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## Possibilities for Sustainable Rural Tourism Development in Bosnia and Herzegovina

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### Abstract

Rural areas in Bosnia and Herzegovina include more than 80% of the country's territory and are inhabited by more than half of the population. In order to preserve the natural environment, traditions and customs, rural tourism is developing and rural areas are getting active for tourism purposes. The authors analyze the current state of rural tourism in the territory of Bosnia and Herzegovina and provide recommendations for its sustainable development. The analysis shows that the basic problems that could slow down the development of rural tourism are: lack of incentives for the development and improvement of the state and government institutions, lack of subsidies for young people who want to live and work in the countryside, inability to use quality land for non-agricultural purposes, lack of defined standards for rural development and underdevelopment of infrastructure.

*Key words:* rural tourism, sustainable development, Bosnia and Herzegovina

### Introduction

The globalization, that has been present in the world for the past several years, has tended to activate rural areas for tourist purposes. The leading rural tourism countries in the world are EU countries where over 95% of the rural tourism accommodation capacities are located (Todorović & Bjeljac, 2007).

A special importance for the development of tourism is the attractiveness of a tourist destination. Bornhost et al. (2007) emphasized the importance of a tourist destination, defining it as a geographical region, political authority, or a major attraction that seeks to provide visitors with extensive experience worthy of memory.

Rural tourism is one of the priorities in tourism development in many European countries. Rural tourism market is on the rise, while at the same time the future of many rural areas is uncertain, due to changes in agricultural production and the attractiveness of urban areas due to higher living standards. Rural tourism is considered one of the most appropriate instruments for the revitalization of rural areas and ensuring a sustainable future through job retention or job creation, support for farms, nature conservation and the preservation of rural crafts as a tourist attraction. Destinations of rural tourism are based on a complex tourist product, which consists of several partial products (accommodation, transport, food, shops, attractions and others) (Demonja & Ružić, 2011; Hall, Roberts & Mitchell, 2003; Sidali, 2011). These individual tourism enterprises are interdependent and connected and they are primarily small and medium-sized enterprises. Problems in rural tourism, which contribute to the reduction of competitiveness are reflected (among other things) in the existence of strong competition instead of cooperation among providers of tourist products and services in rural areas. Many authors stated numerous negative cases of the rural tourism impact on the environment pollution, such as devastation of natural resources, noise and damaging cultural heritage (Brankov, Jovičić, & Milijašević, 2015; Srdanović & Pavić, 2015). Nevertheless, given the importance of tourism to rural areas, determining the factors that influence the improvement of the competitive position on the tourism market is of great importance for their further development.

In order to preserve natural ambient, traditions and customs, show and divide with as many people as possible, there is a more intensive development of rural tourism, or the activation of rural areas for tourism purposes in Bosnia and Herzegovina (BiH). For Bosnia and Herzegovina, tourism development is very important in the transition period, when the majority of the Bosnian economy is technologically obsolete, economically regressing and losing its market, while the environment is still significantly preserved.

The future of tourism development in BiH is based on a unique resource base. Rural areas provide a good basis for the sustainable development of tourism through the natural resources that BiH has at its disposal (climate, thermal and mineral waters, cultural and historical potentials and human resources).

The basic conditions for integral development of rural tourism are:

- the existence of preserved nature and natural terrain (for sports activities),
- culture, customs, architecture (characteristic for rural areas),
- proximity to the city areas, developed road network, especially local,
- developed standard telephone and internet connections,
- willingness of the local population to participate in rural development.

According to the estimates of the Central Bank of Bosnia and Herzegovina, the World Economic Forum and the World Tourism Organization (UNWTO), BiH receives tourism revenues of approximately 420 million euros, while domestic tourism participates in tourism revenues of BiH with approximately 37,5%. It is expected that the direct contribution of the tourism sector to GDP will be 2.4% in 2021 from the total GDP (this means an average annual real growth of 5.7%) (Tourism Development Strategy of the Federation of Bosnia and Herzegovina for the period 2008 -2018). The World Tourism Organization (UNWTO) has ranked BiH in the group of countries with the fastest growth in the upcoming period, and according to these forecasts, it will be the third country in the world in terms of tourism growth by 2020 (World Tourism Organization, 2005) .

