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Editorial

Менаџмент у хотелијерству и туризму – Hotel and Tourism Management is an open access peer-reviewed journal which discusses major trends and developments in a variety of topics related to the hotel and tourism industry. The journal encourages quantitative and qualitative studies that are multidisciplinary in their nature. It contains both theoretical and applied research papers, giving full support to collaborative research efforts taken jointly by academia and industry. According to its editorial policy goal, *Менаџмент у хотелијерству и туризму – Hotel and Tourism Management* has constantly been striving to increase its quality, by allowing and promoting the popularization of science and providing significant scientific and professional contribution to the development of hotel industry and tourism, both in Serbia and in the global scale. The journal is published by the Faculty of Hotel Management and Tourism in Vrnjačka Banja, University of Kragujevac.

Менаџмент у хотелијерству и туризму – Hotel and Tourism Management includes following sections: Original Scientific Paper**,** Review Article, Short or Preliminary Announcement and Scientific Critique. It is published biannually. This journal offers an open access of its contents, which makes research results more visible to a wider international academic community. All articles are published in English and undergo a double-blind peer-review process.

The originality of the study, contribution to the theory and practice and use of grammar and style (American or British English are accepted, but not a mixture of these) have been considered as main aspects important for a paper evaluation. Normal turn-around period is one to two months from the date of receipt. The crucial requirements for the submission of a manuscript are that the submitted manuscript has not been published before, nor it is under consideration for publication anywhere else. The manuscript will be initially checked to ensure that it meets the scope of the journal and its formal requirements. Submitted content will be checked for plagiarism. The names and email addresses entered in the journal will be used exclusively for the stated purposes of this journal and will not be made available for any other purpose or to any other party.

The journal has a reputable international editorial board comprising experts from United States, United Kingdom, Russian Federation, Spain, Italy, Mexico, Japan, India, Poland, Slovakia, Romania, Finland, Lithuania, Moldova, Greece, Slovenia, Bulgaria, Serbia, Croatia, Montenegro, Republic of Macedonia, Bosnia and Herzegovina.

The first issue of the journal was published in 2013. Until this moment eleven issues have been published. I am pleased to invite you to look into the latest research in the fields of hospitality and tourism presented in the current issue No. 12.

I am glad to announce that *Менаџмент у хотелијерству и туризму – Hotel and Tourism Management* is indexed in ERIHPLUS (European Reference Index for the Humanities and the Social Sciences), CEEOL (Central and Eastern European Online Library), DOAJ (Directory of Open Access Journals), SCIndeks (Serbian Citation Index), WorldCat and Google Scholar databases.

I would like to use this opportunity to express my deep gratitude to authors, reviewers, the members of the Editorial and Publishing Boards, and thank them all warmly for invested time and effort that has contributed to the development of our journal.

Editor in Chief
prof. Drago Cvijanović, PhD

CONTENT

Original Scientific Paper

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Significance of quality in the tourism industry: Research study on the perception of stakeholders in tourism

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Abstract: Quality in the tourism and hospitality industry presupposes the consistent delivery of products and guest services being in line with expected standards. One of the key challenges that managers in the hospitality industry face today is to provide quality services which are one of the basic conditions for realization of business goals in the global tourism market. Today, there are various tools and mechanisms which greatly facilitate the identification of quality in the tourism and hospitality industry. In order to increase the quality to a higher level, managers should identify, monitor, and weigh the impacts of costs and its activities directed towards the continuous improvement of the quality of all business operations of the company. The present study shows that hotel guests prefer quality service experience as delivered value for their money, comfortable accommodation with beautiful views, communicative and friendly staff, as well as varied and delicious foods. Moreover, the survey shows that there are numerous opportunities for further improvements in the quality of the services in the hospitality industry. Other results of the survey indicate that the key elements for successful performance of hotel companies in the future are guest satisfaction, their loyalty and word of mouth advertising. The outcomes of the survey suggest that hotel companies, in order to build excellence and profitability, should particularly focus on the quality of services, retention of existing and attracting new guests, continuous control and quality improvement, selection, training and motivation of their employees, search for best practices through benchmarking and quality accreditation through ISO or EFQM schemes.

Keywords: quality, hotel guests, services, hotel managers, tourism and hospitality
JEL clasification: L15, L84, L83

Značaj kvaliteta u turističkoj industriji: Istraživačka studija o percepciji stejkholdera u turizmu

Sažetak: Kvalitet u turizmu i hotelijerstvu podrazumeva doslednu isporuku proizvoda i usluga gostima u skladu sa očekivanim standardima. Jedan od ključnih izazova sa kojima se danas suočavaju menadžeri u hotelijerstvu jeste obezbeđenje kvalitetnih usluga, što je jedan od osnovnih uslova za ostvarivanje poslovnih ciljeva na globalnom turističkom tržištu. Danas, za merenje i poboljšanje kvaliteta usluga postoje razni alati i mehanizmi koji u velikoj meri olakšavaju identifikaciju kvaliteta u turizmu i hotelijerstvu. U cilju povećanja kvaliteta na viši nivo menadžeri trebaju da identifikuju, kontrolišu, odmere uticaje troškova i svoje aktivnosti usmere ka kontinuiranom unapređenju kvaliteta u svim poslovnim operacijama preduzeća. Ovaj istraživački rad ukazuje da gosti hotela doživljavaju kvalitetnu

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uslugu kao isporučenu vrednost za novac, udoban smeštaj sa lepim pogledom, komunikativno i ljubazno osoblje, raznovrsnu i ukusno pripremljenu hranu. Takođe, istraživanje pokazuje da postoje brojne mogućnosti za dalje poboljšanje kvaliteta usluga u ugostiteljskoj delatnosti. Ostali rezultati istraživanja pokazuju da su ključni elementi za uspešne performanse hotelskih preduzeća u budućnosti zadovoljstvo gostiju, lojalnost gostiju i usmeno oglašavanje (od usta do usta). Ishodi istraživanja ukazuju da se hotelska preduzeća u cilju građenja izvrsnosti i profitabilnosti trebaju posebno fokusirati na kvalitet usluga, zadržavanje postojećih i privlačenje novih gostiju, kontinuiranu kontrolu i poboljšanje kvaliteta, selekciju, obuku i motivaciju zaposlenih, traženju najboljih praksi kroz benčmarking i akreditaciju kvaliteta putem ISO i EFQM šema.

