LINKING OF THE URBAN AND RURAL TOURISTIC DIMENSION FOR THE PURPOSE OF INCREASE IN ECONOMIC EFFECT OF TOURISM

Šemsudin Džeko*

Abstract

This paper advocates new way of improvement of cooperation between private and public sector by creating strategic plans for integration of urban (existing) and rural tourist products, with an application of the principles of sustainable development, in order to form a unique tourist itinerary. Repositioning of existing urban products by linking with new rural products will result in creation of competitive tourist products, which concurrently include the less valorised areas. Thus, a foundation for extension of tourist stays and increase in income in less developed areas is created. So, the tourism, which has been identified as one of the key branches of economy development in Bosnia and Herzegovina, accomplishes its role of an instrument for poverty alleviation, advancement of local entrepreneurship, renewal of demographic structure and improvement of living conditions in rural communities. The tourist itinerary/product of such quality, which meets the expectations of international tourist and is, at the same time, adjusted with the trends on the world’s tourist market, guarantees a social-economic effect of tourism.

Keywords: Urban tourist product, Rural tourist product, Valorisation of rural areas, Sustainable development.

Introduction

The contemporary economic development sees in tourism one of the most important activities in Bosnia and Herzegovina. Positive effects of tourism are bigger and bigger from day to day, not only for the regions, but also for entire countries. With its development in Bosnia and Herzegovina, tourism affects the development of new economic activities, particularly those in which the population earns their extra income. Development of tourism affects the regional development and is correlated with other activities. First of all, a new number of the jobs are created in tourism. In addition, it affects the urban and rural development of transport, as well as higher prices of land and its transformation from agricultural to construction land and alike.

*PhD, Udruženje/Urugs turističkih agencija Bosne i Hercegovine, Branilaca Sarajeva 21/4, 71000 Sarajevo, Bosnia and Herzegovina, phone: +387 33 252 900, fax: +387 33 252 901, e-mail address: dzeko@tourism.ba
The abrupt tourist development in Bosnia and Herzegovina is mostly reflected in development of the peripheral rural areas, which are, according to their underdevelopment, far from the developed urbanised centres of Sarajevo, Tuzla, Banja Luka, Mostar and other. The undeveloped areas lag in every aspect behind the developed centres, which results in economic migrations, emigration of labour force from agricultural lands and impoverishment of the village. With tourism development in these areas development of the periphery is achieved, staying the population in native area, improvement of infrastructure and all other activities of which the region, and even the country, have prosperity. This paper aims at showing the influence of tourism on urban and rural development of Bosnia and Herzegovina on the grounds of existing tourist resources, the number of tourists and tourist overnight stays in Bosnia and Herzegovina from the leading European countries, and the world, in the period from 2006 to February 2011 and the number of employed people in tourism. (Cigale 2004 : 68-72)

Methods of work and data sources

For gathering the primary sources of data an interview method has been used, i.e. depth interview, at which the main instrument was a reminder for interview. The interview was made with 200 respondents from urban and rural areas from smallholder farm households, with or without agritourism, workers of local/regional self-management units, Chamber of the Economy in Sarajevo and tourist organizations. The Interview consisted of 20 questions on socio-economic characteristics of the respondents, understanding of agritourism concept, motives, advantages and obstacles in agritourist activity, quality of cooperation of the competent institutions, a trend of demand for agritourism and influence of agritourism on socioeconomic development of rural areas in Bosnia and Herzegovina today and in the future. The questions have been of closed and open-ended type. The obtained results have been processed through the SPSS Programme. (Mikačić 1998 : 78-83)

The research was completed by analysis of the contents of secondary sources, interpretation and description of adequate data bases of the Agency for Statistics of Bosnia and Herzegovina. In the research, a method of interview and tourist valorisation of urban and rural natural-geographic characteristics that was conducted by experts for tourism in Bosnia and Herzegovina was used, which contributes to relevancy of data that were statistically processed afterwards. Smallholder households were also covered by the survey and the readiness and big interest in inclusion into the process of offering tourist services were recorded.

