

ANALYSIS AND PERSPECTIVES OF TOURISM / AGROTOURISM DEVELOPMENT IN ISTRIA

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Abstract

Tourism, as an economic activity in Croatia and consequently Istria as a leader of tourism development, has been facing a number of constraints for years ranging from extrinsic ones i.e. legal to intrinsic i.e. those regarding the facilities used for tourism purposes. Despite the existing opinion of political and social structures in favour of developing tourism as a primary activity of Istrian development, there are constant operating constraints occurring locally and at the state level. In view of perennial Istrian emphasis on the development of agrotourism as a perspective form of tourist offer, authors are analysing development, advantages and disadvantages in an analytically constructive manner for the purpose of stressing those elements which need to become a part of development strategy in order to offer better quality agrotourism services in Istria and its wider area. Constraints have been detected and guidelines for a more quality agrotourism offer development provided based on research conducted in Istria Region from 2007 until today on a representative sample by using various scientific methods.

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1. Introduction

In order to raise the level of service quality in agrotourism, the Republic of Croatia must first define the concept of agrotourism development and management along with making significant investments into this segment of tourism via various financial and economic incentives and subsidies. The existing experience

from neighboring countries and conducted questionnaires led to knowledge of which concrete measures should be taken for raising the quality and appeal of the Croatian (Istrian) agrotourism. The analysis of the current condition led to the conclusion that the crisis of agrotourism in the Region of Istria results from undefined concept and undefined system of incentive measures which require a better legal definition of the agrotourism status by providing certain benefits to farm households which primary business activity is agrotourism as well as by defining conditions which must be met if farm households wish to perform such activities.

‘It is necessary to pull together rural citizens savings and facilitate flexibility of financial operations. We must get involved in establishing and constructing local financial institutions which will be specialized in rural areas and agribusiness’ (Strategic Programme of 2008-2013 Rural Development of Istria County, from 25 January 2014)

One of elements strongly connected to the agrotourism product is hospitality. According to Juraković, Tomčić, and Rajko, Istrian gastronomy has not been marketed properly nor used all its resources, especially with regard to its diverse offer with placing a stronger future emphasis on marketing mix. This means that the strategy of tourism development must pay particular attention to better placement, branding and permanent activities focused on emphasizing traditional, local delicacies. (Juraković, Tomčić, Rajko; 2007: 87– 92).

2. New products as elements of agrotourism development in leader programme

“Rural development is a new developmental model of the agricultural sector” (Plog et al., 2000., p. 392). “Apart from the increase in agricultural production competitiveness, it also includes protection of the environment, land management, diversification, improvement of life in rural areas and LEADER approach (Liaison Entre Actions de Développement de l’Economie rurale), which means that all the initiatives for starting of activities should come from the local community”

One of the basic characteristics of rural development implementation in rural communities is putting an accent on local population, by which it is validated as a main factor of the overall rural area development. It is this particularity of trust in people who live in rural areas and in their abilities to discover what suits best their environment, culture, work traditions and skills itself that makes the LEADER Project special. Connecting at the local level brings people together in order for

them to exchange their experiences and knowledge, inform themselves and promote rural development activities, find project partners, as well as create a feeling of belonging to a larger entity, such as the local action group. (Ilak Peršurić, Juraković, Tomčić, 2010:254 – 247).

During recent years in Croatia, there have been intensive talks about rural development. Plans and programmes are being produced, development strategies and laws are being proposed, legislation is being coordinated with the EU and the means/funds from the EU programmes, intended for those purposes, are being used (CARDS, INTERREG, SAPARD and other). However, in order to implement the rural development plans and programmes, Croatia needs expert consulting assistance from the EU, as well as a greater self-initiative. Given that Croatia is a candidate for accession to the European Union, it should dedicate itself more to familiarising with the experiences of the other EU member countries in the process of rural development in order to avoid other countries' mistakes. The first analyses and evaluations of the EU rural development policy show that the means from the EU funds were mostly spent on structural measures, namely approximately 34%, which includes the increase in competitiveness, i.e. investment in companies and food production, assistance to young farmers and earlier retirement. (Rajko, Tomčić, Juraković, 2007). Approximately 38% of means were spent on environmental protection, soil quality improvement, afforestation and natural resource protection. "A large part of the means was also spent on the preservation of old, traditional crafts, village reconstruction, improvement of life quality in rural areas, as well as the preservation of tradition for the purposes of the development of tourism in rural areas. Equally, rural tourism also, as a growing business in the tourist industry offers many benefits to the local community development. It can be developed locally, in partnership with small businesses, local government, other agencies in the area and its development is not dependent on external or large companies' decisions. The Leader approach supports innovative approaches and stimulation of unexploited resource development, or, just a different view on existing issues; the problem of rural areas, its preservation and sustainable development had been recognised in Europe much earlier than in Croatia. One more principle by which this programme is recognisable is local financing and management, which gives big powers to the LAGs in decision making and financing of specific programmes.