Ključne reči: kvalitet, gosti hotela, usluge, hotelski menadžeri, turizam i hotelijerstvo
JEL klasifikacija: L15, L84, L83

1. Introduction

Quality is the ability of a product to satisfy or exceed customer expectations. Accordingly, organizations must understand all the features of services that contribute to the value of users and lead to their satisfaction and loyalty (Evans & Lindsay, 2010). Quality management is directly related to continuous quality improvement. Quality management involves work to develop specific products, uses different methods and tools, and includes repetition and evaluation (European Comission, 2000).

The International Organization for Standardization (ISO) defines quality management as "all management functions that determine objectives, quality policies and responsibilities that are implemented through planning, control, insurance and quality improvement within the quality system" (ISO, 2015). As the companies over the time began to recognize the need for a wider range of quality, a new concept of "total quality" (TQ) emerged. Total quality is a quality management system aimed at continuously increasing customer satisfaction with low real costs. TQ can be understood as a complete system approach that functions horizontally through functions and departments, includes all employees in the company and includes a supply chain and a customer service chain. Also, this systemic approach emphasizes adapting to constant change and learning, which is the key to the success of an organization (Evans, 2007).

Consequently, based on such an organization and management process, hotel companies will have to adapt to a number of changes in order to produce and offer the appropriate products that will meet the expectations of service users. Today, the implementation of the TQM system is gradually being carried out in the tourism sector in order to motivate human resources and create a competitive advantage that would improve the company's business on the market.

2. The importance of quality in tourism and hospitality

Quality assurance can be defined as planned and systematic set of activities that companies should be focused on, while providing the services of the appropriate quality with the confidence that they will meet the requirements of their customers.

In order to successfully ensure quality, one has to emphasize the excellence of two important points in business (Vilimova, 2014):

- Design of products,
- Quality control.

The quality management system for hotel services is an approach focused on results. Today there are more and more users who are willing to deduct more money for a service that meets or exceeds their expectations. Accordingly, the level of service quality is a key factor in the perception of users after using the service (Hayes et al., 2012). By constantly creating value for the users, the hotel company builds its impressive image, which is an important factor in keeping existing and attracting new service users. Also, management must recognize the importance of retention of users, since it is known that attracting new users is expensive and a long-lasting process (Odindo & Devlin, 2007).

As the tourist market is becoming more and more competitive today, the issue of quality has become crucial for the survival of hotel companies on the market. This was significantly influenced by two factors, such as the emergence of new tourists who are willing to pay and use only quality services and the adoption of new regulations regarding the respect of consumers' rights. This means that due to increased competition in the market, hotel companies became aware of the importance of quality which is a key source for increasing the competitive advantage (Lazić et al., 2013). Assessing the quality of services (most often through insight into guest reviews or online questionnaires) is an important instrument that helps hotel owners identify and solve problems.

The following quality components are used to develop and implement a quality service system in hotel companies (Go & Govers, 2000):

1.	**Consider users who are offered the service**
2.	**Determine what users want**
3.	**Develop procedures and provide users with the service they want**
4.	**Train and empower employees**
5.	**Implement revised systems**
6.	**Evaluate and modify service delivery systems**

By carrying out a regular and systematic analysis of the results of quality assessment, management manages a number of advantages that are reflected in (Krishnamoorthy & Dlima, 2014):

- Measuring the appropriate level of expectations and user needs and comparing the obtained results with perceived quality,
- Identification of quality improvement activities, and
- Competitive quality control with the help of benchmarking.

Today, providing quality services is one of the main challenges for managers that will face in the coming years. This will be the key condition for the success of a hotel company in a competitive global market.

3. Tools to measure the quality of services in hospitality

Today, despite the constant efforts of hotel companies to provide quality services a gap may occur between the offered and the perceived (experienced) quality.

In order to avoid this, it is necessary to constantly measure the quality of services that are achieved with the help of certain models being the best known (Quality managment in hospitality, 2018):

- Perceived service quality model,
- Model of five gaps,
- SERVQUAL model,
- Model of a critical incident technique.

The perceived quality service model is a useful tool for understanding the factors that influence the perception of the quality of the users after using the services of the hotel company (Angelova & Zekiri, 2011). The anticipated quality is influenced by a number of factors based on the experience of using the services of a particular company, created by the image of a specific product, the verbal recommendation and the requirements of the service users.

Model of five gaps. It is an instrument used by managers to more precisely define quality management objectives (Shahin & Samea, 2010). The model is oriented towards the user and the service delivery proces. When assessing the quality of services, users will be affected by five gap series. Quality management systems must aim to close the gap that exists in the service process, and therefore improve the quality so that users can fulfill their expectations after using the services.

SERVQUAL model. The model is used to measure the perceived quality of services. In this model, perceived quality is measured in two ways (Daniel, 2010):

- Internal measurement,
- External measurement.

Internal measurement refers to the measurement of objective criteria (functional quality, technical quality, process quality and total quality) that are set or developed by a particular organization. The SERVQUAL instrument measures five key characteristics: tangibility, reliability, responsiveness, security, and empathy. With the help of SERVQUAL model, organizations have the ability for limitless monitoring of the internal service quality. External measurement includes subjective expectations, desires, needs, and experiences of service users (expected quality, perceived quality and experience-based quality).

Critical Incident Technique (CRIT). This instrument mesaures what happens in different "moments of truth" based on the collected samples over time. The tool provides useful information for product development, quality improvement and the expansion of marketing domains. Organizations based on this instrument can also understand and solve customers problems in a flexible way.

Measuring quality of services and quality assurance is a long-term process with high costs for the company, but it pays over time as opposed to the quality of services. Managers need to identify, monitor and evaluate the impact of costs on service quality.

Key categories of quality costs are (Elbireer et al., 2010):

- Prevention of costs,
- Insurance (employee time and administrative costs),
- External costs.