Tourist flows in Bosnia and Herzegovina

Tourist flows in Bosnia and Herzegovina clearly indicate that Bosnia and Herzegovina is traditionally oriented toward foreign market in tourism. In order to obtain insight
into tourist valorisation of Bosnia and Herzegovina, it is indispensable to present the tourist resources distributed in urban and rural settlements. Tourism of Bosnia and Herzegovina is based on natural and anthropogenic resources. The Review of tourist resources shows that most of the tourist space and attractions have been insufficiently valorised so far. The European countries had a leading role in the world’s tourism in the past fifty years, which was even more intensified by the European integration process. The European tourist industry employs over 45 million of workers, which accounts for more than 14% of labour force. (Anon 2010c; Anon. 2010d). A drop in tourist trade that commenced in Bosnia and Herzegovina in the second half of the 1990s due to economic disturbances began to lessen after 1995, and started rising. High number of foreign visitors is still recorded in all tourist destinations of Bosnia and Herzegovina. Visits are primarily frequent with regard to natural-geographic characteristics and anthropogenic contents in Bosnia and Herzegovina. (Nurković 2004 : 134-18)

This is illustrated by data from 2009, when 17.813 tourists arrived to Bosnia and Herzegovina from Germany, 15.443 from Italy and 13.005 tourists from Austria. With regard to overnight stays of international tourists Germany also leads with 40.944 overnight stays, Italy with 32.685 and Austria with 22.734. Of the non-European countries, according to number of tourists the Americans lead with 6.664 arrivals and 19.000 overnight stays in 2009. Of the former Yugoslav countries, the biggest number of tourists in the mentioned period came from Croatia. From this country 50.838 tourists came to Bosnia and Herzegovina in 2009, with 93.601 overnight stays recorded, which made 13.9% of the total overnight stays. (Table 1)

Table 1: Number of tourists and overnight stays in Bosnia and Herzegovina per countries, 2007–2010

<table>
<thead>
<tr>
<th>Countries</th>
<th>Tourists</th>
<th></th>
<th></th>
<th>Nights</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>306.452</td>
<td>321.511</td>
<td>310.942</td>
<td>16.452</td>
<td>694.507</td>
<td>718.750</td>
<td>671.128</td>
</tr>
<tr>
<td>Croatia</td>
<td>50.208</td>
<td>53.512</td>
<td>50.838</td>
<td>4.005</td>
<td>108.142</td>
<td>108.233</td>
<td>93.601</td>
</tr>
<tr>
<td>Slovenia</td>
<td>36.353</td>
<td>36.596</td>
<td>34.580</td>
<td>1.861</td>
<td>68.308</td>
<td>68.493</td>
<td>60.762</td>
</tr>
<tr>
<td>Serbia</td>
<td>56.936</td>
<td>60.481</td>
<td>56.221</td>
<td>4.096</td>
<td>131.537</td>
<td>142.811</td>
<td>120.850</td>
</tr>
<tr>
<td>Austria</td>
<td>11.741</td>
<td>12.163</td>
<td>13.005</td>
<td>646</td>
<td>22.544</td>
<td>21.920</td>
<td>22.734</td>
</tr>
<tr>
<td>Italy</td>
<td>17.599</td>
<td>16.090</td>
<td>15.443</td>
<td>672</td>
<td>33.122</td>
<td>31.826</td>
<td>32.685</td>
</tr>
<tr>
<td>Hungary</td>
<td>4.038</td>
<td>4.193</td>
<td>5.124</td>
<td>126</td>
<td>8.086</td>
<td>7.293</td>
<td>11.404</td>
</tr>
<tr>
<td>Germany</td>
<td>17.761</td>
<td>17.201</td>
<td>17.813</td>
<td>680</td>
<td>39.635</td>
<td>35.493</td>
<td>40.944</td>
</tr>
</tbody>
</table>

Source: http://www.bhas.ba
Economic and Infrastructural Aspect of Local Development

Regarding the total income, a moderate growth, not only of the state but also the private incomes from tourism, is noticeable. (Table 2) In the analysed period, the state income had a larger share only in 1996, respectively amounted to KM 41.904 million or 69.4% of total income. Since 1998, the private income has taken over domination in total income and this trend still continues. In 2008, total income amounted to KM 68,899 million, of which private income accounted for 56% of total income. The proportion between the private and state income remained also in 2008, respectively amounted to 58.5% of private and 41.4% of state income, although the total income was lower by 13.4%. Domestic tourist trade in the mentioned period made somewhat more than 40% of total overnight stays. Today, tourist movements toward our country are getting bigger and bigger, and more dynamical. With establishment of a series of service activities the roads to the coast have been opened. These facts, as well as the tourist trends in the world, must be taken into consideration while discussing the previous, current and future development of tourist orientation of Bosnia and Herzegovina.