3. Leader Programme principles in function of development rural tourism Istrian area

Fundamental principles of the LEADER Programme in the rural communities sustainable development are based on the characteristics of the areas to which they are applied, which means that an attempt has been made to use own unexploited resources. This principle emanates from the participants' need to base their development on local values. According to the Leader's action groups, there are four main values of this programme:

1. decentralised, integral approach, based on a specific area's characteristics
2. community involvement
3. uniting of development bearers at the local level
4. possibility of implementing in practice unrealised ideas (LEADER, 2004, p. 47).

The bottom-up approach (typical for Italy), as opposed to the majority of developmental plans, is a completely opposite approach, by which an attempt was made to encompass the largest possible number of participants who would influence the decision making process for an area. Literally everyone who wishes and believes that they can assist the developmental process, whether it concerns the inhabitants or the public, private, or some other sector representatives. (Herak, 2011 : 646 – 654). The *bottom-up* approach means that the local factors take part in the decision making processes pertinent to the strategy and selection of the priorities which should be implemented in their local area. The European experience has shown that the bottom-up approach should not be considered as an alternative or contrast for the top-down approaches of national and/or regional authorities, but that they should be combined in order to achieve better overall results.

Therefore, the principles based on good European practice and LEADER approach are:

- Sustainable rural development which is based on preservation and development of environmental, human, social and creative/productive capital.
- Approach based on area characteristics, as they form a foundation for quality development.
- Starting up the community, as it lags behind in inclusion in developmental processes and needs support in order to get involved in developmental processes.

- Bottom-up approach – today's development is not possible without involvement of the public. This is why all available forces in local communities should be involved in order to, by richness of ideas and possible solutions, as high a quality as possible development could be achieved.
- Development of local partnerships in approaches and actions – presently, fragmented initiatives are often condemned to failure beforehand, they lack power and trust.
- Networking and cooperation, as well as connecting, synergistic acting in developmental processes, exchange of knowledge and experiences, both in today's modern Europe and here, in Croatia.
- Innovative quality and tradition, together with sustainable rural development, but innovations are essential in order for traditional values to be represented in a new and market competitive way.
- Integral approach – sector division is a frequent cause of problems in development. Horizontally, inter-sector linking, as well as the vertical one, linking of local, regional and national institutions, is of great importance in realisation of sustainable rural development.
- Local financing and project management – it is extremely important that local level activities should also be financed from local budgets.

4. Management of the resources of rural area and it's role in rural / agrotourism development in Istria

Member countries of the European Union apply the rural development programme Leader in strengthening the local development as a counter-balance for europisation. In the period between the years 1991 and 2006, Leader I, Leader II and Leader+ Programmes demonstrated a new approach for integral and sustainable rural area development, strengthening local communities' developmental policies. In the solution of the problem of a less favourable position of rural Europe in comparison to the urban, the Leader programme represents a new social and economic model. In analysing rural development programmes in the European Union and in Croatia, an attempt was made to concentrate on the Leader Programme as a new and innovative approach to the development of rural community, village and agriculture. In the period when Croatia is negotiating its accession to the European Union we can observe the results of the Leader Programme and principles and give recommendations for its application in Croatia.

The main advantage of the Leader Programme was the bottom-up approach, which helped activate local resources for the purposes of local community development. Additionally, it involves the local population who has the closest insight into the developmental opportunities and who is deemed partly responsible for and more dedicated to the project than the external active participants. Such an approach is not in opposition to the top-down approach in the sense of the influence coming from the top of the state, regional authorities or through relevant ministries. For Croatia, the Leader Programme is considered to be positive for the purposes of rural development and we expect fast adjustment of local active participants in the creation of LAGs, as well as strengthening of their role as developmental factors. For example, we find the first institutional initiative of that kind in the Istrian County's attempts to include the Leader Programme in their rural development. One of the non-government organisations using the Leader Programme principles is the Croatian Rural Development Network. After the years of informal work, in January 2006, it was formally registered with the task of gathering and representing civil society organisations which deal with the sustainable rural development of Croatia.