Cost and benefit coefficient can be calculated using the cost equation that is not included in quality and quality assurance in relation to operating cost savings and user returns (COQ, 2018).

4. Mechanisms for quality recognition in tourism industry

4.1. Quality labels

Today, there are numerous mechanisms for recognizing quality in the tourism industry. The main reasons for establishing quality properties of accommodation capacities through some form of classification schemes are:

- Informing users, which would allow them to make choices based on the standardized quality criteria;
- Encouringing investments and improving service quality by implementing international quality standards.

The most commonly used measurement methods are (Bennett et al., 2007):

- Physical measures (room size),
- Quality of services.

Existing quality standards and labels include:

- Star rating system (hotels are rated from one to five stars). The diamond assessment system is carried out in the United States by the American Automobile Association (hotels and restaurants are rated from one to five diamonds);
- Tripadvisor.com, a travel website that evaluates the quality of accommodation capacities;
- International Organization for Standardization (ISO), which has published several series of standards that apply in the tourism sector;
- Eco-labels are increasingly represented in the tourism sector. First, the "green labels" are developed for hotel companies with the aim of improving environmental management. Over time, these labels began to be applied by other entities within the tourism sector (Bennett et al., 2007).

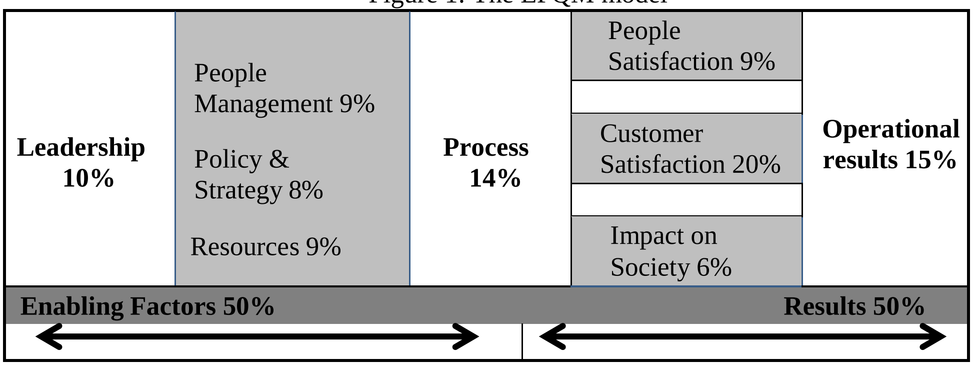
4.2. European Foundation for Quality Management (EFQM)

The European Quality Management Foundation was created to promote a standard approach in quality management for all organizations operating in Europe with the aim of contributing in order to ensure the sustainable practice quality.

The main characteristics of EFQM are that:

- It has the role of advisor in quality management,
- Awards the most successful companies,
- It does not have the ability to issue certificates.

Figure 1: The EFQM model



Source: Go & Govers, 2000

Figure 1 is based on a set of eight fundamental concepts and is a framework for self-evaluation of the organization.

Factors such as policies and strategies, leadership, employee management, processes and resources are calculated on the basis of measurability, systematic and system introduction, while results such as the community impact, user satisfaction and operational results, are being assessed on the basis of comparisons with competing companies, contemporary trends and achieved goals.

4.3. Malcolm Baldridge National Quality Award

The award represents the highest level of national recognition for quality in the United States. This prestigious award is awarded by the Institute of Standards, Technology and Trade (NIST). The award promotes excellence, increased awareness and understanding of quality as a key element in increasing competitive advantage. The Baldridge award covers all sectors and is awarded to the most successful company that meets strict quality criteria. The award is compatible with Six Sigma and ISO 9000 series of standards.

5. Case study: Perception of stakeholders of the quality of hotel services

5.1. Research methodology

The study aims to explore how stakeholders in tourism experience the quality of hotel services, while working on improving the hotel operations in the future. Based on the obtained results, certain strategies have been proposed in order to improve the service delivery. The study was conducted in the period from May 5th, 2018 through June 15th, 2018. Qualitative research was conducted through structured interviews, customized questionnaires and telephone surveys.

The study involved 100 people with the following backgrounds:

- **Status**: hotel owners (30), stakeholders in tourism (board members and presidents of associations) (15), professors (25), students (30);
- **Gender:** 80% men, 20% women;
- **Age:** 23-60 years;
- **Location:** 50% Belgrade, 30% Novi Sad; 20% Niš;
- **Number of replies received via:** e-mail (55), interviews (20), phones (25).

Participants in the research (members and presidents of the associations, professors, hotel owners and students) represent a key resource in the tourism sector, and their suggestions and opinions are considered important for the improvement of the tourism industry.

5.2. Questions for research participants and answers

1. What represents the quality of services in the hotel company?

Received answers are:

- Value for money, clean and comfortable rooms, friendly staff, healthy and tasty food (70% of the respondents);
- Predictability and satisfaction of the needs of user services (25% of the respondents);
- Other responses include: kindness and communication of employees, ambience, fast delivery of services (5% of the respondents).

2. Do you think hotels in your city provide quality services?

Answers include the following options:

- Several hotels provide top-quality services. Most hotels provide average quality services, and a small percentage of hotels provide poor quality services (85% of the respondents);
- It depends on the category of the hotel and the price of the accommodation. There are hotels of high category with 4 and 5 stars which provide high quality services for a high price, and a small number of hotels with 1 or 2 stars offer poor quality services with low price (15% of the respondents).

3. What should hotels do in order to improve the quality of services?

Answers are:

- Apply total quality management system (50% of the respondents);
- Take into account the opinions and suggestions of service users (20% of the respondents);
- Assign hotel management to a more efficient manager (15% of the respondents);
- Employ quality staff and conduct continuous employee training (10% of the respondents);
- Improve the exterior and interior of the hotel (5% of the respondents).

4. How important is user satisfaction for the future business of the hotel?

Answers:

- Hotel companies can successfully operate on the market if they meet the needs of the users, constantly measure their satisfaction, analyze the results obtained and improve the quality of services (55% of the respondents);
- Keeping existing and attracting new customers is very important for the successful operation of the hotel in the future. Based on this data, managers should do everything in their power to satisfy their customer requests (35% of the respondents);
- Satisfied users always return to the hotel and bring new users. Based on this, the hotel company will continue to operate in the future and will not face the problems of capacity building (10% of the respondents).