Table 2: Income from tourism in thousands of KM, 1996–2010

<table>
<thead>
<tr>
<th>Year</th>
<th>1996</th>
<th>%</th>
<th>1997</th>
<th>%</th>
<th>1998</th>
<th>%</th>
<th>1999</th>
<th>%</th>
<th>2001</th>
<th>%</th>
<th>2010</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>State revenues</td>
<td>41.904</td>
<td>69.4</td>
<td>31.591</td>
<td>46.6</td>
<td>30.054</td>
<td>43.6</td>
<td>28.387</td>
<td>42.4</td>
<td>30.294</td>
<td>43.9</td>
<td>25.173</td>
<td>41.4</td>
</tr>
<tr>
<td>Family income</td>
<td>18.416</td>
<td>30.5</td>
<td>36.116</td>
<td>53.3</td>
<td>38.778</td>
<td>56.3</td>
<td>38.407</td>
<td>57.5</td>
<td>38.588</td>
<td>56.0</td>
<td>35.611</td>
<td>58.5</td>
</tr>
<tr>
<td>Total</td>
<td>60.320</td>
<td>100</td>
<td>67.707</td>
<td>100</td>
<td>68.823</td>
<td>100</td>
<td>66.794</td>
<td>100</td>
<td>68.899</td>
<td>100</td>
<td>60.784</td>
<td>100</td>
</tr>
</tbody>
</table>


It is necessary to search and determine the main factors that will most affect the future tourism development in Bosnia and Herzegovina. One of the indicators of influence of tourism on urban and rural development of Bosnia and Herzegovina is also a number of employed people in tourist industry. According to data on number of employed people in hotels and restaurants, it is noticeable that tourism is still insufficiently developed and, as such, is of no bigger influence on total economic development of Bosnia and Herzegovina. (Table 3)

Table 3: Number of employed people in hotels and restaurants in Bosnia and Herzegovina, 2006–2/2010

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees</td>
<td>654.252</td>
<td>100%</td>
<td>687.445</td>
<td>100%</td>
<td>706.088</td>
</tr>
<tr>
<td>Employees in hotels and restaurants</td>
<td>26.649</td>
<td>4.1%</td>
<td>34.880</td>
<td>5.1%</td>
<td>32.408</td>
</tr>
</tbody>
</table>

Source: http://www.bhas.ba
Number of employed people in hotels and restaurants, as the leading tourism activities, has been changing quite frequently from 2006 to date. Total number of employed people in Bosnia and Herzegovina in 2006 was 654,252 while in February 2010 it reached 699,710 of employed or 45,458 more, respectively 6.9%. However, the employment level in tourism is below that level, respectively it ranged from 4.1% in 2006 to 4.9% in February 2010. (Chart 1)

**Chart 1: Share of employed persons in tourism of Bosnia and Herzegovina, 2006–2010**

![Chart 1: Share of employed persons in tourism of Bosnia and Herzegovina, 2006–2010](http://www.bhas.ba)

It is necessary to consider it from more aspects, multidisciplinary with further developmental, spatial and process approach. This means that accurate and relevant data must be provided through relevant quantitative and statistical methods and a level of tourism development must be determined. (Cigale 2004) A particular attention should be paid to studying the development of this branch in the future regional development of Bosnia and Herzegovina. Contemporary economic changes in the world are the most evident in this branch and are also expressed through an inevitable process of economic restructuring in Bosnia and Herzegovina. (Mikačić 1998 : 90-96)

**Influence of tourism on other sectors of the economy**

Tourism is rightfully regarded as a branch that ensures a specific offer and economic valorisation of domestic tourist product in the best way, which is made of elements of tradition and culture, natural heredity and the constructed material culture, and service and production components of local tourist contents. Today, it is a fast growing industry with a growing knowledge and high value-added, which contributes to social prosperity, GDP growth, employment and investments. (Lorber 2006) In contemporary circumstances, tourism in Bosnia and Herzegovina has a significant place as a factor of development and restructuring of the linked activities. A special
developmental effect the tourism has in external effects on a series of activities in economy and society, starting from production of food and drinks, road, railways and air transport, development of infrastructure and investments into destination capacities, through development of hotel business, trade and industry of entertainment, to starting the development of a series of financial, marketing and educational services and the changes in rural, environmental in country’s spatial development, and increasing the standard of living. (Chart 2)

*Chart 2: Influence of tourism on other economic activities in Bosnia and Herzegovina, 2010*

In the mentioned figure, 19 surveyed activities have been shown with grades from 1 to 3. On that occasion, a level of influence of tourism on the sectors in Bosnia and Herzegovina has been evaluated. Of 19 activities presented, 13 had the highest grade, while only railway transport had a grade 1, which means that this type of transport is the sector on which the tourism development does not have a major influence. On the other hand, 5 activities obtained the grade 2, respectively retail trade, banking services, insurance services, automobile industry and electrical industry. Activities that received the highest grade were, among others: agriculture, production of food and drinks, telecommunications, catering industry, etc. However, despite the huge potentials, tourism in Bosnia and Herzegovina is still in initial stage of development. According to estimations given in Global Report on Competitiveness in Tourism for 2010, it is estimated that tourist industry realises 461 million dollars of GDP, respectively participates in GDP of Bosnia and Herzegovina with 2.9% employing 26,000 workers, and participates in total employment with 2.3%. (Anon. 2010a; Anon. 2010b; Kurtović 2006: 133-140)

