

Rural tourism as a driver of the economic and rural development in the Republic of Serbia

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Abstract: Rural tourism supports the linking of the economic, social and environmental development elements, while boosting employment and stepping up rural development. This paper aims to assess the importance of rural tourism in terms of the economic and rural development in the Republic of Serbia. The Kruskal-Wallis test was used to compare the values referring to the number of registered tourist arrivals and overnight stays per region. According to the research findings, the region of Šumadija and Western Serbia has the largest number of rural households and also records the highest number of tourist arrivals and overnight stays. In developed countries, the tourism industry strongly supports the agricultural sector by creating new jobs and contributing to the overall economic development, however, the situation is quite different in Serbia. Furthermore, considering the EU, where the rural areas cover a large part of the overall territory, it is exactly the rural areas that account for a significant number of overnight stays and accommodation facilities.

Keywords: rural tourism, rural areas, agriculture, economic development

JEL classification: Q01, R11, R58, Z32

Ruralni turizam kao pokretač razvoja ruralnih područja i privrede Republike Srbije

Sažetak: Turizam u ruralnim područjima povezuje ekonomske, šire društvene i ekološke komponente razvoja. Pritom, ima pozitivan uticaj na zapošljavanje i razvoj ruralnih područja. Cilj rada je utvrditi značaj turizma u ruralnim područjima za ruralni i privredni razvoj Republike Srbije. Uz pomoć Kruskal-Wallis testa upoređeni su dolasci i noćenja turista, po regionima Republike Srbije, gde se Region Šumadije i Zapadne Srbije izdvojio i kao region sa najvećim brojem seoskih domaćinstava. Zaključeno je da je bitno razvijati ruralni turizam i u drugim regionima, kao i razvijati seoska turistička domaćinstva u turističkim destinacijama koje ostvaruju najveći broj noćenja. Uočeno je da, za razliku od Republike Srbije, u turistički i privredno razvijenijim zemljama, turizam u odnosu na poljoprivredu ima veći značaj za zapošljavanje i privredni razvoj. U Evropskoj uniji koja je, takođe, sa značajnim udelom ruralnih područja, veliki broj noćenja i smeštajnih kapaciteta se odnosi upravo na ruralna područja.

Ključne reči: ruralni turizam, ruralna područja, poljoprivreda, privredni razvoj

JEL klasifikacija: Q01, R11, R58, Z32

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1. Introduction

Today, our villages are facing unprecedented challenges, including agricultural restructuring, depopulation, poor communication and other infrastructure issues, as well as environmental degradation. Consequently, the rural population in the Republic of Serbia (RS) is the most poverty-stricken population, particularly those people that rely solely on the small-scale agricultural production.

The extensive restructuring of the agricultural sector in the economically developed countries focused on the diversification and development of new economic activities in rural areas and linking them with agricultural activities. In recent years, rural non-farm employment (RNFE) has been increasing, as well as the establishment of rural-urban links. The mentioned processes have been contributing to the diminishing of the importance of agriculture, especially in favour of the development of other economic activities.

Given that the RS is predominantly a rural country, rich in captivating rural landscapes and unique traditional foods and dishes, the aim of this paper is to assess the importance of rural tourism for the economic and rural development of the RS. This paper analyses data on tourists' overnight stays and available accommodation facilities in rural areas of the European Union (EU) in relation to other (non-rural) areas, as well as tourists' overnight stays and available accommodation facilities by type of tourist resorts in the RS. The importance of the agricultural and tourism sectors for the economic development of the RS is emphasized and compared with the situation in developed countries. This is important because the mentioned analysis provides recommendations and lessons to be learned in terms of the future development of rural areas in the RS, particularly referring to linking agriculture and tourism and thus creating new non-agricultural jobs that would contribute to poverty alleviation in these areas. Based on the aim of this research, the research hypotheses were formulated as follows:

H₁: If the Republic of Serbia increases the number of rural households involved in tourism activities, especially in popular tourist resorts and rural regions that record the largest number of tourists' overnight stays, this will have a significant positive effect on the development of rural areas, tourism industry and national economy.

