

## TOURISM AND SUSTAINABLE DEVELOPMENT OF THE REPUBLIC OF SERBIA IN THE PANDEMIC PERIOD

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**Abstract:** *Sustainable development and the concept itself strives to create a better world where economic, cultural and environmental factors are correlated with each other. The Republic of Serbia has natural beauties, rich cultural heritage and favorable conditions for the development and progress of tourism, and therefore has great potential for the use of the concept of sustainable development, i.e. sustainable tourism, especially in rural areas of Serbia. By arranging the landscape that traditionally belongs to the rural population in Serbia, its real ecological and tourist improvement must be achieved. It would lead to an increase in employment, additional income and increase in the share of this activity in the gross domestic product as well if Serbia used its potentials..*

*The pandemic that affected the whole world had the biggest impact on tourism and stopped its development, while the measures introduced by the countries, in order to prevent the spread of the virus for a while, almost completely stopped all tourist activities and movements. Therefore, on the basis of the budget rebalance, the state provided assistance in the form of funds to tourist organizations.*

**Keywords:** *sustainable, development, pandemic, tourism, Serbia, potential*

### INTRODUCTION

Sustainable development essentially means creating a future where we will consume fewer resources, eliminate environmental degradation caused by pollution and waste accumulation, and avoid any action that causes disruption and destruction of the environment.

The essence of Sustainable Development are the care and preservation of healthy and quality living environment for the present and all future generations. The concept of sustainable development is based on three basic principles, which are (Jaksic-Levic M. , Marinkovic S. ,2012):

- the principle of ecological sustainability which ensures that development is compatible with the maintenance of ecological processes, biological diversity and resources,

- the principle of social and cultural sustainability which ensures that development is compatible with the cultural and traditional values of human communities and contributes to the strengthening of their identity.

- the principle of economic sustainability, which ensures that development is economically efficient and that resources are managed in a way that future generations can use them successfully.

These principles are used to build various aspects of sustainability that are considered at different levels in society and the economy, such as the national economy, branch and activity, appropriate economic entities in different organizations and institutions in production and service activities. (Jaksic-Levic M., Marinkovic S., 2012)

The main tourism activities in the Republic of Serbia include tourism in larger cities, spa tourism, natural resources, hunting and fishing, rural tourism and river tourism. The main threat to achieving the goals of sustainable development is waste. The goals of sustainable tourism development include (*Vlada Republike Srbije, 2009*):

1. Improvement of accommodation capacities, development of tourist quality system and consumer protection system,
2. Development of tourism information system (brochures, image, market positioning)
3. Developing the tourist offer while achieving economic benefits and local prosperity, which leads to the creation of new jobs, but in addition the goal is to preserve the cultural wealth and natural diversity of the Republic of Serbia,
4. Identification and elimination potential conflicts between tourism and other activities related to the use of renewable and non-renewable resources.

*Globalization and development of tourism market share* - In the last decades of the 20th century, the tourist market has taken on significant dimensions and since then it has become more dominant in relation to other services markets. Today, the development of more modern information and communication technologies has enabled more intensive movement of tourists. By including China and India in the tourism market share, the expansion of global tourism is accelerating.

Given that the development of the tourist area creates a bigger need for labor movement, there is a bigger demand for workers in tourism because the needs cannot satisfy by the local population. This is especially pronounced in areas with large tourist resources, which have a problem of "old population".

(Vojnović B., Cvijanović D., Stefanović V. 2012) they said that tourism in Serbia has an increasing share in the balance of payments and the multiplier effect of consumption of foreign tourists in Serbia. This gives tourism a strong driving role in a diverse range of activities that is increasingly included in the priorities of economic development.

## DEFINING THE TOURISM MARKET

The main elements of each market are: market entities, objects of exchange and price. The mutual correlation of these elements in space and time, relationship between supply and demand, goods or services and prices as a monetary expression of value, shows the specificities in certain markets.

The market structure is one of the main elements that affects the functioning of the market mechanism. It manifests and changes depending on the influence of the following factors (Cvijanović D. 2014.:198) :

- Degree of concentration of supply and demand
- Character of ownership of the resources of reproduction
- Degree of homogeneity and differentiation of the tourist product
- Entry opportunities and degree of capital mobility
- Possibilities of application of technological innovations
- Possibilities of introducing modern methods in creating a marketing strategy

The tourism market can be divided into:

1. Mostly individual, where tourist trips are undertaken independently, without the help of an intermediary. This form of tourism has been facilitated by the development of more modern technologies.
2. Mostly organized, the one that involves travel agencies in organizing tourist trips and the content of the tourist's stay.

