

*Review paper*

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## FORECASTS OF THE RURAL TOURISM DEVELOPMENT IN KOSJERIĆ AND GORNJI MILANOVAC MUNICIPALITIES

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**Abstract:** The aim of this study is to identify, evaluate and predict the effect of the oscillation factors of rural tourism in the municipalities of Kosjerić and Gornji Milanovac. Market research, comparative analysis and SWOT analysis have been used in the paper as a method. The research results show that the different phases can be distinguished in the development of rural tourism in the mentioned municipalities, with varying intensity of activities, that the income of rural tourism is higher in Gornji Milanovac, that both municipal tourist organizations are involved in promoting rural tourism and that strategic activities are intensified in the last few years and the viability of this type of tourism is emphasized. The forecasts of further development are influenced by political, economic and demographic factors, as well as by the enthusiasm of those involved in this activity.

**Key words:** rural tourism, forecasts, the municipality of Kosjerić, the municipality of Gornji Milanovac

### Introduction

Academic interest in rural tourism started in the fifties of the twentieth century, and the most important themes of the sixties and the seventies of the twentieth century referred to the economic benefits that rural tourism conditioned. Studies of the eighties and the nineties of the twentieth century dealt with the economic and social impacts of rural tourism on local communities and with the importance of planning and marketing (Oppermann, 1996). In the rural tourism research, attention has been paid to the experiences of tourists, the quality of destination and its appearance (Clarke & Denman, 2001).

The seventies of the twentieth century can be considered as the beginning of the development of rural tourism in Serbia, and the pioneers are villages Devici, Seca Reka, Sirogojno. Serbia has a diversified structure of attractiveness, but it is not followed by proper profile of tourism products. Fragmented and dispersed

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peasant holdings, orientation towards other forms of tourism and lack of awareness of the value of the environment are just some of the factors that have influenced the poor development of rural tourism (Todorović & Bjeljac, 2007).

Seča Reka village in the municipality of Kosjerić is one of those that have the longest tradition of rural tourism - from the 80's of the XX century. On the other side, there are villages in the municipality of Gornji Milanovac with short tradition in rural tourism, which has been intensively developed since the beginning of this century. Complex review and comparative presentation of this form of tourism in the municipalities of Kosjerić and Gornji Milanovac will point out the similarities and differences, advantages and weaknesses, as well as opportunities and forecasts of further development.

### **Research Methods**

The method of market research (Čerović, 2004) has been applied in this paper, based on the direction and intensity of the variability of rural tourism in the municipalities of Kosjerić and Gornji Milanovac in a certain time period (from the eighties of the XX century to 2010). The research is oriented to the forecast of factors that affect the variability of rural tourism. The forecasts are based on the development of market movements of rural tourism in recent years, statistics on the number of tourists and overnight stays, households and beds, as well as the opinions of experts.

Three models are used for the forecast: econometric models, economic indicators and market tests. The econometric models are based on knowledge of economic indicators. Indicators of market are time series that reflect oscillations in tourism. Market test is the examination of the economic activity and obtaining information through a questionnaire<sup>2</sup>. The goal of the market research is to identify, evaluate and predict the effects of factors of oscillation of tourism. It will be determined whether the oscillations are of secular (long-term), cyclic (medium), seasonal (short-term) or sporadic (irregular) character (Grbac & Meler, 2007). Market research can be quantitative and qualitative. In using quantitative methods, numerical measurements are necessary to forecasters under the assumption that some of the elements of the past will be the pattern for the future. Qualitative methods consider the opinions of experts, rather than numerical data from the past (Makridakis, Wheelwright & Hyndman, 1998).

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<sup>2</sup> Information were obtained by questionnaire from Zlatana Petrović, the first director of the Tourist Organization of Gornji Milanovac, whose sphere of activity is rural tourism, Snežana Joksimović, director of the Tourist Organization of Kosjerić and her associate Ljiljana Kovačević.

Comparative analysis, as objective-quantitative research, will point to the similarities and differences in rural tourism of the municipalities of Kosjerić and Gornji Milanovac, and SWOT analysis will show the strengths, weaknesses, opportunities and threats related to rural tourism in these areas.

### **Phases and Factors of the Development of Rural Tourism**

Phases in the development of rural tourism in the municipalities of Kosjerić and Gornji Milanovac were selected to highlight the cyclical or market oscillations, which have been the result of uneven dynamics and volume of supply and demand. Every economic cycle, and thus the tourism one, starts with the phase of the economic 'revival' and ends with the phase of 'depression'. Between these two phases, there are phases of 'boom' and 'crisis' (Bakić, 2010).