H₂: If the importance of tourism and other economic activities in rural areas of the Republic of Serbia exceeds the importance of agriculture, this will have a significant positive impact on economic development.

The paper differs from others in the literature since it compares the rural tourism development in Serbia with that in the EU where rural tourism has a special status, as well as with other countries with the developed tourism industry. It is precisely this gap in the domestic literature that needs to be filled, in terms of the importance of agriculture in relation to tourism in Serbia and other tourism-developed countries. Serbia should analyze the importance of rural tourism in the EU, as well as the importance of tourism in relation to agriculture in those countries where the tourism industry is highly developed, in order to learn from the examples of best practices and thus boost the development of rural areas and their economies.

2. Literature review

Tourism is a complex and very specific activity that links the economic, social and environmental development components. In addition, tourism has a substantial effect on employment, income increase, international cooperation and the movement of people and goods. The tourism sector has been generating an important share in the global GDP over the last few decades due to its rapid growth and development. Rural tourism supports the

preservation of cultural values and contributes to the socio-economic development (Muresan et al., 2016).

In general, rural tourism implies the movement of people/visitors from their usual place of residence to rural areas. This type of tourism can contribute to the creation of new jobs and promote investments in rural areas, which would increase motivation of the rural population to stay in these areas. Rural tourism includes activities that the local population organizes on their farms to attract tourists (Dašić et al., 2020). Concerning the tourism sector, sustainability often focuses on accommodation provided by rural households, local food, handicrafts, etc. In a broader sense, sustainable tourism deals with economic sustainability and social justice. The community has a special role in the conservation of the environment and non-renewable resources which rests on the responsibility of the local population and visitors (Park & Yoon, 2010). The synergy of the central and local governments is also important for the accelerated development of rural tourism (Liu et al., 2020).

The goals of the relevant EU strategies pertain to the inclusion of the rural tourism in both regional and rural development, as it contributes to the development of underdeveloped areas and thus to overall economic development (Dašić & Labović, 2020). In line with the objectives of the EU cohesion policy, tourism can boost employment opportunities, increase income, reduce regional disparities and relieve poverty. The EU is particularly focused on sustainable tourism and ecotourism (Dašić et al., 2020), thus contributing to the preservation of the environment (Carvache-Franco et al., 2022).

Rural areas in the EU are very important, because of their size and the population that lives in them (Muresan et al., 2016). In Serbia, rural areas cover 85% of the total territory of the country and about 40% of the total population lives in these regions (Gajić et al., 2021). This is the main similarity between the RS and the EU in terms of rural areas. The diversification of rural economy can be achieved by developing tourism activities in rural areas, which would in turn support the development of other economic sectors and create new employment opportunities.

Rural areas are facing many different problems (demographic, natural, cultural) that affect the people living in them and these problems are primarily related to people earning their income, education issues, migrations, and etc. (Gajić et al., 2021). The contemporary rural policy paradigm relies on an integrated, decentralized approach. Accordingly, rural development should be in line with the specific features, needs and potentials of different rural communities in order to adequately develop strategies for investment attraction and implementation of new economic activities. The multifunctional countryside of today is not focused solely on food production; it also sustains rural landscapes, protects biodiversity, generates new jobs and contributes to the sustainability of rural areas, thus emerging as a region where the demands concerning recreation and rural tourism development is increasingly considered (McAreevey & McDonagh, 2010).

Agriculture, although often neglected, is a sector that significantly contributes to rural employment (Dašić & Labović, 2020). In rural areas in the RS, agricultural incomes lag behind salaries and wages earned in other sectors of the economy, as well as pensions. Rural poverty is related to the high dependence of the rural economy on agriculture and low income in agriculture. This means that rural areas should be developed by diversifying and promoting non-agricultural employment (Dimitrijević et al., 2021). Rural non-farm employment (RNFE) and rural-urban linkages contribute to poverty alleviation by providing benefits both to the agricultural sector and the tourism industry (Akkoyunlu, 2015; Reardon et al., 2001), as well as by supporting sustainable development.