5. How can quality of service contribute to customer satisfaction?

Answers:

- For certain users, the perceived quality of services varies considerably from the expected quality, which results in their dissatisfaction (65% of the respondents);
- The main differences between the expected service (advertising, hotel website and brochures) and the services used, lead to user dissatisfaction (35% of the respondents).

6. Analysis of the received results

- For most respondents (70%), the high quality of hotel services is an important condition for a customer that they can receive the value for their money. Also, they would prefer clean and comfortable rooms, friendly staff, healthy and delicious food.

- 85% of the respondents believe that most hotels in Belgrade, Novi Sad and Niš offer quality services. Although this is a good indicator, there are still some hotels with a lower quality service.
- Applying a total quality management system (50%), customer opinions and suggestions (20%), hotel management by more efficient managers (15%), quality staff (10%) and interior and exterior improvements (5%) represent the suggestions of the respondents to improve the quality of hotel services. Bearing in mind that the survey sample is made up of people connected with the tourism industry, their suggestions should be taken into account and applied by the hotelier in order to improve the hotel's business on the market.
- 55% of the respondents answered that continuous measurement of customer satisfaction, analysis and improvement of service quality is a key factor for successful hotel operations in the future. Also, retaining existing ones and attracting new customers are the other elements that hotel managers should be aware of.
- In the end, respondents believe there should be no gap between the perceived and expected quality of services, otherwise the guests would be dissatisfied. Therefore, hotel companies should not advertise or represent their attributes in an unrealistic way.

The obtained research results are in line with the theoretical concepts of the tourism industry related to the quality of services, and confirm that quality plays a key role in attracting and retaining hotel customers. Future research on the expectations, needs and wishes of the customers is needed in order to propose appropriate mechanisms leading to excellence in the provision of quality services in the tourist and hotel sector.

7. Conclusion

Quality and high level services are concepts that are indissolubly associated with the tourism and hospitality industry. Quality assurance implies long-term commitment and incurs costs for a hotel company, but over time it leads to more profit in relation to companies that ignore it.

Today, there are various mechanisms that contribute to ensuring the quality of tourist services. The main reasons for establishing quality marks through classification schemes are the information of service users (based on which they could measure and compare the quality of services and stimulate investment and improve quality through the implementation of international standards). The research has shown that samples directly related to tourism (professors, members and presidents of associations, hotel owners and students) experience the quality of hotel services as value for their money, comfortable accommodation, friendly staff and delicious food. Also, the research has shown that most hotels in Belgrade, Novi Sad and Niš provide quality services. This indicates that there is always a possibility for further improvement and excellence of hotel services. Based on other results we can conclude that the most important factors for a successful hotel operation in the future are customer satisfaction, customer retention and word of mouth advertising.

From a managerial point of view, this paper is significant because it helps managers to identify, record and weigh with more accuracy the impacts of quality cost-profit and be in a position to prioritise quality improvement processes. Also, managers can determine the cost-quality ratio using the cost equation that does not relate to the quality and cost of quality assurance in relation to the benefits of saving operating costs and the rate of return of customers.

From a theoretical point of view, the findings of this study indicate that the quality of services plays a key role in the satisfaction of hotel custumers. Also, research indicates that the quality of hotel services as a key source of competitive advantage provides a basis for attracting and retaining customers.

The paper suggests that hotel companies should not advertise amenities that they do not have on their own property in order to present it as desirable, although such methods can attract guests initially. Once these features are verified on the spot and their customers' expectations are not met, the hotel customers will become very disappointed, which will lead to the bad reputation of the hotel. Also, the paper recommends that hotel companies should focus on the quality of services and customer satisfaction, continuous improvement of quality, retention of existing customers and meeting and exceeding their expectations, employment of quality staff, regular training and strengthening of service orientation employees, searching for best practices through benchmarking, and a constant quest for quality accreditation through different schemes such as ISO and EFQM standards or eco-labels.

8. Study limitations and future research

In the conducted research there are several methodological limitations that could influence the results obtained, as well as the conclusions that are made on the basis of those results. The survey used a questionnaire as a data collection form, and filling it in a manner that assures quality required a longer time. As a limitation of the conducted research, it can be said that a part of the respondents who filled in the questionnaire did not cover all the questions, especially those questions whose answering required more time. In addition to a small number of the focused sample, most of them are 23 to 35 years old (50% of respondents), so it can be assumed that these are younger people in the years when they show a high interest in the fun aspects of the hotel offer, and not so much in the aspects of the quality of hotel services. The attitudes to the quality of services are influenced by the lifestyle and years, experience and knowledge of the respondents in the research, and according to the results of the research, it can be concluded that most respondents share the same values. Also, when research was conducted some of the respondents could not, did not want, were not interested or did not have the time to fill in the questionnaire because they were on vacations or business trips.

Future research might consider how tourism stakeholders perceive service quality and its effect on their satisfaction and behaviours. Another avenue for future research can be using additional variables such as perceived value and customer loyalty which can determine the unexplained variance in price acceptance. Besides, future research may also include emotions of tourism stakeholders in the existing framework.

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Specifics of reporting on cash flows in insurance companies

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Abstract: The activity of insurance and operation of insurance companies is very important in the context of development of financial organizations that operate in the territory of many countries, including the Republic of Serbia. A report that is of crucial importance for insurance companies in the context of an adequate cash flow management is a cash flow statement. Bearing in mind the specificity of the insurance industry, as well as the risks associated with it, cash flow is the basic focus of financial management. For insurance companies, it presents an overview of cash flows that occurred during the previous accounting period. The aim of the paper is to show the importance of efficient cash flow management in insurance companies from the aspect of their planning, and to this effect, the paper provides the simulation of the internal report on cash flows that is done monthly for domestic insurance companies in the function of efficient liquidity management of the insurance company.