Significant development of tourism in the villages of Kosjerić municipality is linked to the beginning of the 80's of the XX century, 1982, when Kosjerić Travel Association was founded, and several households from Seča Reka, Varda, Radanovac, Makovište and Mionica began to receive tourists. Development of rural tourism was initiated by the construction of a memorial complex "Žikica Jovanović – Španac" in Radanovci (1980), the construction of infrastructure (paved rural roads, electricity was introduced in all villages, carried water supply, telephone lines). Responsible for the development of rural tourism at that time were Mayor Slavoljub Kosorić, Tanasije Paunović, correspondent for "Vesti" from Užice and Radomir Djokić, a branch manager of "Invest Bank" in Kosjerić, who approved the loans for house furnishing (building bathrooms, purchases of functional furniture, electrical equipment) (information obtained from the Tourist Organization of Kosjerić). The development of rural tourism was affected by a good standard of living, high demand, and low capacities in rural tourism which were offered in the market, while oscillations in tourism began with the decline in the population standard (the 90's of the last century) (Ilić, 2007).

Political and economic developments in the last decade of the twentieth century led to a decrease in the number of tourists and overnight stays. The decline in turnover in rural tourism of Kosjerić municipality during the 90's of the last century was influenced by problems with water supply in the village of Varda, adverse weather conditions in some years (a larger number of rainy days in July), inadequate promotion of tourism, fall of interest of rural households for tourist activities and others. Significant improvements were noted in the period 2007-2010 and were manifested by increasing the capacity of existing tourism

households and categorization of new ones. The trend of increasing ratings in 2008-2010 can be explained by the development of marketing, training of rural hosts and support in the form of favourable loans intended for tourist households from the Development Fund of the Republic of Serbia, with the help of the municipality and the Tourism Organization of Kosjerić ([www.kosjeric.rs/documents/pdf/ler/plan\\_lokalnog\\_ekonomskog\\_razvoja.pdf](http://www.kosjeric.rs/documents/pdf/ler/plan_lokalnog_ekonomskog_razvoja.pdf)).

Tourist Organization of Kosjerić signed an Agreement on business and technical cooperation with local households in 1980/81, and later improved promotional activities, such as frequent appearances in the media and participation in tourism fairs (Jovičić & Ilić, 2010).

Table 1. Tourism turnover in the rural settlements of Kosjerić (1982-2010)

Year	Number of tourists	Number of overnight stays	Average length of stay	Year	Number of tourists	Number of overnight stays	Average length of stay
1982	130	1111	8,5	1997	57	383	6,7
1983	251	2423	9,7	1998	72	551	7,6
1984	328	3036	9,3	1999	35	241	6,9
1985	332	3036	9,1	2000	85	450	5,3
1986	297	2824	9,5	2001	88	579	6,6
1987	295	2599	8,8	2002	39	273	7,0
1988	323	2620	8,1	2003	79	568	7,2
1989	534	3718	7,0	2004	104	468	4,5
1990	507	4034	8,0	2005	76	487	6,4
1991	401	3538	8,8	2006	103	551	5,3
1992	860	6979	8,1	2007	208	749	3,6
1993	715	4429	6,2	2008	137	790	5,8
1994	305	2243	7,3	2009	249	1247	5,0
1995	278	1970	7,1	2010	314	1059	3,4
1996	68	394	6,0	total	7270	51667	7,1

Source: Tourist Organisation of Kosjerić (2011)

Tourism turnover in the villages of Kosjerić developed under different conditions and showed different tendencies. Since 1983, when the turnover doubled compared to 1982, until 1992 when the turnover of tourists was the highest, it has been noted that tourism in the villages of Kosjerić had significant oscillations. The largest turnover of tourists in 1992 was the result of a large disparity of dinar and the German mark, because prices were low in DM and appealing for those who were receiving income in this currency. Stagnation and decline in turnover dominated from 1992 as a result of various factors. Economic and political situation mainly influenced the number of tourists. The host was not able to cover costs, due to low prices of room and board; he expected earnings only by selling the surplus of his products.

At the beginning of 1994, Tourist Organization of Kosjerić signed an Agreement on cooperation with 'Srbijašume' Public Enterprise - a branch of tourism and hunting. 'Šumeturs' has taken the obligation to place capacities and bring tourists, as well as to assist in the development of rural tourism. Some hosts were not satisfied with the offered price and they wanted contracts which provide incomes even when there were no tourists. Customers were not paying the same price for the same service. Guests who came through the agency paid the higher price for at least 15% in relation to the guests who came directly to farm houses, through recommendations, acquaintances, and the next time they did the same and sent their friends directly to the host. Contract with 'Srbijašume' was broken in early 2004. Another factor that has contributed to the stagnation of rural tourism in Serbia, and in Kosjerić, is that it is from 1994 to 1996 that the Tourist Organization of Serbia worked very poorly. With its active work, rural tourism began to develop and expand the network of households involved in tourism (information obtained in TO Kosjerić).