Since agriculture is not able to create sufficient employment opportunities, many rural residents rely on non-agricultural incomes. Evidence from many European countries shows

that the non-agricultural economy greatly impacts the economic growth of rural areas. The neglect of rural areas in Serbia causes significant delays in structural adjustment to the EU standards (Miljković et al., 2010).

The unique and attractive gastronomic events should be used to brand the destination, as this can be the key to attracting tourists to rural areas (Čavić & Mandarić, 2021). The authentic dishes and drinks of a certain region can be promoted through gastronomic events, which will make the given destination attractive to tourists. Although agritourism is still important for rural development, its role is diminishing in favour of gastronomy tourism which is becoming increasingly important for rural development and tourism (Ruiz-Real et al., 2020). The RS should take advantage of these opportunities, given the large number of products recognizable abroad.

The national label of agri-food products quality and origin, i.e., the label “Serbian quality”, should be promoted as much as possible as it designates the products that have a higher level of quality compared to other products on the market (Ministry of Agriculture, Forestry and Water Management, 2020) and thus contributes to branding and promotion of Serbian villages. The rural development should be facilitated by using the funding provided by the international assistance programmes, especially IPARD (Instrument for Pre-Accession Assistance for Rural Development), while all national strategies and programmes concerning the agriculture and rural development should be designed in line with the EU Common Agricultural Policy (CAP) (Ministry of Agriculture, Forestry and Water Management, 2019).

3. Methodology

The research was conducted on several different samples for the period 2010-2020. The Kruskal-Wallis test for comparing differences between groups was used for data processing. First, tourists' arrivals and overnight stays were compared per regions of the RS, bearing in mind that all regions (the Region of Šumadija and Western Serbia, the Region of Southern and Eastern Serbia and the Region of Vojvodina), except the Belgrade region, could be considered rural. Then, a comparison of tourists' overnight stays and accommodation facilities (number of beds) in the RS with those in the EU was made, bearing in mind that both in the RS and the EU, rural areas dominate and a significant number of people live in them. Initially, the comparison of the number of the tourists' overnight stays and accommodation facilities in the EU per the degree of urbanization (cities; towns and suburbs; rural areas) was done and then followed the comparison of the tourists' overnight stays and accommodation facilities in the RS by type of tourist resorts. Further, the number of the recorded tourists' overnight stays and accommodation facilities by type of tourist resorts in the RS were observed by taking into account the rural households involved in tourism activities as one of the several types of the available accommodation facilities.

In addition to this analysis, the RS was compared with tourism-developed countries using the Travel & Tourism Competitiveness Index - TTCI (World Economic Forum, 2019), based on which the RS ranked 83rd. Serbia was compared with the top ten countries: Spain, France, Germany, Japan, USA, the United Kingdom, Australia, Italia, Canada and Switzerland. The TTCI index was used only for the purpose of forming a sample of tourism-developed countries with which the RS was compared. In order to compare the RS with the tourism-developed countries, tourism indicators such as contribution of tourism to GDP and employment and tourists' arrivals, were used. In addition to tourism indicators, agricultural indicators were also analysed concerning the observed sample, i.e., the contribution of agriculture to the economic development and employment of the observed countries. In addition to comparing RS with the tourism-developed countries, according to the mentioned agricultural and tourism indicators and their contribution to the economic development, a comparison was made within each

country, by comparing the share of agriculture and tourism in GDP, as well as in total employment. Thus, a conclusion was drawn as to which indicators are more important for the economic development, considering that the RS is also ranked according to GDP per capita in relation to the observed countries.