Keywords: insurance companies, cash flow statement, liquidity
JEL classification: M41, G22, G17

Specifičnosti izveštavanja o novčanim tokovima u osiguravajućim kompanijama

Sažetak: Delatnost osiguranja i rada osiguravajućih komanija je jako bitna u kontekstu razvoja finansijskih organizaciija koje posluju na teritoriji mnogih zemallja, pa i Republike Srbije. Izveštaj koji je od presudne važnosti za osiguravajuće kompanije u kontekstu adekvatnog upravljanja novčanim tokovima je izveštaj o tokovima gotovine. Imajući u vidu specifičnost industrije osiguranja, kao i rizike koji su sa njom u vezi, novčani tok je osnovni fokus finansijskog upravljanja. Za osiguravajuće kompanije, on predstavlja pregled tokova gotovine koji su se dogodili tokom proteklog računovodstvenog perioda. Cilj rada je da prikaže važnost efikasnog upravljanja novčanim tokovima u osiguravajućim kompanijama sa aspekta njihovog planiranja, te u tu svrhu i simulacije internog izveštaja o novčanim tokovima koji se izrađuje mesečno za domaću osiguravajuću kompaniju, u funkciji efikasnog upravljanja likvidnošću osiguravajuće kompanije.

Ključne reči: osiguravajuće kompanije, izveštaj o tokovima gotovine, likvidnost
JEL klasifikacija: M41, G22, G17

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1. Introduction

Insurance is a method of transferring social risks from the insured to another person, i.e. an insurance company, for various dangers (Marcinko & Hetico, 2006). Insurance is occasionally referred to as "business uncertainty". On the one hand, insurance is possible only in the presence of uncertainty, and on the other hand, insurance is provided by firms that seek to make a profit out of this (Zweifel & Eisen, 2012).

Insurance business in the Republic of Serbia consists of insurance activities, including co-insurance, reinsurance business, insurance brokerage and insurance advisory services. According to Article 138 of the Insurance Act, insurance companies are obliged to keep accounts and prepare financial statements and annual report on their operations in accordance with the law and other regulations relating to the chart of accounts for insurance company and forms of financial reports and reports for statistical purposes.

Cash Flow Statement is a financial statement showing where cash is coming from (cash inflows) and where it goes away (cash outflows) for a particular accounting period, as well as what was the change in the cash balance during that period. The main element in the cash flow statement is cash, including cash equivalents as most liquid assets. Cash includes cash and sight deposits. Cash equivalents are short-term most liquid investments that can quickly turn into known amounts of cash and are not under the influence of a significant risk of a change in value. Enterprises hold cash equivalents to meet short-term cash obligations, not for investment or for some other purpose.

A cash flow statement is an overview of cash flows that occurred during the previous accounting period. IFRS (International Financial Reporting Standards) or GRP/US GAAP (Generally Accepted Accounting Principles) suggest three cash flow statement components: the cash provided from operating activities, cash provided from investment activities and cash provided through financing activities. Bearing the above mentioned in mind, there are three groups of company activities:

(1) Operating activities - Represent the main source of enterprise profits and therefore should be the primary source of cash.
(2) Investment activities - A profitable company aims to expand capacities or modernize the existing production capacities, which in the short term necessarily leads to cash outflows.
(3) Financing activities - The result of the funding activities should increase the cash resources of the enterprise, which can be used in the business and for the investment of the company.

The value of cash flow statement is that it can be used to assess the quality of earnings (profit) and financial flexibility. In addition, it can significantly help predict cash flows. The creation and analysis of cash flow statements provides important information on the results of cash resources management, and the ability to overcome the risk of doing business through securing the liquidity and solvency of an insurance company. The assessment of the success of cash flow management in practice is usually performed on the basis of horizontal analysis and on the basis of the ratio of net cash flows and profits. The horizontal analysis means the comparison of net cash flows of the current period in relation to previous periods.

The cash flow, the lifeblood of a company, is the primary focus of a financial director, both in managing daily finances and in planning and making strategic decisions in order to create value for shareholders. From the accounting perspective, the cash flows of a company can be summarized in the cash flow statement in three sections: operating activities, investment activities and financing activities. Bearing in mind that profit-oriented insurance companies employ the accrual accounting concept in their accounting, it is necessary to point out the well-known fact that it is necessary to monitor the flows of profitability and cash flows for efficient management of the assets of the insurance company. Quality forecasting of cash flows enables risk managers to determine the optimal amount of cash for short-term, mid-term and long-term investments. Having in mind that investments cause a lack of liquidity, it is important for the treasurer to have the availability of reliable information so that it can immobilize funds and reconcile the maturities with the planned commitments.

Given the importance of insurance for the financial system of a country, on the one hand, and the importance of efficient cash management, on the other hand, for maintaining liquidity, this paper outlines the importance of managing cash flows in insurance companies. At the beginning, a review of literature will be presented, and after that, taking into account the significance of the simulations, the simulation of the internal cash flow statement on a monthly basis for domestic insurance companies is provided.

2. Review of literature

Mayers and Smith (1981) predict that conflict control costs between owners and managers are higher for mutual insurers rather than for stock insurers, as there are fewer mechanisms for monitoring and controlling mutual organization. By examining the relationship between the organizational form and the free cash flow, it has been established that mutual insurers have a higher level of free cash flow from stock insurers. Other firm-specific variables, such as size and leverage also affect the level of free cash flow for firms in the analyzed dataset.

Jensen (1986) argues that the existence of free cash flow provides managers with the ability to lose money on non-profitable investments. These unprofitable investments represent an additional cost of conflict between owners and managers.

The study of Wells et al. (1995) examines the differences in free cash flow between stock and mutual insurance in the U.S. life insurance industry and the purpose is to examine whether the organizational form affects managerial behavior in relation to the holding of a free cash flow. Maximize cash in, minimize cash out and cash availability is the lifeblood of the organization (Reider & Heyler, 2003). Information contained in the cash flow statement can help investors, creditors and other users in assessing aspects of the financial position of the company, such as: (1) the ability of a company to create future cash flows and cash equivalents, (2) the ability of a company to pay dividends and meet its obligations, (3) the reasons for the resulting difference between net profit and net cash generated from operating activities and (4) investment and financing for a certain accounting period (Knežević et al., 2012).