Seča Reka village has an advantage in developing rural tourism because of its proximity and good links with the municipal centre - Kosjerić and wooden church, distinctive in tourist offer in the municipality. Varda, with an altitude of 900 m, is favoured for staying in the preserved environment. The resort Makovište has good water supply, water mills and Taorska source, a unique source of mountainous water in western part of Serbia. Solved water supply, accessibility and rural family feasts (for their patron saint) can be emphasized in the tourist offer of Mionica village (Stanković & Ćirković, 2004).

From 1997 to 2003, data for the number of overnight stays in some rural areas of Kosjerić have not been systematized, but there is only the total number of overnight stays at the municipal level. Seča Reka village for many years had the best tourist turnover in rural tourism of Kosjerić municipality. The villages Rosići, Drenovci and Brajkovići only in the eighties provided services in tourism, and from the nineties of the XX century and the early XXI century households in villages Kosjerić, Mušići, Stojići, Mionica and Makovište are becoming increasingly important in the tourist industry. The average length of stay is less than in the eighties and nineties of the XX century, but higher than the overall average length of stay at the level of Serbia (3.2). Length of stay of 4 days or more points to residential tourism, while at the level of Serbia, length of stay indicates tourist movements with short time of residence.

Table 2. Number of overnight stays in some of the villages of Kosjerić municipality (1983-1996) and (2004-2010)

Year	village										total
	Seča Reka	Varda	Skakavci	Rosići	Drenovci	Mionica	Brajkovići	Radanovci	Makovište	Donji Taor	
1983	1045	575	401	135	131	-	116	20	-	-	2423
1984	1653	440	481	-	-	-	-	462	-	-	3036
1985	1749	135	392	66	108	-	-	586	-	-	3036
1986	1757	65	532	-	43	-	-	427	-	-	2824
1987	2100	-	395	-	-	-	-	104	-	-	2599
1988	1892	-	602	-	-	-	-	126	-	-	2620
1989	2309	-	1286	-	-	-	-	123	-	-	3718
1990	2408	-	667	-	-	959	-	-	-	-	4034
1991	2099	121	421	-	-	897	-	-	-	-	3538
1992	4366	816	424	-	-	1373	-	-	-	-	6979
1993	2670	656	-	-	-	1103	-	-	151	-	4429
1994	1523	187	-	-	-	523	-	-	10	-	2243
1995	1413	8	-	-	-	441	-	-	66	42	1970
1996	366	-	-	-	-	-	-	-	14	14	394
				Kosjerić	Mušići		Stojići				
2004	66	-	59	10	-	321	-	-	12	-	468
2005	21	-	67	-	-	342	-	-	57	-	487
2006	32	49	112	-	-	302	35	-	21	-	551
2007	8	24	231	-	-	390	67	-	29	-	749
2008	8	-	405	-	28	297	40	-	12	-	790
2009	52	-	541	-	21	589	20	-	24	-	1247
2010	38	-	16	-	147	843	10	-	5	-	1059

Data Source: Kosjerić Tourist Organisation (2011)

Generally speaking, as the phases in the development of rural tourism in the municipality of Kosjerić the golden 1980's can be distinguished, variation in the number of tourists in the 90's of the XX century, in order that in recent years it has come to re-expansion of rural tourism in terms of increasing the number of beds and households that want to be involved in it. Number of beds was 80-120 since the mid 80's of the XX century to 1999, and as of that time to 2004, the capacities were significantly reduced to about 50 beds in rural tourism. In 2010, in the villages of Kosjerić municipality there were 180 beds, mostly in the villages at the foot of Divčibare - 150 (Stojići, Skakavci, Mionica, Rosići, Mušići, Subjel) (data obtained in Kosjerić Tourist Organization).

Rural tourism in the municipality of Gornji Milanovac first began to develop in Koštunići and Rudnik. The central geographical position of Rudnik-Takovo region, as well as the development of settlements, gives this area a favourable traffic position. Traffic communication is important in all aspects of life and directly affects the modern tourist development (Todorović, 2007).