In this paper, authors analyze the current state of rural tourism in the territory of Bosnia and Herzegovina by interviewing major stakeholders on the supply side and making recommendations for the sustainable development of this type of tourism.

### Literature review – rural areas in Bosnia and Herzegovina

Bosnia and Herzegovina can be divided into urban and rural areas, which differ by size of settlements and characteristics of municipalities. By size of settlements, the division is directly linked to agriculture, infrastructure and local services, and there is a division between villages and larger settlements. Rural areas in BiH include more than 80% of the territory of the country and are inhabited by more than half of the population (MoFTER, 2009). About 30% of the population is engaged in agricultural production on small farms with low productivity (Berjan et al., 2010).

From Table 1, it can be seen that the unemployment rate in rural areas is much higher than in urban areas, and income per capita is significantly lower than income per capita in urban areas.

In rural areas there is a low density of population and in these areas are the lowest incomes, highest unemployment, poorly developed infrastructure and low level of public finances. These problems affect the faster movement of young people from rural areas to urban areas.

Tab. 1. Comparison of urban and rural areas of Bosnia and Herzegovina by specific indicators

*Поређење градских и сеоских зона Босне и Херцеговине по одређеним индикаторима*

INDICATOR / <i>Индикатор</i>	Big cities / <i>Већи градови</i>	Smaller cities and villages / <i>Мањи градови и села</i>
Net migration per 100.000 inhabitants	36	14
Share of economically active population	35%	29%
Unemployment rate	31%	50%
Average net salary	BAM 895	BAM 715
GDP per capita	BAM 10.460	BAM 4.730

Source: [http://hdr.undp.org/sites/default/files/nhdr\\_bih\\_web.pdf](http://hdr.undp.org/sites/default/files/nhdr_bih_web.pdf)

The percentage of the population living below the poverty line is significantly higher in rural (18%) than in urban areas (11%). Population living in poverty live most commonly in smaller communities, which suffered significant consequences due to the war (during the nineties of the twentieth century). In the Republic of Srpska, the percentage of poverty in the non-urban areas is significantly more pronounced, and in the Federation is approximately equal: 16% of the poor live in non-urban, and 15% live in the urban areas (<http://www.europartnersearch.net>).

The strong rural economy and strong rural communities are crucial for the future social, political and economic stability of the country, as well as the prosperity of BiH. This means that the rural economy has several tasks that are of great importance for the development of the entire BiH and the development of agribusiness (and rural tourism):

- to strengthen the domestic market by reducing the imbalance in food trade;
- to provide opportunities for generating income in the agriculture sector and
- to provide adequate amounts of healthy food at competitive prices.

Rural areas of Bosnia and Herzegovina are recognizable by the richness of natural landscapes and the richness of biodiversity. Many Bosnian valuable natural resources have been preserved, for example: canyons (Rakitnice and Krušnice), bird reserves (Hutovo blato and Bardača), Perućica rainforest, lakes (Blidinje, Prokoško, Šatorsko and Boračko), waterfalls (Kravice, Skakavac, and Kozica), Una river with its waterfalls, the upper stream of Neretva.

Regarding rural areas of BiH, tourism can be developed in two directions: development within existing villages (accommodation of tourists in facilities located within or near the house where the host lives) and second - activation of villages that are partly or completely abandoned (through their transformation into a village) where tourists would be accommodated in renovated authentic facilities.

## Material and Methods

In this paper, survey research covered all those tourism experts who have the knowledge and/or experience relevant to the subject, and whose area of research and action is related to rural tourism and competitiveness of tourist destinations. In Bosnia and Herzegovina, interviewed tourism experts are as follows: teaching staff at higher education institutions, employees of the tourist organizations, employees of national and provincial institutions of importance for the development of tourism, tourism managers of travel agencies, owners of tourism enterprises in rural areas (farms, restaurants, ethno-houses, museums, wineries, souvenir shops, event organizers) and others (societies, associations, clusters).