Secondary data sources were used for the research from Statistical Yearbook ([Statistical Office of Republic of Serbia, 2011-2021](#)), Tcdata360 ([World Bank, 2022a](#)), World Bank Data Indicators ([World Bank, 2022b](#)) and Eurostat (2022).

4. Results and discussion

Tourists' arrivals and overnight stays contribute to the overall economic growth, which is related to the diversity and quality of the offer (Čerović et al., 2015). On the one hand, the COVID-19 pandemic has led to a decline in international tourist arrivals in the world (Schweinsberg et al., 2021); on the other hand, it has inspired a special interest in rural tourism, as well as the development of sustainable rural tourism and implementation of integrated rural tourism (Mwesiumo et al., 2022). The COVID-19 pandemic has resulted in the decline of the number of tourists' arrivals and overnight stays in Serbia, because of the introduction of a number of restrictive measures. Despite the evident decline in the number of the tourists' arrivals, a growing interest in rural tourism in Serbia has been recorded in the recent period (Cvijanović et al., 2021). Table 1 shows and compares the regions of the RS based on the tourists' arrivals and overnight stays.

Table 1: Tourists' arrivals and overnight stays by regions of the Republic of Serbia, 2010-2020, values expressed in Mean Rank

| Regions | Tourists' arrivals | Tourists' overnight stays |
|---------------------------------------|--------------------|---------------------------|
| Belgrade region | 30.18 | 24.73 |
| Region of Vojvodina | 11.36 | 8.73 |
| Region of Šumadija and Western Serbia | 35.27 | 38.91 |
| Region of Southern and Eastern Serbia | 13.18 | 17.64 |
| Chi-Square | ***28.867 | ***32.504 |

Note: *** means statistical significance at the level of 1%

Source: Author's research, based on [SORS, 2011-2021](#)

The Region of Šumadija and Western Serbia recorded the largest number of tourists' arrivals and overnight stays, followed by Belgrade region and then the Region of Southern and Eastern Serbia and the Region of Vojvodina (Table 1). Given the fact that the Belgrade region slightly lagged behind Region of Šumadija and Western Serbia considering the tourists' arrivals, while the gap relating to the overnight stays was more pronounced, as well as the fact that the Region of Southern and Eastern Serbia and Region of Vojvodina were found to lag behind the mentioned regions significantly, it would be very important to work on promoting rural regions and attracting more tourists to those areas, having in mind the growing popularity of the countryside, particularly during the pandemic and crisis situations.

Ecotourism, agrotourism and rural tourism are becoming important sectors of the tourism industry. The new EU member states, which are rich in natural beauties, unlike the old ones, do not use it enough to generate income from agrotourism (Ana, 2017). The EU programmes, such as the LEADER, have a significant influence on sustainable rural development and tourism. Apostolopoulos et al. (2020), noted that the EU development programmes offered an opportunity for the expansion of rural tourism; further, the income of rural inhabitants

increased as agricultural production began to decline. Table 2 shows tourists' overnight stays and accommodation facilities expressed in number of beds, according to the degree of urbanisation in the EU.

Table 2: Tourists' overnight stays and accommodation facilities (number of beds) by a degree of urbanisation in the EU, 2012-2020, values expressed in Mean Rank

| Degree of urbanisation | Tourists' overnight stays | Number of beds |
|------------------------|---------------------------|----------------|
| Cities | 7.00 | 5.00 |
| Towns and suburbs | 10.38 | 14.00 |
| Rural areas | 20.13 | 23.00 |
| Chi-Square | ***14.865 | ***23.143 |

Note: *** means statistical significance at the level of 1%

Source: Author's research, based on [Eurostat, 2022](#)

Rural areas in the EU have a more prominent role in relation to cities, towns and suburbs, both in terms of the number of tourists' overnight stays and accommodation facilities (Table 2). Considering that the largest number of the tourists' overnight stays are recorded in rural areas, the largest part of the investments in these regions had been channelled towards increasing the number of accommodation units, thus the better results were achieved.