Table 3. Number of tourists and overnight stays in the villages of Gornji Milanovac municipality (2009-2011)

Month	Year					
	2009		2010		2011	
	tourists	overnight stays	tourists	overnight stays	tourists	overnight stays
January	165	566	215	517	368	1.042
February	158	500	125	365	136	376
March	152	467	70	215	150	420
April	171	541	209	640	268	647
May	254	758	254	766	271	795
June	150	457	275	730	419	946
July	393	2.479	391	1.970	566	1.050
August	428	3.061	381	1.552	673	2.057
September	408	1.785	255	895	258	837
October	605	1.690	257	765	194	588
November	542	1.333	440	905	113	272
December	401	1.410	624	1.319	-	-
total	3.825	15.047	3.496	10.647	3.516	9.035

Data Source: Tourist Organisation of Gornji Milanovac (2011)

In 2008, 3 369 tourists were registered who made 14 434 overnight stays. The largest number of tourists during the period 2009-2011 was recorded in the summer months (July, August), then during the autumn and winter months (October, November, December). The largest number of overnight stays in the period 2009-2011 was recorded in July and August, then in September and October. A large number of tourists and overnight stays in the second half of the observed years can be explained by favourable climatic conditions for staying in rural areas. The lowest number of visits and overnight stays was recorded in March. In 2010, domestic and foreign tourists were recorded separately. That same year, foreign tourists accounted for 470 visits and 1 838 overnight stays. The next, 2011, 677 foreign tourists and their 1 798 overnight stays were recorded (data obtained in Gornji Milanovac TO).

Depending on the spatial distribution of households in the rural tourism and accommodation, there are three groups of destinations in Gornji Milanovac:

- The first group consists of Rudnik and Koštunići villages with previously recognised tourist offer;

- The second group consists of the villages with ethno settlements (Galetovo sokače at Brdjani and Rajski konaci at Leušići) or settlements where households have more than 25 beds (Trudelj, Brusnica, Klatičevo, Velereč, Majdan, Vračevšnica);
- The third group comprises the largest number of settlements, which has fewer than 25 beds (Gojna Gora, Pranjani, Lunjevica, Semedraž, Bogdanica, Savinac, Grabovica Ugrinovci, Belo Polje, Jablanica, Gornji Branetići, Ljevaja, Kamenica, Nevade, Ručići) (Ševarlić & Petrović, 2010).

Demographic characteristics of rural settlements where there are households involved in tourism can be an important indicator in the prognosis of the future state of tourism. Today, Rudnik is the settlement with significant urban physiognomy and partly urban functions, in which there are also good conditions for the development of rural tourism. When it comes to individual villages in the municipality of Gornji Milanovac, in the inter-census period 1961-2002, the most significant absolute increase in the number of households is present in Rudnik settlement (+77). Of 62 villages, population growth for 15 people or 11.36% was noted only in Vračevšnica. In terms of population throughout the observed period, Pranjani is, of all the villages, the largest and Kamenica the smallest one (Milinčić, 2004)<sup>3</sup>.

In the development of rural tourism in the settlement of Rudnik, human factor and well-equipped households, the altitude of 500 to 800 m and climate characteristics of the area are expressed. The first stage of the development of rural tourism in the municipality of Gornji Milanovac began with the construction of summer cottages and houses in Rudnik, which is why this settlement has the largest number of households and beds (Ševarlić & Petrović, 2010).

The second stage of the development of rural tourism in the municipality of Gornji Milanovac began in 1997 by the implementation of the project "Integrated Rural Development of Suvobor Region". Intensive economic development of Koštunići, with an aim to use natural resources and bring back the population of the city through the concept of integrated development, was based on contents such as Ethno house, home "Anđelija Mišić" and ethno museum Prodanovića magaza. According to the municipal statistics, in 2002 in Koštunići, 10 rural households with 40 beds were categorised. The goal was that

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<sup>3</sup> According to data from the 2011 Census of Population, Households and Dwellings in the Republic of Serbia, 1 519 people live in Pranjani, 40 people live in Kamenica.

Koštunići become a special eco-ethno destination, and after ten years, not only that the projected facilities were not implemented, but the constructed ones have already lost their original function due to “unregulated property-law relations” (Čulić, 2002).