*Dimensions of the tourism market* - include domestic and international tourism trends, where international tourism is lower than domestic tourism. It can be said that the Republic of Serbia has a low participation of tourism in creating a domestic product, if compared to neighboring countries that have access to the sea such as Croatia and Montenegro. This also affects the risk of job losses and rising unemployment in Serbia. Modern tourist business brought a constantly present demand for new heterogeneous forms of tourist products.

## IMPACTS OF THE TOURISM MARKET

Modern tourism has many related functions, forming a whole that has a significant impact on economic and overall social life.

*Influences of the tourism market share on the economy of tourism -* When talking about the economic functions of this market, it is taken into account that the country has developed activities such as trade, travel agencies and activities that participate in meeting the needs of both domestic and foreign tourists, in order to achieve tourist consumption. Tourist spending has a strong impact on all of the beforementioned activities. For that reason, there is a mutual connection between the realized tourist consumption and the development of certain activities of the tourism economy. Tourist services that have a high level of quality, prices and other elements adapted to the requirements of tourist demand significantly contribute to higher consumption.

*Influences of the tourism market on the gross domestic product of Serbia -* tourism is a service activity and does not create material goods, it does not create a domestic product, like the industry and agriculture, which are production activities. If we are talking about domestic tourism, then there is a distribution of income, which is at the disposal of tourist demand, from both areas of the territory with tourist potential. But if we talk about the development of foreign tourism, we can say that the money that foreigners spend in our country, directly affects the increase of the domestic social product and the national income of the Republic of Serbia. Serbia also has natural beauties, landscapes suitable for various forms of recreation, has a rich cultural heritage and has the opportunity i.e. potential for the development of rural tourism. If it used its potentials, it would increase the employment of the local population and generate additional income for rural households. This strategy would prevent migrations between the village and the city, as well as the protection and preservation of the natural environment and cultural heritage.

Due to the higher participation of the gray economy and disordered statistics of the tourism sector, there is a problem of showing the effects of tourism on the economy and GDP of Serbia.

*Impact of tourism on employment -* For tourism we can say that it is a labor-intensive activity, because due to the nature of services, it is impossible to perform a large amount of automation. This primarily refers to activities that make up the complex structure of tourism, but higher employment also occurs in a number of indirect activities for which the tourism market is a secondary market for the placement of certain products

and services. This is especially pronounced in rural tourism through the placement and sale of domestic, national food and handicrafts

*Indirect impact of tourism on the economy* - In the case of indirect impacts of tourism on the economy, it is a matter of the fact that the financial resources spent in Serbia cause activities that are indirectly related to tourism, such as agriculture, industry, construction, etc.

## STATISTICS ON TOURISM TRENDS DURING THE PANDEMIC

Based on statistical data from the website of the Statistical Institute of the Republic of Serbia, we see the following data:

- In the Republic of Serbia in December 2020, compared to December 2019, the number of tourist arrivals decreased by 67.1%, and the number of overnight stays decreased by 59.9%.
- In November 2020, compared to November 2019, the number of tourist arrivals decreased by 61.3%, and the number of overnight stays decreased by 46.4%.
- In October 2020, compared to October of the previous year, the number of tourist arrivals decreased by 49.3%, and the number of overnight stays decreased by 37.5%.
- In September 2020, compared to September 2019, the number of tourist arrivals decreased by 43.1%, and the number of overnight stays decreased by 22.9%.
- In August 2020, compared to August of the previous year, the number of tourist arrivals decreased by 34.3%, and the number of overnight stays decreased by 17.1%.
- In July 2020, compared to July of the previous year, the number of tourist arrivals decreased by 50.5%, and the number of overnight stays decreased by 35.9%.
- In June 2020, compared to June 2019, the number of tourist arrivals decreased by 52.5%, and the number of overnight stays decreased by 43.3%.
- In June 2020, compared to June 2019, the number of tourist arrivals decreased by 52.5%, and the number of overnight stays decreased by 43.3%.

- In May 2020, compared to May 2019, the number of tourist arrivals decreased by 87.6%, and the number of overnight stays decreased by 82.6%.
- In April 2020, compared to April 2019, the number of tourist arrivals decreased by 97.9%, and the number of overnight stays decreased by 94.6%.
- In March 2020, compared to March 2019, the number of tourist arrivals decreased by 56.0%, and the number of overnight stays decreased by 45.7%.
- In February 2020, compared to February of the previous year, the number of tourist arrivals increased by 18.9%, and the number of overnight stays increased by 20.1%.
- In January 2020, compared to January 2019, the number of tourist arrivals increased by 24.2%, and the number of overnight stays increased by 25.1%

