastern Europe, the emphasis has been more on tourism as a tool for rural regeneration following agricultural collapse, while in Africa, the emphasis is more on diversification of under-developed areas. (Holland et al, 2003, 8)

Croatia has a great potential for developing rural tourism because 91,6% of state territory is classified as rural area. In the table 1. below, we can see the structure of state territory, settlements and population living in rural and urban area in the Republic of Croatia.

Table 1. Rural and urban areas, population and settlements, according to OECD<sup>90</sup> criteria

Classification	Km <sup>2</sup>	%	Number of settlements	%	Population	%
<b>Rural area*</b>	51.872	91,6	6.001	88,7	2.110.988	47,6
<b>Urban area</b>	4.731	8,4	763	11,3	2.326.472	52,4
<b>In total</b>	<b>56.603</b>	<b>100</b>	<b>6.751</b>	<b>100</b>	<b>4.437.460</b>	<b>100</b>

Source: Central bureau of statistics, 2001.

\*Includes predominantly rural and significantly rural areas

The increasing environmental awareness of the population in general or the tourist market specifically, and the targets for a viable and ever profitable tourist development that various agencies (international, government, academic, business) are aiming at, are considered to be the primary promotional factors of Rural Tourism which almost all policy – makers are now aware of and anxious to develop. Rural tourism, as a category of the broader category of

<sup>89</sup> A non-governmental organization (NGO)

<sup>90</sup> The Organization for Economic Co-operation and Development (OECD)

“Alternative tourism”, is now a major pillar of the nascent tourism strategy for many countries. Rural tourism strategies in various countries have in common that they are a major growth areas that can be used to boost local communities, and aid the seasonal and geographic spread of tourism. (Richards, 1996)

## 2. Current status of the rural tourism in Croatia

### 2.1. Development of rural tourism in Croatia

Development of rural tourism in the Republic of Croatia has started sporadically in early 90-ies of last century. Systematically since year 1995. when the Croatian Ministry of Tourism began with its development initiatives and the first activities such as site visits, information gathering, education initiator and create conditions for their development. Shortly thereafter was established the "Alliance for Rural Tourism", which later evolved into the "Council for the Development of SMEs<sup>91</sup> in tourism", with an emphasis on rural tourism. Istria, a unit of government, first began to deal with rural tourism and achieve significant results. It was a time when the whole question of development of rural tourism was reducing to tourist development of peasant farms. Actions of Croatian farmers, then the Union of peasants, the Croatian Ministry of Tourism, Institute of tourism in Zagreb and later members of the club "The Village" and the Croatian Chamber of Commerce, were initially focused on the search for suitable farms (farms) and animate their owners to edit tourist services to provide catering services, and to create conditions for their development. Today, many assumptions are accomplished and many tourist destinations are formed. Some rural tourism destinations can be extracted, such as eco-ethno village (restored old villages and hamlets), some of which are those that are registered with the Ministry of Culture Museums of the Republic of Croatia or some other museums, private entrepreneurial initiative, and some from individual county initiatives. (Demonja & Ružić, 2010, 47-48)

Table 2. Number of registered peasant family farms of rural tourism in the Republic of Croatia

<b>Year</b>	<b>Number of registered peasant family farms in the Republic of Croatia</b>
1998.	32
1999.	65
2000.	151
2001.	175
2002.	269
2003.	269
2004.	254
2005.	310
2006.	330
2007.	379
2008.	350
2009.	360
2010.	360

*Source: Ministry of Tourism of the Republic of Croatia, 2011.*

<sup>91</sup> SME – Small mideum sized enterprise

Regarding table 2. we can see that the number of registered peasant farms of rural tourism in Croatia is constantly increasing from year to year. From number of 32 in 1998., we have reached 360 registered peasant family farms of rural tourism in the Republic of Croatia. It is important to say that number of registered peasant family farms in Croatia is constantly growing, so the situation is changing day to day. Some peasant family farms are opening and some are closing their doors to tourists. Croatia has a very rich natural and socio-cultural resource base for development of rural tourism in all its individual areas, not only in maritime part of the country. But the question still remains: is the Croatian resource base used enough in a real way and when we will complete a strategy for tourism development and other activities related to sustainable development of rural areas in our country?