Table 4. Capacities in rural tourism of Gornji Milanovac municipality (early 2010)

Settlement	Number of households	Number of rooms	Number of beds	Settlement	Number of households	Number of rooms	Number of beds
Rudnik	22	64	136	Grabovica	1	3	8
Koštunići	12	29	55	Ugrinovci	1	3	6
Trudelj	4	23	45	Belo Polje	2	7	17
Brusnica	2	17	34	Brđani	1	11	25
Gojna Gora	2	10	21	Vračevšnica	3	12	26
Pranjani	2	3	6	Majdan	3	12	25
Klatičevo	3	13	30	Jablanica	1	3	8
Lunjevica	2	4	7	G. Branetići	1	3	8
Semedraž	2	6	14	Ljevaja	3	6	11
Leušići	2	17	33	Kamenica	1	3	5
Bogdanica	1	2	4	Nevade	1	1	2
Savinac	2	6	11	Ručići	1	1	2
Velereč	5	14	29	total	80	275	572

Data Source: Ševarlić & Petrović, 2010.

The third stage in the development of rural tourism began with the foundation of the Tourist Organization of Gornji Milanovac in 2000 and its activities in the education and organization of households. Different intensity of activity at this stage indicates two sub-stages: the first - from 2002 to 2006, when the number of households engaged in rural tourism was 28 and the second - from 2007 to 2009, when there were 52 such households (Ševarlić & Petrović, 2010).

From a total of 62 villages in the municipality of Gornji Milanovac, the households that are engaged in rural tourism are categorised in 26 villages. In 2002, 19 households were registered, 20 in 2003, 25 in 2004, 28 in 2005, 35 in 2006, 55 in 2007, 73 in 2008, 88 in 2009, 91 in 2010, and none of the households supported the development of rural tourism in 2011. Seven households are deleted from the record and currently there are 84 households categorized with the total of 606 beds (Data of the Tourist Organisation of Gornji Milanovac).

### Survey of Economic Indicators of Development

Economic indicators have been analysed in this part of the paper, based on responses to questionnaire on the issues of tourism as a primary or

supplementary activity, activation of traditional crafts as an additional source of income, satisfaction of basic needs of being in tourism, existence of education in tourism. The economic indicators include income, employment, credit policy (stimuli for tourism) and product sales (Bošković, 2012). Rural tourism development affects the farms and the local community, prosperity of undeveloped areas, employment of family members, product placement of handicrafts, preserving customs and traditional crafts (Todorović & Štetić, 2009).

The survey which was done by Tatjana Ilić in the villages of Kosjerić municipality showed that 90% of hosts engaged in rural tourism agreed that there has been little incentive to practice in rural tourism, and the other 10% of hosts considered that they have not been encouraged by local authorities to deal with rural tourism. Hosts themselves generally finance their own organisation of houses and yards. The only way for the encouragement of dealing with rural tourism is the recognition of interest to those who are constantly engaged in this activity. In the same survey research the tourists were also involved, of which 40% were coming previously, while the majority of tourists were for the first time in one of the villages of Kosjerić municipality. The largest number of tourists (54%) came due to passive recreation, to enjoy the natural scenery, fresh air, pleasant climate and relaxed and interesting conversations with their hosts. There are those who come to the village for an active vacation, hiking in nature, working in the field and similar. For a small number of tourists motive is to acquaint with people, their cultures, traditions and customs. Most tourists stated that the village in which they were fulfilled their expectations well (Ilić, 2007).

Tourism in the villages of Kosjerić municipality is the additional activity of the population, complementary to agriculture. Revenues from rural tourism meet basic needs of a small number of households. In 2009, the income of rural tourism in eleven households amounted to 939 030 dinars. The datum refers to direct income of hosts, and the guests who have come through the Tourist Organization of Kosjerić. The economic effects are really high, because the hosts realize revenue from the sale of local products, as well as other service providers (the multiplicative effect). Household that has made the least incomes had 13 200 dinars, 3 guests and 11 overnight stays, the household with the highest incomes in rural tourism of Kosjerić, 383 330 dinars (48 guests and 269 overnight stays). The prices range from 400 dinars for the overnight stay to 2 500 dinars for full board (data from TO Kosjerić).

Education of rural hosts contributes to the economic effects of rural tourism. It is necessary, through the professional processing of local and foreign positive

experiences in tourism in village, to point out the economic feasibility of this activity to the rural hosts. In recent years, efforts have been made to restore the former reputation of tourism in the villages of Kosjerić municipality. Host training is done in order to improve the quality of services they provide, holding seminars and meetings. In 2010, several workshops were organized by the FAO (United Nations Food and Agriculture Organization). The plan is to revitalize the traditional crafts for tourism. Household Luković in Gostoljublje is one of the experimental examples of how the rural tourism should develop. Investments in rural tourism of Kosjerić municipality in 2011 amounted to about 1.6 million dinars in donations. Budget investments are about 300 000 dinars. Regardless of small investments from the Municipality, the promotion was great, thanks to the Tourist Organization of Kosjerić (data obtained in TO Kosjerić).