Although Serbia has many natural beauties, there are also many negative factors. The number of beds in rural tourism shows an uneven trend, which indicates an insufficient utilization of rural tourism resources. If we take into account the foreign tourists' overnight stays recorded in rural areas, this strongly confirms the fact that the rural tourism in Serbia is not very popular among the foreign tourists. It should also be noted that there is a large territorial inequality. Namely, the most rural households involved in the tourism activities in the RS are located in the Region of Šumadija and Western Serbia ([Đorđević et al., 2019](#)). Table 3 shows tourists' overnight stays and accommodation facilities expressed in the number of beds, in total, as well as in the number of the rural household involved in tourism activities per tourist resorts in the RS.

Table 3: Tourists' overnight stays and accommodation facilities (number of beds) by type of tourist resorts in the Republic of Serbia - total vs. rural tourism households, 2010-2020, values expressed in Mean Rank

| Tourist resorts | Tourists' overnight stays (total) | Number of beds (total) | Tourists' overnight stays (in rural tourism households) | Number of beds (in rural tourism households) |
|-------------------------|-----------------------------------|------------------------|---|--|
| Spas | 37.36 | 33.27 | 9.33 | 10.00 |
| Mountain resorts | 28.91 | 19.27 | 14.17 | 16.33 |
| Other tourists' resorts | 17.73 | 31.45 | 18.43 | 22.83 |
| Other resorts | 6.00 | 6.00 | 11.57 | 6.57 |
| Chi-Square | ***37.136 | ***31.927 | *5.178 | ***16.974 |

Note: *, *** means statistical significance at the level of 10% and 1%, respectively

Source: Author's research, based on [SORS, 2011-2021](#)

In the RS, the largest number of the tourists' overnight stays was recorded in spas, followed by mountain resorts and finally other tourists' resorts and other resorts (Table 3). Based on the available data, spas have the largest number of accommodation facilities, followed by other tourists' resorts, and then mountain resorts and other resorts. The largest number of the

tourists' overnight stays in rural tourism household was recorded in other tourists' resorts, followed by mountain resorts, then other resorts and finally in spas, while the highest number of accommodation facilities was registered in other tourists' resorts, followed by mountain resorts, then in spas and finally in other resorts. Therefore, it could be concluded that according to the type of the accommodation facilities, rural tourism households situated in the most popular tourist resorts do not have sufficient number of accommodation units, this particularly refers to spas and the mountain resorts. Therefore, it is necessary to work on increasing the number of tourists' overnight stays and accommodation units in spas and the mountain resorts. In addition to hotels and motels that occupy the primary position, rural tourism households should be developed in popular tourist destinations, which would improve the rural tourism offer based on the unique local gastronomic offer and specialties of the region. Also, a great chance for the development of this type of accommodation is in other resorts, where it is necessary to promote those areas, attract tourists to them and thus increase the number of accommodation facilities.

Development of international tourism based on the export-oriented strategy and strategic investments in tourism will contribute to job creation and economic growth of countries (Fawaz et al., 2014). Also, tourism revenues and tourists' arrivals, as well as development of agriculture, have a significant influence on economic growth and poverty reduction in most developing countries (Naseem, 2021). Although agriculture could be an initiator of economic growth in developing countries, the impact varies from country to country. In some cases, agriculture implies growth, while in others an active aggregate economy is precondition for agricultural development (Awokuse & Xie, 2014). Table 4 shows comparison between the RS and the countries characterised by a high level of tourism development, according to indicators relating to agriculture and tourism, i.e., their contribution to GDP and employment, as well as economic development, expressed in GDP per capita.

