THE IMPORTANCE OF RURAL TOURISM DEVELOPMENT
IN THE SREM DISTRICT

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ARTICLE INFO
Original Article
Received: 07 March 2024
Accepted: 15 May 2024
doi:10.59267/ekoPolj2402443K
UDC 338.48-44(1-22)
(497.113 Srem)

ABSTRACT
Contemporary rural business trends emphasize tourism’s vital role in holistic rural development, signaling forthcoming transformations. In the 21st century, rural tourism must adapt to evolving domestic and international demands, showcasing diverse aspects of rural life. Success in family farms will hinge on effective branding, market understanding, customer relations, and product quality. Methodologically, this study compares demographic and economic indicators across seven municipalities in the Srem District over three years, post-COVID-19. Findings reveal Srem’s rural tourism product lacks market positioning. To excel domestically, Srem must establish itself as a rural tourism hotspot, leveraging its unique attributes for competitive advantage. This entails integrating diverse offerings into a cohesive market presence, fostering spatial connectivity.

Keywords:
Srem District, rural areas, rural tourism, indicators

JEL: Z32

Introduction
Changes in all spheres of life in the early 21st century allow us to foresee global trends affecting rural economics and population dynamics. Rural areas in the Republic of Serbia confront numerous challenges stemming from their isolation, attributed to inadequate infrastructure, aging populations, and environmental degradation. However, the future economic vitality of the Srem District in Serbia is less about available resources and

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The primary research objective concerns the identification of potential development nuclei aimed at assessing the real potentials for the development and improvement of rural tourism in the Srem District. In line with this, a socio-economic analysis of the development of the Srem District has been conducted, based on data from relevant state institutions (Statistical Office of the Republic of Serbia), data from the Regional Chamber of Commerce of Srem, strategic documents of higher orders, and internet presentations of tourist agencies in the Srem region. The base year for comparing tourism indicators is 2020, when the tertiary sector - hospitality and tourism - was most affected due to COVID-19, as well as the following three observed years. Based on the collected information, the authors processed the data and presented it in tabular form.

**Methodology**

We conducted a professional and independent analysis of the rural area in Srem by observing and examining it closely. Our descriptive analysis led us to uncover findings, observations, and descriptions of the emergence, progression, and development of rural tourism, as well as the issues stemming from the regional and institutional framework of our research subject.

Through empirical methods, which are important analytical tools, empirical data were processed using statistics and mathematics. Statistical methods were employed for data collection, representation (tables), analysis, and interpretation of numerical data. Further quantitative research was conducted using mathematical methods. The results of the research are indicative in nature, as they provide the necessary information for defining the goals of this study.

In addition to the mentioned ones, general methodological procedures were also applied. We utilized the comparative method to analyze numerical data spanning a three-year period relative to the base year of 2020. This analysis enabled us to identify significant insights regarding the progression of rural tourism in the Srem District. This analysis was conducted based on identified issues and the needs of local stakeholders, which were obtained through questionnaires. Acknowledging the sustainability models of rural and suburban settlements as fundamental economic drivers for the functional
and spatial integration, as well as the prosperity of rural areas in Srem, constitutes one approach to mitigating its weaknesses and vulnerabilities (Kosanović et al., 2016). Additionally, this article contributes to the advancement of methodological research in this field by delineating the present condition and interconnections within the rural area of Srem.

**Rural Tourism - Opportunity for Rural Households**

A fundamentally new societal attitude towards the countryside demands a fresh approach to rural areas and agriculture, where rural residents are not treated merely as producers of cheap food. Comprehensive rural development recognizes rural tourism as a nucleus for activation and sustainable development. It aids in preserving local identity, traditions, and customs, protects the environment, strengthens indigenous, traditional, and ecological production, and promotes the development of rural areas based on sustainable development. Therefore, it is a significant component of integrated and sustainable rural development, as well as an important factor in stimulating the development of local agricultural and non-agricultural activities in rural areas. Through their combination, a specific form of tourism product is formed to meet the needs of tourists (Mihić et al., 2013).