Providing catering tourist services in rural households of Gornji Milanovac municipality is the additional activity. Some rural houses have been renovated, and the new ones are being built for accommodation of visitors. Examples of positive practice are the households of M. Matić from Trudelj, V. Marić from Brusnica and S. Jevtović from Leušići, which have from 20 to 30 beds. These households receive visitors throughout the year, and have more than a thousand overnight stays registered. Ministry of Agriculture, Trade, Forestry and Water Management announces every year the allotment of stimulus funds to support rural development through investment in the expansion and improvement of the economic activities of the rural population, and only three households in the municipality of Gornji Milanovac have obtained funds for investment in rural tourism.

In the municipality of Gornji Milanovac not any formal education has been held for rural households about how to accept and welcome visitors. Training and lectures on the Development of Rural Tourism in Serbia have been carried out by Zlatana Petrović, the first director of the Tourist Organization of Gornji Milanovac, who knows this area from practice. A small number of households in the municipality of Kosjerić deal with the old crafts. Rug industry, knitting and embroidery are preserved to some extent. There is a plan to make ethno-workshop in the village of Skakavci where the old crafts would be kept, and tourists could take part in making the old craft articles (Ilić, 2007).

The economic significance of rural tourism in the municipality of Gornji Milanovac has been confirmed by the fact that in 2009 the total income of 230 000 euros was realized. Prices are from 500 dinars for the overnight stay to 3 500 dinars for half board at the household in Rajski konaci at Leušići. Established are the visits of tourists from Norway and Italy. The municipality of

Gornji Milanovac is one of five municipalities in central Serbia, where the development of rural tourism will be co-financed by the funds of the project “Sustainable Tourism for Rural Development”, funded by the Government of Spain and implemented by UN agencies in partnership with the Ministry of Economy and Regional Development, Ministry of Agriculture, Forestry, Water Management and Trade and Tourist Organization of Serbia. Therefore, in the villages of Rudnik-Takovo region there is growing interest of the households in rural tourism, especially those with younger population (www.merr.gov.rs/sr/javni-pozivi, Ševarlić & Petrović, 2010).

Rural tourism in the municipalities of Kosjerić and Gornji Milanovac can be improved by activating local entrepreneurship as inventive progress, the introduction of new ideas, products and services. In this context, the key development sectors, the intensity of their connection with traditional activities and their revitalization should be identified. The concept of local entrepreneurship, centred on rural tourism, could be based on the fight against elemental entrepreneurship programmes, regardless of the strategic guidelines, the making of the catalogues of development projects with projects for investment, the proposals for the improvement of entrepreneurship at the local level, through the activities of the state and local community (Jakovljević, 2011).

### **SWOT Analysis of Rural Tourism**

A prerequisite for the proper selection of a strategy for rural tourism development is the analysis of the current situation, including consideration of external and internal factors to find the best way to achieve goals. SWOT analysis is one of the tools used to create strategies. It is a qualitative analytical method which through the four factors shows strengths, weaknesses, opportunities and threats for the development of rural tourism. Opportunities in the tourism market are changing, so in the context of time, strengths and weaknesses represent the present based on the past, while the opportunities and threats are the future based on the past and present (www.tutor2u.net/bussinesstrategy).

With the aim of market and comparative research, a SWOT analysis of rural tourism was also done in the municipality of Gornji Milanovac. The analysis of budgetary support to the development of rural tourism in Serbia and diversification of economic activities in the village for the period 2006-2008 have reflected positively on the development of rural tourism, according to which the municipality of Gornji Milanovac occupies a leading position, with

44.1% of the funds for encouragement of the investors in rural tourism (Ševarlić & Petrović, 2010).