Table 4: Contribution of agriculture and tourism to economic development – the Republic of Serbia vs tourism developed countries, 2010-2020, values expressed in Mean Rank

| Countries | Travel and Tourism total contribution to GDP, % | Travel and Tourism total contribution to employment, % of total employment | Tourists' arrivals | Value added of agriculture, forestry, and fishing (% of GDP) | Employment in agriculture (% of total employment) | GDP per capita |
|----------------|---|--|--------------------|--|---|----------------|
| Serbia | 13.00 | 6.00 | 6.09 | 112.00 | 105.50 | 6.00 |
| Spain | 116.00 | 108.00 | 91.36 | 100.00 | 95.40 | 17.36 |
| France | 55.73 | 50.18 | 112.82 | 60.36 | 52.60 | 48.09 |
| Germany | 87.27 | 102.45 | 60.00 | 27.36 | 21.55 | 69.45 |
| Japan | 25.86 | 17.00 | 36.27 | 43.90 | 77.35 | 51.64 |
| USA | 39.00 | 38.27 | 102.09 | 42.85 | 20.35 | 98.00 |
| United Kingdom | 73.68 | 64.45 | 64.45 | 9.45 | 5.90 | 59.64 |
| Australia | 92.91 | 85.05 | 20.27 | 90.73 | 50.40 | 98.91 |
| Italy | 99.82 | 98.82 | 82.45 | 78.64 | 81.80 | 28.36 |
| Canada | 12.14 | 28.73 | 50.00 | 68.11 | 34.20 | 77.55 |
| Switzerland | 55.59 | 72.05 | 30.60 | 14.41 | 65.45 | 116.00 |
| Chi-Square | ***115.1 | ***113.6 | ***110.9 | ***113.2 | ***105.1 | ***111.1 |

Note: *** means statistical significance at the level of 1%

Source: Author's research, based on World Bank, 2022a and World Bank, 2022b

In relation to the observed tourism-developed countries, the tourism industry in the RS makes the smallest contribution to both GDP and employment, which also applies to the tourist arrivals. The RS, in relation to the observed countries, has the largest contribution of agriculture to both GDP and employment. Also, it is important to point out that the RS has the lowest GDP per capita in relation to the observed countries, i.e., all these countries are more economically developed than the RS (Table 4). Therefore, it is important to work on promoting the development of tourism in rural and other areas in order to increase the contribution of tourism to economic development and employment, especially in relation to the contribution of agriculture, because this would help diversify activities in rural areas, create additional jobs and support the economic development. Table 5 shows comparison between agriculture and tourism indicators, i.e., their contribution to GDP and employment, in Serbia and each of the observed tourism-developed counties, respectively.

Table 5: Contribution of agriculture vs. contribution of tourism to GDP & Contribution of agriculture vs. contribution of tourism to employment, 2010-2020, values expressed in Mean Rank

| Countries | Travel and Tourism, total contribution to GDP, % | Value added of agriculture, forestry, and fishing (% of GDP) | Chi-Square | Travel and Tourism, total contribution to employment, % of total employment | Employment in agriculture (% of total employment) | Chi-Square |
|----------------|--|--|------------|---|---|------------|
| Serbia | 9.36 | 13.64 | *2.4 | 6.00 | 16.5 | ***15.0 |
| Spain | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| France | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| Germany | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| Japan | 16.00 | 5.50 | ***15.0 | 16.00 | 5.50 | ***15.0 |
| USA | 16.00 | 5.50 | ***15.0 | 16.00 | 5.50 | ***15.0 |
| United Kingdom | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| Australia | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| Italy | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |
| Canada | 15.00 | 5.00 | ***14.2 | 16.00 | 5.50 | ***15.0 |
| Switzerland | 17.00 | 6.00 | ***15.8 | 16.00 | 5.50 | ***15.0 |

Note: *, *** means statistical significance at the level of 10% and 1%, respectively

Source: Author's research, based on [World Bank, 2022a](#) and [World Bank, 2022b](#)

It is only in the RS of all observed countries that the contribution of agriculture to both GDP and total employment is higher than that of tourism industry. In all other countries, which are more economically developed, contribution of tourism to GDP and employment is higher than the contribution of agriculture (Table 5). This is another reason why it is important to develop multifunctional agriculture in rural areas of the RS and diversify activities in favour of tertiary and secondary sector, which would support the development of these areas and the overall economic development.