The Srem region is known for its fertile land, which has played a significant role in the growth of agriculture (see Table 1). Moreover, it has also contributed to the development of rural tourism, providing an additional source of income for families residing in the countryside and engaging in this form of tourism serves as a supplementary activity for these households. Notable among the various tourism offerings are rural, event-based, hunting and fishing, wine, ethno-gastronomic, and ecotourism experiences. Gastronomy stands out as one of the key tourist attractions, playing a crucial role not only in the development of ethno-gastronomic tourism but also in event-based, rural, and ecotourism endeavors.

<table>
<thead>
<tr>
<th>City and municipalities of the Srem District</th>
<th>City of Sremska Mitrovica, Municipality of Šid, Municipality of Indija, Municipality of Irig, Municipality of Ruma, Municipality of Stara Pazova, Municipality of Žećinci</th>
</tr>
</thead>
<tbody>
<tr>
<td>The number of agricultural households engaged in another profitable activity (which is not agricultural) and the number of SMEs (Small and Medium-sized Enterprises).</td>
<td>739/300/51</td>
</tr>
<tr>
<td>Average age</td>
<td>43.6 years</td>
</tr>
<tr>
<td>Number of inhabited places</td>
<td>109 (7 urban и 102 rural)</td>
</tr>
<tr>
<td>Surface area</td>
<td>762 km²</td>
</tr>
<tr>
<td>Arable land area</td>
<td>229,195 ha arable land and gardens, 213,715 ha orchards, 5,153 ha vineyards, 7,409 ha meadows and pastures</td>
</tr>
</tbody>
</table>
As observed in the previous table, Srem possesses significant potential for rural tourism development. However, the region faces challenges in this regard, notably due to the continued dominance of agriculture as the primary economic activity in most areas. Infrastructure remains underdeveloped, and existing facilities suffer from poor maintenance and functionality issues, particularly concerning future needs. Moreover, there is a lack of institutional development and notable disparities in the level of development among municipalities. The population density indicator categorizes the Srem District as rural, given that the indicator falls below 150 inhabitants per square kilometer.
The dependency ratio is calculated as the ratio of the non-working population (those younger than 15 and older than 65 years) to the working-age population (aged 15 to 65 years). This indicator illustrates the extent to which the non-working population relies on the working population, which is crucial both demographically and for general social and economic development. The mentioned index of 46.67% indicates that the working-age population in the municipalities of the Srem District is significantly burdened by the non-working population, largely due to the age distribution across these municipalities. It implies that an influx of population under the age of 40 would have a positive impact on the dependency ratio parameter. The fundamental assumption of the social development of any community is based on its population, where the working-age population represents the source of existence.

Human resources play a crucial role in agricultural production, influencing economic activities both in terms of quantity and quality (Subić, 2010). Rural areas typically rely on agriculture as their primary economic sector, engaging a significant portion of the population. In contrast, the manufacturing sector in rural areas involves a smaller portion of the population, often relying on agricultural production. Based on this research, it is recommended that there are opportunities for the integrated development of agriculture alongside other economic, service, and intermediary activities. These may include small-scale industrial operations, crafts, trade, service provision, financial services, tourism, and domestic labor. The aim would be to activate and optimize the production potential of agriculture and other economic and service sectors. The development and promotion of rural tourism in the Srem District would contribute to creating conditions for ensuring the necessary population in an appropriate age structure, increasing employment rates, developing the manufacturing sector, and enhancing the attractiveness of local areas in the municipalities. These expected results stem from the specificities that can be developed, as well as the education and capacity building of key stakeholders in promoting teamwork, collaboration, and partnership. This is aimed at facilitating more significant and faster development of rural tourism, which would have a multiplier effect on the socio-economic life of the Srem District.

**Indicators of tourism in Srem**

Tourism and hospitality are service sectors that were severely affected by the COVID-19 epidemic situation, given that the business operations of entities in this area are directly dependent on tourist traffic. Tourism traffic was almost completely halted in 2020, with some improvement seen in 2021. Challenges faced by the tourism industry in the Srem District:

- Lack of accommodation capacity;
- Insufficient funds for the renovation and reconstruction of existing accommodation facilities;
- Shortage of workforce, weak interest of young people in certain occupations, insufficient interest in self-employment projects, a significant portion of the population has completed secondary education, but there is significant
mismatch with new trends, insufficient vocational training for unemployed women, and insufficient number of highly educated personnel.