Systematic development of rural tourism in Croatia can be divided into two major periods. First started 1995th and lasted to the end of 1999., when the Croatian government adopted the National program "Development of SMEs in tourism with an emphasis on sustainable tourism development in rural areas." Thereafter, followed a few years ago when a break occurred only individual initiatives, but lacked the support of the ministry. The second period, which captures visible progress in the development of this type of tourism, begins at the end of 2003. and at the beginning of year 2004., when the new Croatian Government, through the departments of agriculture and tourism began to lead a significant concern about the rural areas and economic sectors in rural areas. (Demonja & Ružić, 2010, 49)

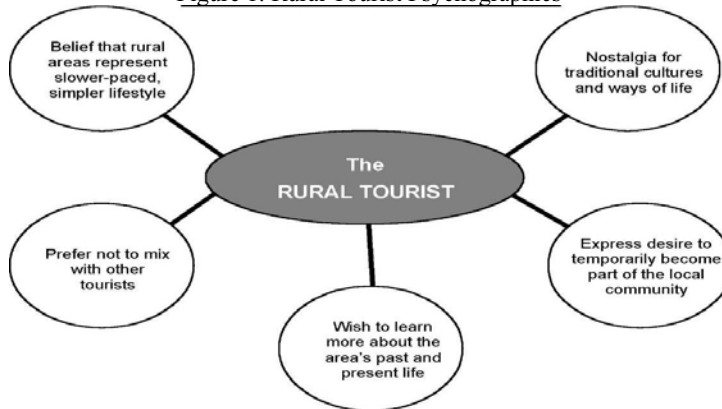
## **2.2. Rural tourism market in Croatia**

Croatia is a tourist country mainly focused on marine tourism. The focus on this type of tourism can be traced back to its appearance from 80's and 90's of the 19th century till today. In the period from 50-ies of the last century, Croatian tourist offer was diversified, while the rural area was a destination of tourists. Hiking, cultural and pilgrim tourism and visits to their homeland in the country attracted many tourists. Rural tourism in the 50s of the last century, and later existed, but it was not focused at foreigners. In places near the attractive tourist centers on the coast, family farms offered accommodation services to tourists. Thus, some of them in Istria, such as the Krculi near Žminj, then the Konavle near Dubrovnik and particular in Slavonia where it is possible to speak of the existence of rural tourism, but all of them had in common that their development was not based on national programs, strategy development and rural villages space, but exclusively on the ingenuity and initiative of private individuals and groups. The number of according to the Croatian potential in rural tourism, was negligible and the seldom appeared in the Croatian tourist offer, and so that situation lasts until the 90-ies of last century, when rural tourism began modestly but gradually to develop. (Demonja & Ružić, 2010, 71-72)

Speaking of characteristics of rural tourist Swarbrooke identified the salient elements of rural tourist psychographics on Figure 1 below. He also recognized that there were basically two types of rural tourist:

- tourists who see the main attraction as culture and lifestyle
- tourists who see the main attraction as physical environment and opportunities for activities (Swarbrooke, 1996, 453)

Figure 1: Rural Tourist Psychographics



Source: Ian Knowd (2001): *Rural Tourism: Panacea and Paradox*, School of Environment and Agriculture, University of Western Sydney, pp. 18.

Analysis of market demand preferences allows, "detecting" several types of tourism that are interesting for rural areas in Croatia. There are primarily: agritourism, ecotourism, cultural tourism, adventure tourism, health tourism and others. These forms of tourism in rural areas are organized in the facilities and capacities, with numbers: 379 agricultural tourism farms with 933 beds, 10 spas with 4060 beds, 8 camps with approximately 1600 camping units and a number of hotels and resorts with over 21 188 beds. Demand for rural tourism Croatian market is small, but growing steadily. By type of visit of tourists to rural areas in Croatia is estimated that the demand is now at a level of 838 000 arrive from, visiting agritourism, spas, a mountain village and the natural and cultural attractions of the Croatian. By type of visits to domestic and foreign tourists to rural areas in Croatia can be assumed that the total demand of Croatian rural tourism product amounts 42% of domestic tourists and 58% on foreign tourists. At the annual level of rural counties in Croatia accounts for 7.4% of total visitors (arrivals) and 2.9% of total overnight stays. (Demonja & Ružić, 2010, 72-73) In the table 3 below we can see that Osijek-baranjska county is the first in Eastern Croatia by the number of tourist peasant family farms and that Brodsko-posavska and Vukovarsko-srijemska do not have any tourist peasant family farm. These are dates from year 2007., but the situation is not the same right now and some changes were made, but unfortunately fresh dates have not been published when this article was written.