Tourism experts from Bosnia and Herzegovina were asked to assess the current state of 24 attributes which affect/could affect the competitiveness of rural tourism destinations in Bosnia. Likert scale of five scores was used, where "1" means very bad condition of the attribute, score "2" bad condition, "3" average condition, "4" very well and "5" excellent condition of the attribute. A total of 143 tourism experts on the supply side agreed to participate in the survey and to give opinion on the status of key resources and attractions that could have a significant impact on the competitiveness of the rural tourism sector in Bosnia and Herzegovina.

The survey was conducted in two ways - a personal interview (technique of "face to face") and by sending a questionnaire via e-mail. By clicking on the link within the e-mail, an on-line questionnaire was opened in the form of a web page. Upon completion of the questionnaire, the data is automatically sent to the database provided by Google through the Docs service.

The survey was anonymous and the names and surnames of the respondents were not relevant for the research. Selected tourism experts in Bosnia and Herzegovina were interviewed in the period from June to the first half of October 2016. The response rate was about 50%.

Statistical analysis of the data collected through the survey were done in the software statistical program SPSS 20.

## Results and Discussion

In Table 2 results (mean, standard deviation) are presented for Bosnia and Herzegovina. The values of the mean, or average marks of attributes ranged from 2.4 (the lowest value) to 4.2 (maximum value). No items were rated extremely negative or extremely positive.

The highest average ratings have attributes: Favorable weather conditions for the development of rural tourism, Attractiveness of a rural destination as a multicultural environment, Diversity of local culinary products, and the feeling of safety and security in the entire destination and the feeling of safety and security in agro-tourism facility.

Bosnia and Herzegovina is located in the continental climate zone and because of its position, its climatic conditions are favorable and moderate, without any temperature extremes. Climatic conditions are important factors to be taken into account when taking a decision on a destination for tourists who will travel, but also affect the performance of tourism enterprises. Climatic conditions may be an indirect element that will make tourism activities possible and enjoyable.

Weather conditions, which tourists are exposed to during their stay at a destination, are important for several reasons. First of all, the weather allows to organize certain activities, or they can encourage tourists to participate in them. Also, the safety of tourists depends on the weather conditions (extreme weather conditions can jeopardize the safety of tourists). Tourism experts have estimated that the climate conditions are suitable for the development of rural tourism in Bosnia and Herzegovina, and that the appropriate tourist offer (activities outdoors or indoors consistent with weather conditions) should be used in order to overcome the problem of seasonality.

The importance of gastronomy for rural areas of Bosnia and Herzegovina can be twofold - food preparation, i.e. local specialties respecting the authenticity of hearthstone and hospitality protocol can bring tangible asset hosts, while on the other side gastronomy with its activities can greatly contribute to the attractiveness of content during the stay and thus enrich the experience of visitors.

It is extremely important that the factor "Safety and Security" received a high rating from tourism experts because this factor is one of the primary condition for the successful development of rural tourism destination. Competitiveness of Bosnia and Herzegovina as a destination for rural tourism can be achieved if the tourists indicate that they will feel safe and secure during their stay at the selected destination or the particular facility.

Tab. 2. Descriptive statistics for individual attributes for determinant "Key resources and attractions"

*Дескриптивна статистика за појединачне особине детерминанте "Кључни ресурси и атракције"*