According to Knežević et al. (2016), a cash flow statement is one of the key statements for a project or company and presents an overview of cash flows that is covered by an enterprise or project, and many users of financial statements in many industries even consider the cash flow statement to be a key financial statement.

Speaking of the simulation of the cash flow statement, which will, among other things, be presented in the paper, it is important to point out the work of Daykin and Hey (1991), which says that a cash flow model is proposed as a way of analyzing the uncertainty in the future development of a general insurance company. Also, a computer model is presented for the use in practical applications by actuaries advising the management of general insurance companies. Simulation methods are used to explore the consequences of uncertainty, particularly in regard to inflation and investments. Also, it should be borne in mind that the value of insurance company depends on the estimated operational cash flows, new investments and risks.

According to Lukić (2010), the liquidity policy of insurance companies is a product of the very nature of insurance, and it refers in the first place to the fulfillment of obligations towards insured persons (compensation from insurance of property and persons), and only then to other persons (suppliers, creditors, state authorities). The insurance company lacking short-term cash will not be able to settle short-term liabilities as they mature, and in the longer term, it may also have solvency problems. Therefore, cash flows in insurance companies must be monitored through reporting, at least on a monthly basis.

3. Simulation of cash flow statements in the practice of the Republic of Serbia

Therefore, observing where money is generated and spent is just as important as the assessment of the liquidity coefficient, the profitability coefficient and other financial indicators. Basically, the cash flow statement prepared in our country by a direct method contains the following information:

- cash flows from operating activities,
- cash flows from investment activities,
- cash flows from financing activities,
- total changes in net cash,
- cash at the beginning of the accounting period and
- cash at the end of the accounting period.

In addition to direct, an indirect method for compiling cash flow statements can also be applied. The indirect method begins with a net gain, which is then corrected for non-cash items. The difference between the direct and the indirect method is only in the part that relates to operating flows.

However, it should be kept in mind that the positions in the cash flow statement are specific to the business activity they are related to. Thus, for example, for insurance companies:
Cash flows from operating activities include:

- Cash inflows from operating activities including: premium inflows (from insurance, coinsurance and reinsurance), inflows from participation in reimbursement (reinsurance and co-insurance) and
- Cash outflows from operating activities including: outflows from damage (from insurance, coinsurance and reinsurance), outflows from premiums (coinsurance and reinsurance, and commission on reinsurance and coinsurance).

Below is a simulation of the internal report on cash flows that is done monthly for domestic insurance companies. The example is followed by comments that point to the important points in the movement of cash flows (Figures 1, 2 and 3).

Due to the size of the report and the inability to present the entire report in one whole, the sections of the internal cash flow statement are shown in Tables 1, 2, 3, 4, 5 and 6, based on the operating activity, the investment activity, financing activity and "cash at the beginning of the day" (Cash flows of 11.12.2017 and 12.12.2017 included in 13.12.2017).

Table 1: Simulation of a segment of the cash flow statement (01.12.2017–05.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	Data code	1.12.2017	2.12.2017	4.12.2017	5.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	111	110,580	2,162	85,551	85,729
		Inflows from participation in the damage compensation	112	9,832		315	213
		Inflows from other operating income	113	2,342	5	3,016	1,305
		Inflows from extraordinary income	114	506		433	156
	Cash outflows from operating activities	Outflows on account of damages	121	38,571		37,674	43,092
		Premium based outflows	122			58	9,021
		Outflow from gross wages, salaries, and other personal expenses	123	10		2	
		Outflows from taxes, contributions and other taxes	124	635		558	2,491
		Lease based outflows	125				
		Outflow based on commissions	126	5,375		592	
		Outflow from other operating expenses	127	7,665	249	33,157	10,338
		Outflow from other expenses	128				
		Net change in cash from operating activities		**71,004**	**1,918**	**17,274**	**22,461**
Investing activities	Inflows from investment activities	Inflows from the sale of securities	211				298
		Inflows from investing in securities	212				
		Inflows from sale of intangible assets and fixed assets	213				
		Lease inflows	214				
		Other inflows of cash from investment activities	215	355	36	621	555
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS	221				
		Outflows from investments in securities traded on a regulated market	222				
		Outflows for the purchase of intangible assets	223				
		Outflows from investments in other securities	224				
		Other outflows of cash from investment activities	225			1,067	200,052
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**230**	**355**	**36**	**- 446**	**-199,199**
Financing activities	Inflows from financing activities	Inflows from capital payments made	311				
		Inflows from long-term loans	312				
		Inflows from short-term loans	313				
		Other inflows based on financing activities	314				
	Outflows from financing activities	Outflows from the purchase of own shares	321				
		Outflows from long-term loans	322				
		Outflows from short-term loans	323			13	26
		Other outflows from financing activities	324				
		Net change in cash from financing activities	**330**	**0**	**0**	**-13**	**-26**
		Beginning of the day cash	**500**	**1,642,181**	**1,713,540**	**1,715,494**	**1,732,335**

Source: Authors

Table 2: Simulation of a segment of the cash flow statement (06.12.2017–09.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	Data code	6.12.2017	7.12.2017	8.12.2017	9.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	111	88,081	56,347	93,275	3,326
		Inflows from participation in the damage compensation	112	445	344	830	
		Inflows from other operating income	113	1,792	1,612	1,005	
		Inflows from extraordinary income	114	98	50	1	
	Cash outflows from operating activities	Outflows on account of damages	121	24,240	59,515	34,033	
		Premium based outflows	122		2,353	283	
		Outflow from gross wages, salaries, and other personal expenses	123		219		
		Outflows from taxes, contributions and other taxes	124	247	312	39,568	
		Lease based outflows	125				
		Outflow based on commissions	126	3,897	34	306	
		Outflow from other operating expenses	127	8,653	13,808	41,678	565
		Outflow from other expenses	128				
		Net change in cash from operating activities		**53,379**	**-17,888**	**-20,757**	**2,761**
Investing activities	Inflows from investment activities	Inflows from the sale of securities	211				
		Inflows from investing in securities	212				
		Inflows from sale of intangible assets and fixed assets	213				
		Lease inflows	214				
		Other inflows of cash from investment activities	215	145	138	281	
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS	221		148,399	359,719	
		Outflows from investments in securities traded on a regulated market	222				
		Outflows for the purchase of intangible assets	223				
		Outflows from investments in other securities	224				
		Other outflows of cash from investment activities	225	448	388	715	4
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**230**	**355**	**-303**	**-148,649**	**-360,153**
Financing activities	Inflows from financing activities	Inflows from capital payments made	311				
		Inflows from long-term loans	312				
		Inflows from short-term loans	313				
		Other inflows based on financing activities	314				
	Outflows from financing activities	Outflows from the purchase of own shares	321				
		Outflows from long-term loans	322				
		Outflows from short-term loans	323				
		Other outflows from financing activities	324				
		Net change in cash from financing activities	**330**	**0**	**0**	**0**	**0**
		Beginning of the day cash	**500**	**1,642,181**	**1,552,633**	**1,605,709**	**1,439,112**