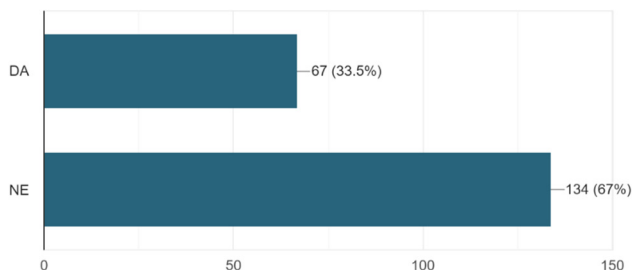
From the statistical data, we can see the impact of the measures and the epidemiological situation, the closing in April, where the arrival dropped significantly, compared to 2019. Also, we can see the correlation, i.e. the interconnection of the tourist market and the growth of the number of infected people. The decline in the number of patients with Covid 19 in August and September increased tourist movements, while the increase in the number of patients in November and December leads to a further decline in the movement of tourists and stays, i.e. overnight stays in Serbia.

When we look at domestic tourists, according to the data of the Statistical Office, in June they were most interested in spa and mountain places - Vrnjačka Banja, Sokobanja, Zlatibor, Tara, Divčibare and Kopaonik. According to the data of local tourist organizations, there is a great interest of domestic tourists for vacations in Serbia, precisely because of the restrictions on movement outside the borders of the Republic of Serbia.

### ***International trends and assistance to travel agencies – research***

The research was conducted by the author of the paper, in which respondents aged 18 to 30 participated. The number of respondents is 200.

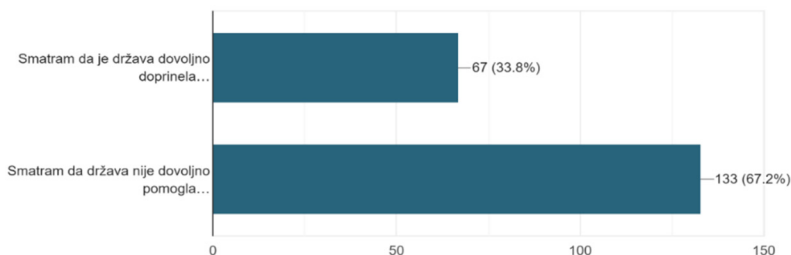
Da li ste u 2020. godini išli u inostranstvo?  
200 responses



**Chart 1** - Going abroad in 2020

Based on Chart 1, we can see the answers of the respondents, to the question whether they went abroad in 2020, more than 50%, i.e. 67% of the respondents did not have tourist movements outside the borders of the Republic of Serbia. 33.5% of the population had tourist movements outside the borders of the territory. When considering the previously mentioned percentage of 33.5%, the enabled tourist movements in July (without restrictions) in the neighboring country of Montenegro should be taken into account. All other international movements to European countries were made possible with the presented evidence, a negative test for Covid 19.

Izaberite odgovor koji se podudara sa Vašim mišljenjem.  
198 responses



**Chart 2-** State aid to travel agencies

Based on the budget rebalance proposal, the Republic of Serbia has set aside 150 million dinars in financial assistance to travel agencies, in order to mitigate the negative effects caused by the pandemic in this activity.

Based on Graph 2, we can see the opinion of the respondents as to whether the state provided sufficient assistance to travel agencies during the

pandemic. More than half of the respondents, i.e. 67.2% of the respondents believe that the state did not help the affected activity enough, while 33.8% of the respondents believe that it has provided enough benefits, according to the budget that the Republic of Serbia has. When considering this type of state aid, the overall economic situation of the state should be taken into account, as well as the "collapse" of this activity during the pandemic, because it is one of the activities most affected during Covid19.

The World Tourism Organization has published a protocol for the recovery of tourism. It consists of seven priorities and they are:

1. Providing liquidity and protection of jobs
2. Restoring trust through security
3. Public-private cooperation for efficient reopening
4. Responsible opening of borders
5. Harmonization of protocols and procedures
6. Value-added jobs using new technologies
7. Innovation and sustainability as a new norm

## CONCLUSION

The World Tourism Organization conducted a survey where it is noticed that there were one billion fewer international arrivals worldwide in 2020 than the previous year due to falling demand. Based on this data, we can conclude that the era of pandemics can be compared with a decline of 4% in 2009, during the time of global crisis. Also, based on statistical data conducted by the Statistical Institute of the Republic of Serbia, as well as on our research mentioned above, we can conclude that the pandemic caused by Covid 19 stopped the development of sustainable tourism, and that state assistance to tourism organizations was not enough to get tourism recovered. Therefore, it is necessary to follow the protocol of the World Tourism Organization in order to mitigate the consequences of the pandemic.



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