The role and importance of tourism on regional development in Bosnia and Herzegovina were understood by many people, starting from the employees, through
Local Economic and Infrastructure Development of SEE in the Context of EU Accession

Š. Džeko: Linking of the Urban and Rural Touristic Dimension for the Purpose of...

institutes and governments. With this regard, an adequate Strategy for tourism development was adopted, which foresees an accelerated development of tourist capacities and an increased number of domestic and foreign tourists. The need for restructuring the existing and development of new aspects of tourism is one of the first needs for tourism development in Bosnia and Herzegovina. Number of beds should increase with concurrent raising the quality of accommodation in hotels, villas and boarding houses. Total investments in tourism development should reach about 1.5 billion EUR. According to estimations of the World Tourist Organisation (UNWTO), travel activities and tourism of Bosnia and Herzegovina for the period 2006–2015 are expected to have the real annual growth of 5.2%. Tourism in Bosnia and Herzegovina is dependant of 4 groups of factors: global, European and regional environment, and the environment made by system of Bosnia and Herzegovina and the Federation of Bosnia and Herzegovina, market factors in the country and the target emitive markets, enterprising factors and their power and motivation for action in a sector of tourism and government. None of these factors can be isolated because all the factors mentioned above can only contribute to tourism development together.

Transport is one of the key factors that influence the tourism development. Bosnia and Herzegovina has a significant position in transport-communication system of the Balkans and South Europe. According to its position, it attempts to join, as quickly as possible, the developed countries of Europe and the world in the field of transport and communications, in which certain results are achieved. In the past few years, considerable funds have been invested into reconstruction of transport capacities, facilities and traffic lines destroyed and demolished by war, and construction of new roads and railway directions is also being planned. The existing traffic infrastructure in Bosnia and Herzegovina is mainly located around the central axis south-north along the rivers of Bosna and Neretva, and in west-east direction parallel to the Sava River. On these directions most of economic and natural resources, as well as of the population of Bosnia and Herzegovina, are located. Recently, the efforts and successes of Bosnia and Herzegovina and the International Community towards a gradual, yet certain normalization of international transport have become evident. (Horvat 2006 : 125-132)

Conclusion

It is noticeable from the mentioned data that tourist resources in the area of Bosnia and Herzegovina are still insufficiently used. The reasons for this are mostly the nonexistence of a tradition of tourism development, insufficient development of transport network and a lack of contemporary hotel accommodation. There are few geographic spaces left in the world which were most affected by location factors for tourism development. That is the first thing according to which Bosnia and
Herzegovina can be distinguished from the others. The past has been continuously keeping anthropogenic resources of human wishes, needs and habits.

In the last fifteen years, number of arrivals and overnight stays has been increasing in Bosnia and Herzegovina. The sending countries are mainly European, i.e. West European countries. The reason for their arrivals is still a very preserved and clean environment, a large number of cultural-historical monuments as well as religious tourism, primarily visiting Medugorje. On the other hand, there are visits to the Winter Olympic Mountains that, truly, are still not in the capacities in which they used to be before 1991. A big number of foreign tourists stay in destinations spa resorts primarily due to sports-recreation needs, spending active holiday as well as for preventive reasons. For the above mentioned, the guests are spatially very mobile, which initiated an intensive tourism development in the surroundings of these resort and spa regions (a diverse additional tourist supply, rental of separate tourist rooms or even construction of separate boarding houses and hotels) or even the creation of smaller, additional tourist areas. Tourism is regarded as one of the leading branches of economy in Strategy of development of Bosnia and Herzegovina. Priorities of fundamental developmental directions are the enterprising innovation, linking the tourism products into the frame of destination management, preservation of cultural-historical and natural heritage and promotion of the country. These activities are the basis for a new tourism concept which lies on local values of Bosnia and Herzegovina and the European marketing with a goal of promoting Bosnia and Herzegovina as a new, undiscovered destination for European tourists.

References


Anon. (2010b) *Strategija razvoja turizma Bosne i Hercegovine*, Sarajevo.


**Linkovi**

http://www.fzs.ba/
http://www.bhas.ba
http://epp.eurostat.ec.europa.e
http://statistics.unwto.org