5. Conclusion

Considering that most of the rural households in the RS are located in the Region of Šumadija and Western Serbia, which is the region that has the highest number of tourists' arrivals and overnight stays, it can be concluded that there is a considerable interest in rural tourism

development. Therefore, special attention should be paid to the natural beauty of that and other rural areas, given that tourist competitiveness depends on it (Roman et al., 2020).

Rural regions with a pronounced primary sector have limited opportunities concerning achieving competitiveness. In Serbia, where rural areas have a large share in the total territory of the country, it is vital to address this problem. In developed countries, tourism and services provide a significant contribution to development of rural areas (Jurjević et al., 2021). The EU, which is also characterized by a large number of rural areas and a relatively high percentage of rural population, has been developing different strategies and programmes over the last decades in order to step up the rural development and improve tourism industry. Thus, the number of tourists' overnight stays, as well as accommodation facilities (number of beds) is much higher in rural areas of the EU in relation to cities, towns and suburbs (Alina, 2015). Consequently, the RS should harmonize its rural development policy with the EU policy in the field of tourism development and promotion of destinations in rural areas. Management of rural tourism destinations and experiences of countries where rural tourism is successfully developing can be a good example for Serbia (Vuković, 2017).

The promotion of rural tourism in the RS should be focused on the tourism destinations that have the largest number of tourists' overnight stays, such as spas and mountain resorts, but also other resorts. The development of tourism in these areas should be based on their sights and specialties, which would contribute to the sustainable development of tourism in rural areas. This promotion should go in the direction of the development of rural households involved in tourism, which would offer their own specialties, unlike the accommodation establishments such as hotels, motels, etc., which often buy these products from farmers and then resell them as specialties. The increase in the number of accommodation facilities is also needed in the form of rural tourism households, especially in the spas and mountain tourist destinations. This confirms the first hypothesis that if the RS increases the number of rural tourism households in tourist resorts and rural regions that have the most tourists' overnight stays, it will significantly positively affect the development of rural areas, tourism and national economy.

The RS lags behind the more developed countries in terms of tourists' arrivals, then contribution of tourism to employment and the overall economic development (GDP). Unlike these countries, the RS has a larger share of agriculture in employment and economic development (GDP). Given that the RS lags behind these countries economically (measured by GDP per capita), it is very important to follow their successful models of diversification of activities in rural areas that support the development of tourism and increase its contribution to economic development in relation to agriculture. Furthermore, in the observed economically developed countries, tourism is more important than agriculture, both in terms of the total employment and overall economic development, which is not the case in the RS. This confirms the second hypothesis that if the importance of tourism and other economic activities in rural areas of the RS exceeds the importance of agriculture, this will have a significant positive impact on the economic development. Finding alternative sources of income, such as tourism in rural areas, can have a significant influence on both agricultural production and the sustainable development of rural areas (Trukhachev, 2015), but the problems relating to attracting investment and stepping up tourism development in rural areas need to be overcome (Jane Warne & Thompson, 2022).

The main limitation of this research is that the RS is compared with the countries that are ranked according to the indicator of tourism development, and not according to the indicator of agricultural development. The indicators of agriculture, tourism and economic development are considered separately, so the recommendation for future research may be the unification of agricultural and tourism indicators and their impact on economic development through

panel regression analysis. In addition, considering that there is no data on the classification of areas by degree of urbanisation in the RS, but only the data referring to the type of tourist resorts, it is important to conduct research in which this classification will be performed, where a more complete picture of tourists' overnight stays and accommodation facilities in rural areas in relation to other non-rural areas would be obtained.

Conflict of interest

The authors declare no conflict of interest.

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