Table 5. SWOT analysis of rural tourism in the municipality of Kosjerić

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- Natural tourist values</li> <li>- Anthropogenic tourist values</li> <li>- Hospitality of hosts</li> <li>- The tradition of rural tourism</li> <li>- The possibility of producing organic food</li> <li>- Abundance of forest fruits and medicinal plants</li> <li>- Event “Shepherd Days”</li> <li>- The possibility of connecting mountain and rural tourism (closeness of Divčibare)</li> <li>- Involvement of the municipal tourist organizations in the promotion of rural tourism</li> </ul>	<ul style="list-style-type: none"> <li>- Depopulation and inadequate population age structure</li> <li>- A relatively small number of accommodation units</li> <li>- Insufficient capacity utilization</li> <li>- Lack of quality standards</li> <li>- Environmental pollution in Kosjerić</li> <li>- The water supply problem in Varda</li> <li>- Lack of education in rural tourism</li> <li>- Lack of funds</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Development of rural tourism as an opportunity for Serbia and trend at the global level</li> <li>- Agricultural development</li> <li>- Closeness of Belgrade as emitting market</li> <li>- Regional integration</li> <li>- Initiatives to create souvenirs, activation of old crafts and handicrafts</li> <li>- The implementation of strategic solutions, such as the master plan and project of sustainability of rural tourism</li> </ul>	<ul style="list-style-type: none"> <li>- Competition in the surroundings (Valjevo, Gornji Milanovac)</li> <li>- Migration of the rural population</li> <li>- Unsatisfactory infrastructure</li> <li>- Unstable political environment</li> <li>- Frequent changes in executive authority</li> <li>- Economic crisis</li> <li>- Lack of interest of local and foreign investors to invest in the development of rural tourism</li> </ul>

SWOT analyses have shown that there are similarities and differences in the strengths, weaknesses, opportunities and threats in the development of rural tourism in the municipalities of Kosjerić and Gornji Milanovac. The similarities are numerous and follow the general requirements of the rural tourism development in Serbia, but the previous ways of countering weaknesses and threats in rural tourism are more successful in the municipality of Gornji Milanovac.

Table 6. SWOT analysis of rural tourism in the municipality of Gornji Milanovac

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>- A favourable geographical position</li> <li>- Natural tourist values</li> <li>- Anthropogenic tourist values</li> <li>- Diversity and landscape preservation</li> <li>- Hospitality of hosts</li> <li>- Manifestation “Days of plums” in Koštunići</li> <li>- The possibility of connecting mountain and rural tourism (Rudnik)</li> <li>- Involvement of the municipal tourist organization in the promotion of rural tourism</li> <li>- A significant number of accommodation facilities</li> <li>- Implemented and planned infrastructure works</li> <li>- Tourist Organization of Serbia awards for results in rural tourism</li> </ul>	<ul style="list-style-type: none"> <li>- Depopulation and aging of the rural population</li> <li>- A small number of contemporary organized (commercial) households</li> <li>- Lack of quality standards offers</li> <li>- Environmental pollution (industry in Gornji Milanovac, the presence of arsenic in drinking water on Rudnik)</li> <li>- Insignificant investments in rural tourism</li> <li>- The lack of continuous education</li> <li>- Lack of a strategy of greater involvement of rural households in rural tourism development</li> <li>- A large number of unregistered guests in the private sector</li> <li>- Non regulating property rights in Koštunići</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>- Development of rural tourism as an opportunity for Serbia and trend at the global level</li> <li>- Agricultural development</li> <li>- Integration with other entities with an aim of more integrated offer</li> <li>- The availability of European funds and experiences</li> <li>- Regional integration</li> <li>- Increased interest in exploring the village</li> <li>- Initiatives to create souvenirs, activation of old crafts and handicrafts</li> <li>- Implementation of the master plan and the project of sustainability of rural tourism</li> </ul>	<ul style="list-style-type: none"> <li>- Competition in the surroundings (Valjevo, Kosjerić)</li> <li>- Budget favouring of one type of tourism in 2009 (the mountain tourism on Stara Planina)</li> <li>- Unstable political environment</li> <li>- Economic crisis</li> <li>- Frequent changes in executive authority</li> </ul>

### **The Proposal of Strategies and Prognosis of Development of Rural Tourism**

There are pros and cons to promote tourism as a tool for rural development. On the one hand, tourism is a generator that allows employment to the generations of hosts, and on the other, it enables seasonal employment. The argument that tourism generates new demand in the local economy is challenged by the claim that it displaces the existing demand (Fleischer & Felsenstein, 2000).

Rural development, as a part of regional policy, influences the restructuring of agriculture and needs to have a task to direct and use strategically the potentials of attractive tourist rural areas, among which are the villages in the municipalities of Kosjerić and Gornji Milanovac (Muhi, 2010).

One of the possible strategic solutions of rural tourism has been the development model IQM - Integrated Quality Management, European model of integrated quality management of rural tourism destinations, based on the experiences of 15 successful tourist destinations in Europe. The key success factors of rural tourism include:

- Multidisciplinary approach (economic, environmental and socio-cultural analysis);
- Constant consultation with stakeholders - private and public enterprises, rural households, tourist organizations, a system of nature protection, cultural activities;
- Openness of the strategy for development (organization of public debates, engaging the media, communication between carriers of the strategic development and the local community);
- Adoption of the strategy does not end with its development - a long-term project needs to be flexible and ready for adaptations (Krajnović, Čičin-Šain & Predovan, 2011).