Source: Authors

Table 3: Simulation of a segment of the cash flow statement (13.12.2017–16.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	Data code	13.12.2017	14.12.2017	15.12.2017	16.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	111	50,874	65,889	77,997	1,888
		Inflows from participation in the damage compensation	112	1,361	922	593	
		Inflows from other operating income	113	1,328	1,570	2,755	10
		Inflows from extraordinary income	114	163	446	12,460	
	Cash outflows from operating activities	Outflows on account of damages	121	35,782	44,153	39,105	
		Premium based outflows	122	64,928	130	3,927	
		Outflow from gross wages, salaries, and other personal expenses	123				
		Outflows from taxes, contributions and other taxes	124	270	638	530	
		Lease based outflows	125				
		Outflow based on commissions	126	119	931	302	
		Outflow from other operating expenses	127	23,512	10,907	34,619	169
		Outflow from other expenses	128				
		Net change in cash from operating activities		**-70,885**	**12,068**	**15,322**	**1,729**
Investing activities	Inflows from investment activities	Inflows from the sale of securities	211				
		Inflows from investing in securities	212				
		Inflows from sale of intangible assets and fixed assets	213				
		Lease inflows	214				
		Other inflows of cash from investment activities	215	89	84	1,098	41
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS	221				
		Outflows from investments in securities traded on a regulated market	222				
		Outflows for the purchase of intangible assets	223				
		Outflows from investments in other securities	224			14	
		Other outflows of cash from investment activities	225	2,262		528	
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**230**	**355**	**-2,173**	**84**	**556**
Financing activities	Inflows from financing activities	Inflows from capital payments made	311				
		Inflows from long-term loans	312				
		Inflows from short-term loans	313				
		Other inflows based on financing activities	314				
	Outflows from financing activities	Outflows from the purchase of own shares	321				
		Outflows from long-term loans	322				
		Outflows from short-term loans	323				
		Other outflows from financing activities	324				
		Net change in cash from financing activities	**330**	**0**	**0**	**0**	**0**
		Beginning of the day cash	**500**	**1,642,181**	**50,874**	**65,889**	**77,997**

Source: Authors

Table 4: Simulation of a segment of the cash flow statement (18.12.2017–21.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	Data code	18.12.2017	19.12.2017	20.12.2017	21.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	111	83,932	63,718	50,816	64,272
		Inflows from participation in the damage compensation	112	17,404	458	388	300
		Inflows from other operating income	113	2,337	1,759	1,388	13,598
		Inflows from extraordinary income	114	107	1	1	115
	Cash outflows from operating activities	Outflows on account of damages	121	51,597	22,251	12,590	53,559
		Premium based outflows	122	3,212		4,590	49
		Outflow from gross wages, salaries, and other personal expenses	123				
		Outflows from taxes, contributions and other taxes	124	192	91	29,001	39
		Lease based outflows	125				
		Outflow based on commissions	126	50	952	3,890	1,051
		Outflow from other operating expenses	127	8,414	14,646	8,036	6,936
		Outflow from other expenses	128				
		Net change in cash from operating activities		**40,315**	**27,996**	**-5,514**	**16,651**
Investing activities	Inflows from investment activities	Inflows from the sale of securities	211				
		Inflows from investing in securities	212				
		Inflows from sale of intangible assets and fixed assets	213				
		Lease inflows	214				
		Other inflows of cash from investment activities	215		128	81	1,452
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS	221				
		Outflows from investments in securities traded on a regulated market	222				
		Outflows for the purchase of intangible assets	223				
		Outflows from investments in other securities	224				
		Other outflows of cash from investment activities	225	105,545	378		1,000
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**230**	**355**	**-105,545**	**-250**	**81**
Financing activities	Inflows from financing activities	Inflows from capital payments made	311				
		Inflows from long-term loans	312				
		Inflows from short-term loans	313				
		Other inflows based on financing activities	314				
	Outflows from financing activities	Outflows from the purchase of own shares	321				
		Outflows from long-term loans	322				
		Outflows from short-term loans	323				
		Other outflows from financing activities	324				
		Net change in cash from financing activities	**330**	**0**	**0**	**0**	**0**
		Beginning of the day cash	**500**	**1,642,181**	**1,059,404**	**2,748,703**	**2,775,909**