Determinant "Key Resources and attractions"			
Factor	Attributes	M	SD
The physical and geographical elements of the environment	Preserved nature and the beauty of the landscape of rural environment	3.5368	0.78795
	Suitable climatic conditions for the development of rural tourism	4.2721	0.68277
	The use of rivers, lakes and canals in rural tourism	2.6103	1.05531
	The diversity of flora and fauna	3.0956	1.00280
	Presence of protected natural areas and natural parks in the rural tourism offer	3.9853	0.76966
Cultural heritage	Tourist offer of local museums and galleries	3.0882	0.99978
	Preservation of rural architecture	2.9779	0.97727
	Cultivating folk traditions (art, music, folklore, costumes, customs)	3.7059	0.93585
	The attractiveness of rural destinations as a multicultural environment	4.3309	0.75085
Opportunities for sport, entertainment and recreation	Opportunities for sports and recreational activities in nature	3.8750	0.93045
	The quality and originality of the events and festivals	3.6103	0.87070
Accommodation capacities and their authenticity	The quantity of accommodation facilities in rural areas	2.9706	0.82499
	The quality of services in accommodation facilities in rural areas	3.2426	0.78407
	The attractiveness of properties (e.g. the traditional building materials, animals, the possibility of insight into production)	3.0662	0.92057
Gastronomy	The variety of local culinary products	4.0221	0.89829
	The authenticity of local gastronomic products	3.9118	0.88167
General infrastructure and tourism superstructure	The quality of basic infrastructure in rural areas (e.g. electricity and telephone network, water supply)	3.2941	0.94373
	The quality of basic infrastructure in the agro-tourism object (e.g. electricity and telephone network, water supply)	3.3603	0.89998
	The quality of the rural road network	2.6471	0.98529
	Cleanliness and tidiness of the place	2.9338	0.95996
	Travel signaling (e.g., information boards, signposts)	2.4559	0.94960
	Tourist facilities superstructure (e.g., restaurants, cultural institutions, sports and recreational centers)	2.9044	0.79702
Safety and security	The feeling of safety and security in the entire destination	4.0294	0.80683
	The feeling of safety and security in agro-tourism facility	4.0662	0.79071

Source: Authors, based on analysis of data from the survey research

Attributes of the determinants “Key Resources and Attractions” that received the highest average ratings can be considered as primary competitive advantage of Bosnia and Herzegovina, and a multicultural, rich and authentic gastronomic offer and a sense of security and safety can be particularly attractive factors for foreign visitors.

The lowest average ratings (from 2.45 to 2.64) are with attributes: *Use of rivers, lakes and canals in rural tourism*, *Quality of rural road network* and *Travel signaling* (e.g. information boards, signposts).

The results showed that while Bosnia and Herzegovina has significant water resources (rivers, lakes and canals), they are for the development of tourism in rural areas insufficiently or not at all used. Recreational, aesthetic and other values of these lakes form a key component of the offer of activities for tourists during their stay in rural tourist destinations.

Attributes that may pose a major obstacle to the further development of rural tourism in Bosnia and Herzegovina were the poor quality of the rural road network and lack of tourist signs in rural areas. Transport infrastructure is poorly developed in almost all rural municipalities. Constructed roads of all categories are in poor condition and traffic signs are inadequate and insufficient. A significant part of the roads are not yet paved, pavements and asphalted roads are dilapidated and damaged. A particular problem may be a lack of inadequate approach to agro-tourism facilities. In order to enhance the value of this attribute, it is necessary to signpost the rural tourist destinations which include: mark board, tourist route direction arrow and tourist information boards.

Special attention should be paid to the quality of rural areas, since the future tourism development depends on this. In some EU countries, studies have shown that the quality of rural areas has a significant impact on the increase in the number of tourists, as well as the increase in the employment rate of young people in particular. In order to include rural areas in the tourist offer, some prerequisites are necessary: it is necessary to apply appropriate standards and categorization of services, the classification of minimum conditions and categorization of tourist facilities, investment in infrastructure (road networks) prevention of uncontrolled urbanization, education of rural hosts engaged in tourism activity, to improve equipment of space and facilities, or preparation of the population for accepting guests. Residents - hosts must have the opportunity and desire to provide quality services and meet the needs of guests who reside in rural households. Also, a quality of tourist product that hosts can offer to the guests is important. In addition to accommodation facilities, hosts can offer: local food, wine, brandy, cultural events and heritage (celebrations, folklore), health tourism (various mineral spas), hunting tourism.



Food production and trade are also important in the tourism offer, whether it is the participation of tourists in harvesting, sowing, picking fruit, collecting forest fruits, working on farms, riding horses, tasting products such as jam, honey and other products and drinks, livestock dairying or visit households only for the purpose of consuming and purchasing food and drinks.