Tourism Law (Ministarstvo ekonomije i regionalnog razvoja, 2009) defines planning documents, which include the Tourism Development Strategy, strategic master plans, strategic marketing plan, program of development of tourism products, tourism development program and a program of promotional activities. Rural tourism has been singled out as a priority tourism product.

In the Spatial Plan of the local government unit of Kosjerić, processed by the Faculty of Architecture of the University of Belgrade in 2011, the primary tourist area T2 has been singled out, including the villages of Mionica, Skakavci, Rosići and Stojići. Rural tourism is analyzed in the Development Strategy of Kosjerić, processed in 2003 by the Planning Institute of the Faculty of Geography, University of Belgrade. Master plan for sustainable development of rural tourism in Serbia covered the region of Central Serbia with five target municipalities: Valjevo, Ljig, Mionica, Kosjerić, Gornji Milanovac.

In the Strategy of Economic Development of the Municipality of Kosjerić for the period 2010-2014, the development of rural tourism is singled out as one of the specific objectives. According to the degree of development of rural tourism, the area Skakavci-Mionica Rosići dominates, which borders the region Divčibare, and the necessity of integrating tourist offers and supplements of the rural tourism content is stressed out. The planned investment in infrastructure is mentioned, as well as the construction of the spa in Skakavci, the urban development of the part of area in Divčibare belonging to Kosjerić municipality, decoration of the plateau Grad in Seča Reka where the Shepherd Days event

takes place (construction of road, water supply facilities and ethno village), and as a support to this event, the start of the project implementation “Development of Regionally Sustainable Rural Tourism” is expected for which Kosjerić municipality has applied together with the municipality of Ilijaš from Sarajevo Canton under the call for the IPA funds. The strategy also provides suggestions of content that could complement the tourist offer: revitalization of school in Ražana for the organization of the school tourism (recreational classes and the like.), the organization of the event Traditional Serbian Wedding in Kotlina in the village of Skakavci, etc. Also, it is pointed to the idea of Kosjerić as an educational and promotional centre of rural tourism in Serbia. Strategy lacks indicators that could enable monitoring of the realisation of the listed activities.

In the forecast of the development of rural tourism in the municipality of Gornji Milanovac, the increase and the number of household members who are involved in providing services to tourists should be taken into account. In the Development Program of Gornji Milanovac for the period 2009-2013<sup>4</sup>, it is mentioned that relatively well-developed tourism is the largest perspective of rural areas. In this regard, it is suggested that municipality continues to invest in infrastructure, roads, and to strengthen the cultural and artistic offer by new content.

### **Conclusion**

In the evaluation of the factors of oscillations of tourism it should be noted that better results can be achieved only by integral and complex approach of subjective and objective factors of rural tourism, without separation and giving priority to certain factors. The factors of oscillations of rural tourism in the municipalities of Kosjerić and Gornji Milanovac include political and economic situation, the migrations from rural to urban areas, reduction of population growth, enthusiasm of those engaged in rural tourism, personal initiatives and commitments. Specific factors of oscillations of rural tourism are: water supply problems in the village of Varda in Kosjerić, fall of interest of rural households for tourism, cooperation and activities of the Tourist Organization of Serbia. When it comes to rural tourism, it can be spoken about seasonal (short-term) oscillations, as tourists’ stay in rural areas is generally associated with summer, spring and autumn months, with an emphasis on June, July and August. Oscillations of rural tourism in the municipality of Kosjerić are of irregular

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<sup>4</sup> This strategy was published in the Official Gazette of the municipality and does not have the usual form of local development strategies (it lacks essential elements - accountabilities, implementation plan, budget and indicators).

character, in terms of individual years, but there is a positive increase in the number of tourists in the last three years. It is hard to talk about the oscillations of rural tourism in the municipality of Gornji Milanovac, because there are no recorded statistics that show the number of tourists and overnight stays before 2008. If we take into account the continuous increase in the number of households in rural tourism, it can be concluded that there are only seasonal oscillations and that rural tourism in the municipality of Gornji Milanovac is in the phase of economic expansion. Although rural tourism in the municipality of Kosjerić is traditional activity, the phases of economic boom and crisis are distinguished, and the current phase now is the phase of the boom. Taking into account numerical measurements as bases of forecasts, assuming that some of the elements of the past will be the pattern for the future (extrapolative method or method of time series), it can be concluded that the rural tourism in the municipalities of Kosjerić and Gornji Milanovac will follow global trends in the tourism market and develop in line with the activities implemented so far, but it will even more be affected by the implementation of the planned actions.

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