In order to promote domestic tourism, in May 2021, an additional 20,000 vouchers for vacations in Serbia were distributed. In July, another 150 million was allocated for an additional 30,000 vouchers.

The results of these measures can be seen in the Table 2. It is evident that the number of arrivals and overnight stays in the Srem District is significantly higher compared to 2020 and shows a growing trend. Since we were unable to obtain numerical data on the number of tourist arrivals and overnight stays by municipalities, we contacted tourist organizations and processed the data obtained.

**Table 2.** Number of arrivals and overnight stays in the Srem District

<table>
<thead>
<tr>
<th>Criterion/Municipality</th>
<th>Sremska Mitrovica</th>
<th>Indija</th>
<th>Irig</th>
<th>Pećinci</th>
<th>Ruma</th>
<th>Stara Pazva</th>
<th>Šid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives for regional development in thousands of RSD for the Srem District: Year 2020: 4,328,373,000.00 Year 2021: 4,537,980,000.00</td>
<td>607,677</td>
<td>417,397</td>
<td>632,228</td>
<td>424,306</td>
<td>656,936</td>
<td>1,203,182</td>
<td>373,687</td>
</tr>
<tr>
<td>Tourist arrivals 2020-2021</td>
<td>2,340</td>
<td>1,068</td>
<td>33,372</td>
<td>978</td>
<td>12,214</td>
<td>9,018</td>
<td>2,923</td>
</tr>
<tr>
<td>Tourist overnight stays 2020 Total: Domestic</td>
<td>5,911</td>
<td>5,664</td>
<td>102,751</td>
<td>978</td>
<td>12,214</td>
<td>9,018</td>
<td>2,923</td>
</tr>
<tr>
<td>Foreign</td>
<td>4.679</td>
<td>4,759</td>
<td>96,438</td>
<td>694</td>
<td>7,665</td>
<td>6,788</td>
<td>1,783</td>
</tr>
<tr>
<td>Tourist overnight stays 2021 Total: Domestic</td>
<td>7.917</td>
<td>6,826</td>
<td>157,436</td>
<td>1,516</td>
<td>16,453</td>
<td>17,750</td>
<td>3,935</td>
</tr>
<tr>
<td>Foreign</td>
<td>5,607</td>
<td>6,129</td>
<td>137,816</td>
<td>1,288</td>
<td>9,841</td>
<td>11,948</td>
<td>1,973</td>
</tr>
<tr>
<td>Tourist arrivals by municipalities - monthly data (number), March 2023.</td>
<td>1.640</td>
<td>2,763</td>
<td>13.465</td>
<td>98</td>
<td>2.157</td>
<td>6.098</td>
<td>371</td>
</tr>
<tr>
<td>Tourist overnight stays by municipalities - monthly data (number), March 2023.</td>
<td>765/1.373/2.736</td>
<td>10.729/2.736</td>
<td>976/1.181/3.725/2373</td>
<td>371/168/203</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Source:* Authors’ analysis based on collected information from Tourist Organisations of the Srem District (Sremska Mitrovica, Indija, Irig, Pećinci, Ruma, Stara Pazova)
Results of questionnaire analysis

The study involved 12 owners of rural households, distributed by municipalities as follows: 5 respondents from Sremska Mitrovica, 5 respondents from Irig, and 2 respondents from Stara Pazova. The results showed that all those who offer accommodation advertise on platforms where accommodations are offered (booking.com, airbnb.com), while only half of them also use social media (Facebook, Instagram).

Among the respondents, 75% are registered as households, with the remaining engaged in other activities, primarily hospitality. Accommodation services are provided by 91% of the respondents, yet only 41.7% offer meal preparation for guests. Additionally, 7 households cultivate fruit, allowing guests to pick and enjoy fruit on their own, while 2 households focus on vegetable cultivation. Moreover, one of the mentioned households not only grows fruit but also sells brandy, jam, and homemade cured meats to guests.

Some respondents mentioned that, in addition to offering accommodation rentals, they provide guests with:

1. Purchase of local products;
2. Bicycle rentals with planned routes and cycling paths;
3. Panoramic tours by catamaran, canoe, paddleboard, or boat rentals.