Table 3. Number of total registered TPFF<sup>92</sup> in Eastern Croatia at year 2007

County	Number of total registered TPFF in Croatia	Number of beds in TPFF	Food services	Houses for taste Vines and Brandy
Brodsko-posavska	0	0	0	0
Osiječko-baranjska	56	192	47	3
Požeško-slavonska	0	0	0	0
Vukovarsko-srijemska	2	0	2	2
All together in Eastern Croatia	58	192	49	5

Source: Demonja & Ružić, (2010); *Ruralni turizam u Hrvatskoj*, Meridijani, Zagreb, pp.51.

<sup>92</sup> Tourist peasant family farms in Republic of Croatia

It is important to note that demand, when visiting rural tourist destination in Croatia among other factors, motives are intense pleasure, outdoor activities, increased need for adventure, recreation and health. Special motivation is demand innovation and pageant, which in addition to the basic standards brings unusual experiences and surprise. Tourists receive a mood or emotional added value (atmosphere, experience, fun, adventure, contact with other guests and other). In response to the fast rhythm of modern life, tourists demand for ecologically Croatian parts of the country. Finally it should be noted that personal safety, which is becoming one of the main criteria, and increasing concern for their own health are also important. (Demonja & Ružić,2010,73)

### 3. Organizational and development assumptions of the rural tourism in the Eastern Croatia

In order to achieve the best possible tourism impacts for the tourists and the tourist economy, we should devise policies which include driver in tourism and a variety of economic factors, and non-economic activities. Tourism policy is incomplete if it does not establish adequate coordination among the factors that triggered it. This establishment assumes the formation of a unified organizational system which consists of organizations and services in order to achieve tourism development. (Demonja & Ružić,2010,94) If we want from tourism industry to maximize the impact we need to involve all relevant stakeholders as well as various economic and non-economic subjects. When they engage in the process of tourism development it is necessary to coordinate their tasks and relations, which can be achieved with a good organization of work in tourism. We already know that rural tourism is the main direction in which is possible to develop economic activity of the Eastern Croatia and due to the specificity of this type of tourism, its effectiveness in the development of the area it is important to establish a special Agency for Development of Rural Tourism in Eastern Croatian which model can be seen on Figure 2. The agency can be found by four earlier mentioned Counties with the location in the city of Osijek because it is the biggest economic, cultural and urban center in that region.

Figure 2. Organizational model of rural tourism management in Eastern Croatia



Source: Made by author

This agency will be organised as Destination Management Company and will strongly collaborate with all government and non-government institutions and also with all relevant institutions and subjects who are dealing with rural tourism development. This agency will coordinate all activities in rural tourism at the territory of four earlier mentioned counties. The aims of founding this specialised agency are:

- Professionalization and active role in developing rural tourism in Eastern Croatia,
- Concentration on developing special types of rural tourism in Eastern Croatia,
- Professional help for small unites in rural tourism,
- Raising to improve the quality of services and products to a higher level,
- Proposing legislation and regulations to improve quality of conditions for development of rural tourism,
- Cooperation with all relevant institutions to develop, adopt and promote a unified visual identity and branding strategy of Eastern Croatian rural area,
- Creation and application of a continuous process of education personnel for rural tourism,
- Creating and controlling of implementation of the Rural tourism strategy in the Eastern Croatia according to National strategic plan of rural tourism development.

Organizational model that was given in figure 2., can be efficient solution for sustainable development in Eastern Croatia, if strong collaboration exists between all relevant institutions in order to develop positive conditions for economic entities in rural area of the Eastern Croatia.

#### 4. Conclusion

Rural tourism in Croatia is not given the necessary importance so far. The creation of new values in rural areas increased the interest of public administration, local governments, institutions and individual entrepreneurs in rural areas for the development and promotion of that activity in Eastern Croatia. It is important to stimulate further development, education, financing, promotion and cooperation on different levels of all relevant institutions in the Eastern Croatia in order to make good bussines conditions for rural tourism.

Rural tourism is a good opportunity for agricultural based communities but the setting of objectives and the final tourism development plan needs caution. For better results the whole range of the stakeholders have to participate in the planning stage. Slow and stable steps needs for this kind of planning in order conflicts and mistakes to be avoided. (Sillignaki,unknown year,11)

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