The food offer includes shopping at farms, the purchase of local and regional products, or hand-made gifts. It is necessary to point out to the rural hosts economic justification for dealing with this activity, through the sale of tourism products on the domestic market.

The development of rural tourism in BiH will depend on the impact of four groups of factors:

1. environmental factors (global, European and regional);
2. market factors in the country and in the target markets,
3. entrepreneurial factors and their strengths and motivations for activities in the tourism sector,
4. government-states, which should create an incentive environment and provide public resources for the development of tourism.

It is important to bear in mind the fact that the mentioned factors of tourism development must operate at the same time and be synchronized, in order to achieve the improvement of tourism in BiH. Only in this way, integrated activities create the necessary (pre-) conditions for the profitable operation of the tourism sector and successful tourist positioning of the state on tourism market.

## Conclusion

Rural tourism sector in Bosnia and Herzegovina has an abundance of natural resources and special attractions. However, ancillary services and facilities are very limited and this may affect the reduction of attractiveness, and the possibilities for the sector to highlight its potential. In the absence of supporting infrastructure and resources, the outcome for the destination can range from the provision of services under the expectations of visitors to major failures, thus preventing long-term development of the destination.

Three main elements have the potential to increase the length of stay and tourist spending, and these are the folk tradition, gastronomy and opportunities for sports and recreational activities in nature. Development of the key elements can stimulate visitors to stay longer, spend more money and participate in a wider range of activities.

Development of Bosnia's tourism sector in recent years was based on the construction of physical infrastructure. Elements such as the quality of services, training programs for human resources development, fostering creativity and innovation and creating new and interesting tourism products, were ignored. The development of tourist destination management, which is one of the most important factors for competitiveness, was unsuccessful.

It is possible that the rural tourism sector does not receive sufficient benefit from government support for the planned development of the destination, and that marketing efforts do not go in the desired direction. This suggests that a rural development strategy should have a special bond with resources and attractions of the destination, that priority should be given to maintaining all aspects of safety and security, continuous improvement of services, the use of benefits of a multicultural environment, diversity of culinary products, as well as the application of the principles of sustainability in environmental management. Increasingly recognized and accepted is the need to manage destination resources in a sustainable way in order to preserve them for future generations.

Rural tourism and other forms of tourism involve many business entities (entities that provide accommodation services, food etc.) and consumption of these services occurs when a visitor is at the destination. The more positive perception of tourism services, the stronger the feeling of quality. The functional aspect of quality of services is likely to be more influential than the technical aspects, which means that there is a need for highly skilled labor. Special importance during the development of human resources in rural areas of Bosnia and Herzegovina, should be given to the training of personnel, ranging from manufacturing to management level. From the perspective of holders of supply, quality management services and human resource development are co-dependent variables in support of excellence in service. Destination marketing is crucial and should focus on new products and market development.

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# Могућности за одрживи развој руралног туризма у Босни и Херцеговини

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## Сажетак

Рурална подручја у Босни и Херцеговини обухватају више од 80% територије земље и у њима живи више од половине становништва. У циљу очувања природног окружења, традиција и обичаја, рурални туризам се развија и рурална подручја се активирају у туристичке сврхе. Развој руралног туризма смањује незапосленост, смањује кретање из села у град, дозвољава процену рада жена у сеоским домаћинствима, повећава приходе од продаје роба и услуга, омогућава развој локалне заједнице. Аутори у раду анализирају тренутно стање руралног туризма на територији Босне и Херцеговине и дају препоруке за његов одрживи развој, а на основу мишљења туристичких експерата на страни понуде. Анализа показује да су основни проблеми који могу успорити развој руралног туризма: недостатак подстицаја за развој и побољшање државних и владиних институција, недостатак субвенција за младе људе који желе да живе и раде на селу, немогућност да користе квалитетно земљиште за не-пољопривредне сврхе, недостатак дефинисаних стандарда за рурални развој и неразвијеност инфраструктуре.

*Кључне ријечи:* рурални туризам, одрживи развој, Босна и Херцеговина

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