The strategic guidelines for rural area development, which should form a base for preparation of a comprehensive strategy of the development of the Republic of Croatia, should be based on the five points which we quote below. According to the studied documentation, Delphi method research and a many years long work in that area, it is proposed that the following be acted on:

a) Increasing destination competitiveness

Rural area must develop a tourist offer which will be competitive by its quality, price and attractiveness and that offer should particularly be based on originality, historical, cultural and natural characteristics of that area and its other specific qualities. Competitiveness is very important in achieving a strongly manifested destination advancement; the destination will achieve the said goal by means of offer differentiation and quality emphasising. Through field research the deficiency of rural area management was determined. Apart from removing those drawbacks, the activities directed to rural development must be focused on new products and a new offer accompanied by adequate and systematic resource management. Quality-wise, the current offer does not satisfy the requirements of the modern market and EU, which, in future, should be changed by bringing in new investors and

retaining the existing ones, with a necessary measure of knowledge and expertise, compatible with European and world levels.

In order to increase the number of visitors and tourists also in the geographically isolated and remote areas which contain less interesting attractions (natural, historical and cultural), it would be necessary to unite all destination's landmarks by means of clusters.

Apart from this, associated itineraries for visits to attractions would also be created. In such a way a visitor critical mass would be created even in less attractive locations with less interesting contents. Owning an appropriate product is a part of a successful equation. Branding is a path by which potential producers and consumers are encouraged to purchase and to produce products. Apart from an integral image, quality hallmarks for typical products can also be created. The goal of development of Republic of Croatia's rural areas according to the Leader Programme principles:

Faster overall economic and social growth and development

A more dynamic overall development, which can be achieved by synergy of all significant economic and managerial factors, is needed in the area.

Dynamic, quality and organised tourism development

Tourism in rural area does not follow in speed and quality the development of Croatian coastal destinations. In that part, tourism is expected to provide greater dynamics in development, improvement of overall quality, as well as a modern and flexible management system. Rural areas have all the predispositions to become recognisable eco-destinations, in which rural and all other sustainable forms of tourism in protected natural areas will become prominent.

Multiplicative impacts (economy and overall)

The current position in the economic structure does not facilitate achievement of remarkable multiplicative impacts on associated businesses. This area development must commence noticeable activities also in the fields of agriculture, trade and traffic.

Improvement of the lives of inhabitants

Rural area development will enable a decrease in unemployment and drain of inhabitants, economic prosperity and security, as well as entrepreneurship and a positive climate for further economic activities.

Giving meaning to programmes which provide a faster return on invested capital

In their work, proposers of all the contents in rural areas need to take into consideration those products which will facilitate a faster return of invested means to investors.

5. Conclusion

Despite Istrian (Croatian) abundant natural and other resources, we cannot speak of its competitiveness in relation to worldwide tourist offer. Tourism represents one of the most dynamic world social processes. A better integration of agrotourism into the offer of tourist destination development must be seen in such a context as it results in a competitive ability of a destination on the world tourist market offering a service of better quality. Insufficient tourism offer leads to absence of certain positive effects such as: increase of regional GDP, increased income for local administration, enhanced quality and exclusivity of tourist offer, attracting better paying guests, prolonged tourist season, increased number of tourists and overnight stays, year-round tourism operations, increased foreign investments, employment of new staff and local construction companies.

‘The survival of tourism destinations requires intensified trend monitoring regarding a permanent increase of tourism offer quality. In seeking new solutions for enhancing competitiveness and monitoring world tourism market trends, the new concept of integral quality management (IQM) was set up as a response to real changes in behavior and differentiation of tourism demand resulting from new influences in all life segments’ (Herak, Rudančić-Lugarić, 2014, in print). Apart from the above, it can also be emphasized that the absence of proper resource management can have adverse effect including the absence of destination image and loss of quality guests leaving for other destinations with a more diverse offer and richer traditional values.

According to Juraković and Sinosich, proper development and resource management requires the introduction of the Leader Programme principles i.e. involvement of local community in the management system as the most important component, which is not compatible with the current centralized system. Introduction of new ideas from the level of local management is very functional as each local community knows its own needs and constraints best. (Juraković, Sinosich, 2012: 1099-1108).

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