An intriguing finding from our research is that 62.5% of the respondents indicate having over 30% of foreign guests staying overnight (detailed breakdown below), which may signal that tourism in Srem should be further developed to be even more attractive to foreign guests. Regarding the income generated through this activity, 50% of the respondents are satisfied, while the other 50% are not. Although 54.5% stated that they wouldn’t engage in this as a primary activity but rather as an additional job, 66.7% of the respondents expressed considering expanding or renovating their facilities or services they provide.

After the formal questions, participants were asked to provide recommendations and suggestions based on their experience on what needs to be improved to advance tourism. The suggestions are summarized as follows:

- Increase advertising and support through marketing efforts.
- Despite already having strong collaboration with the municipal tourist organization, respondents believe it would be beneficial for the tourist organization to unify offerings from various places and deliver them to the Tourist Information Center (TIC). This would create more activities for guests (e.g., horse stud farm visits, museum tours, monastery visits, quad bike rentals), encouraging guests to stay longer and visit us for leisure purposes, thus reducing accommodation costs (Stari Banovci).
- Infrastructure improvement is needed (e.g., Ležimir often lacks water).
- Pedestrian and hiking trails need to be improved (Vrdnik).
Monasteries often have female dormitories, which has drastically reduced the business of the Tourist Information Center (TIC). Therefore, the recommendation from surveyed TICs is that if clearer monastery visit tours were organized, tourists would choose private accommodations.

Education on tourism-related regulations is necessary. Respondents emphasize the need for someone to come and observe how they work so they can better understand what needs improvement and change.

State assistance through subsidies and promotion is needed, i.e., utilizing funds for tourism development from higher levels of government.

Networking among tourism industry stakeholders at the municipal level is essential for development, encompassing participants from the tourism sector, the local economy, and government authorities.

**Conclusions**

Diversification of activities in rural areas towards non-agricultural activities related to farming can significantly contribute to the survival of rural areas and prevent the migration of young people to cities.

Key demand factors that will contribute to the development of rural tourism, and whose impact will continue to be significant, include: increasing levels of education, growing interest in natural and cultural heritage, increased leisure time, raising awareness of the importance of health, rising interest in traditional and specialty foods. High among tourists’ motives for travel due to increasing stress levels are “peace and tranquility” (OECD, 1994).

The entire Srem District offers ideal conditions for developing various forms of rural tourism outlined in the Tourism Development Strategy of the Republic of Serbia, including agro, eco, agro-eco, ethno, ethno-organic, excursionist, transit, and sports tourism. Rural tourism, coupled with cultural, nautical, and gastro tourism (notably the Danube Limes in Srem and Fruška Gora), ecotourism (like the Zasavica Special Nature Reserve), as well as youth, volunteer, and event-based tourism, shows significant potential for growth and development.

If we take into account the elements that contribute to rural tourism, such as the landscape’s beauty, heritage, culture, and the engagement of the local population in rural activities, alongside offering tourists the chance to immerse themselves in the traditions and lifestyle of the hosts, it becomes clear that the interactive and personalized relationship between tourists and hosts is fundamental to rural tourism. This aspect forms the basis for economic diversification, which can operate independently of agriculture. Given the structural population imbalances, including not just numerical but also age-related disparities, it becomes evident that fostering a critical mass of young people and enhancing the local human capital are essential. From this perspective, rural tourism emerges as a pivotal strategy for addressing the negative trends impacting rural
areas in Srem and its vicinity. Effectively marketing an integrated rural tourism product internationally, while maintaining quality standards, could attract foreign guests, leading to “invisible exports” and a positive impact on the country’s balance of payments.

Additionally, rural tourism development holds social and political significance, fostering cultural exchange and better understanding among nations (Radović et al., 2012). Given the diverse natural, cultural-historical, and gastronomic assets in the municipalities of the Srem District, there is significant potential for tourism to become a major economic sector.

Based on the information presented, it is evident that the diverse range of natural, cultural-historical, and gastronomic resources within the municipalities of the Srem District offers significant potential for tourism development to emerge as a key economic sector.

**Conflict of interests**

The authors declare no conflict of interest.

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