Source: Authors

Table 5: Simulation of a segment of the cash flow statement (22.12.2017–26.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	Data code	22.12.2017	23.12.2017	25.12.2017	26.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	111	74,245	2,688	131,134	62,332
		Inflows from participation in the damage compensation	112	1,940		221	8,729
		Inflows from other operating income	113	6,160		2,547	1,799
		Inflows from extraordinary income	114	121		52	2
	Cash outflows from operating activities	Outflows on account of damages	121	31,521		23,439	45,204
		Premium based outflows	122	8,899		9	7,098
		Outflow from gross wages, salaries, and other personal expenses	123				
		Outflows from taxes, contributions and other taxes	124	530		303	508
		Lease based outflows	125				
		Outflow based on commissions	126	658		377	7,471
		Outflow from other operating expenses	127	9,232	104	5,330	9,672
		Outflow from other expenses	128				
		Net change in cash from operating activities		**31,626**	**2,584**	**104,496**	**2,909**
Investing activities	Inflows from investment activities	Inflows from the sale of securities	211				
		Inflows from investing in securities	212				
		Inflows from sale of intangible assets and fixed assets	213				
		Lease inflows	214				
		Other inflows of cash from investment activities	215	262		411	
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS	221				
		Outflows from investments in securities traded on a regulated market	222				
		Outflows for the purchase of intangible assets	223				
		Outflows from investments in other securities	224				
		Other outflows of cash from investment activities	225	647		3,969	267,080
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**230**	**355**	**-385**		**-3,558**
Financing activities	Inflows from financing activities	Inflows from capital payments made	311				
		Inflows from long-term loans	312				
		Inflows from short-term loans	313				
		Other inflows based on financing activities	314				
	Outflows from financing activities	Outflows from the purchase of own shares	321				
		Outflows from long-term loans	322				
		Outflows from short-term loans	323				
		Other outflows from financing activities	324				
		Net change in cash from financing activities	**330**	**0**	**0**	**0**	**0**
		Beginning of the day cash	**500**	**1,642,181**	**1,057,414**	**1,088,675**	**1,091,259**

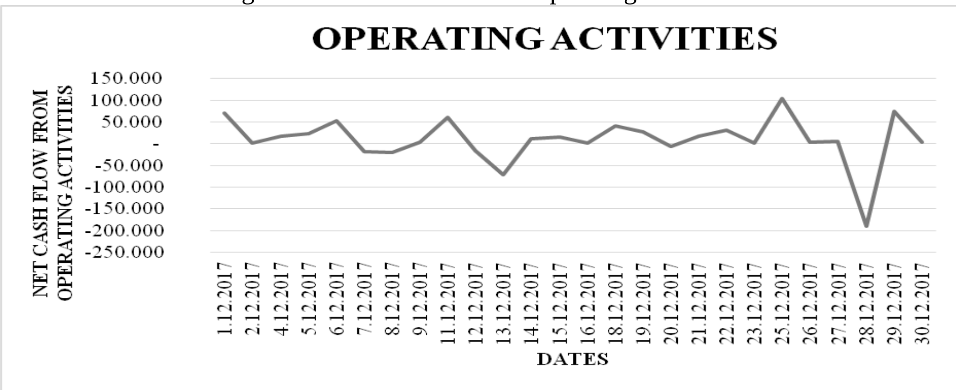
Source: Authors

Table 6: Simulation of a segment of the cash flow statement (27.12.2017–31.12.2017)

Type of cash flow	Inflows/ Outflows	Subtype	27.12.2017	28.12.2017	29.12.2017	30.12.2017	31.12.2017
Operating activities	Cash inflows from operating activities	Premium inflows	84,990	96,410	106,022	3,967	1,765,027
		Inflows from participation in the damage compensation	1,516	1,912	3,899		53,331
		Inflows from other operating income	1,776	6,249	2,305		61,321
		Inflows from extraordinary income	481	101	103		15,401
	Cash outflows from operating activities	Outflows on account of damages	65,991	46,689	2,544		856,264
		Premium based outflows	1,339	528	447		109,601
		Outflow from gross wages, salaries, and other personal expenses		228,534			229,890
		Outflows from taxes, contributions and other taxes	660	249	123	8	78,331
		Lease based outflows					
		Outflow based on commissions	2,250	814	10,886	33	40,383
		Outflow from other operating expenses	12,252	17,249	23,499	190	330,573
		Outflow from other expenses					
		Net change in cash from operating activities	**6,271**	**-189,391**	**74,830**	**3,736**	**9,617**
Investing activities	Inflows from investment activities	Inflows from the sale of securities					298
		Inflows from investing in securities					
		Inflows from sale of intangible assets and fixed assets					
		Lease inflows					
		Other inflows of cash from investment activities	715	384	967	392	8,744
	Outflows from Investing activities	Outflows from investments in securities issued / guaranteed by the Republic of Serbia / NBS					508,118
		Outflows from investments in securities traded on a regulated market					
		Outflows for the purchase of intangible assets					
		Outflows from investments in other securities					14
		Other outflows of cash from investment activities	87				588,378
		Net change in cash from investment activity (211+212+213+214+215-221-222-223-224-225)	**628**	**384**	**967**	**392**	
Financing activities	Inflows from financing activities	Inflows from capital payments made					
		Inflows from long-term loans					
		Inflows from short-term loans					
		Other inflows based on financing activities					
	Outflows from financing activities	Outflows from the purchase of own shares					
		Outflows from long-term loans					
		Outflows from short-term loans					
		Other outflows from financing activities					
		Net change in cash from financing activities	**0**	**0**	**0**	**0**	**0**
		Beginning of the day cash	**1,194,167**	**1,201,066**	**1,012,059**	**1,087,856**	**35,804,673**

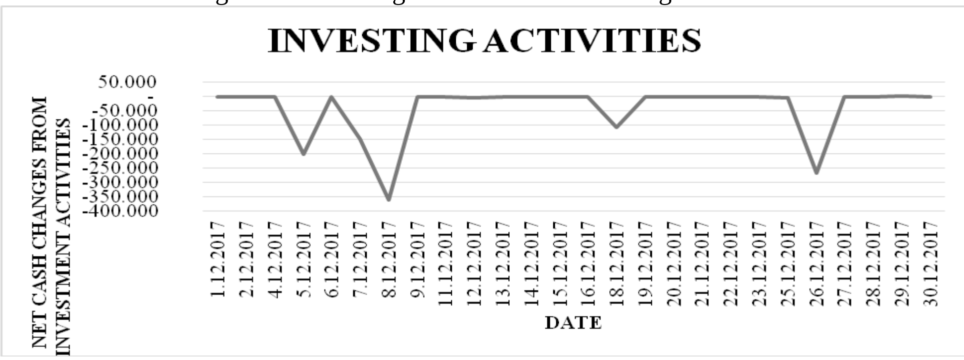
Source: Authors

Figure 1: Net cash flow from operating activities



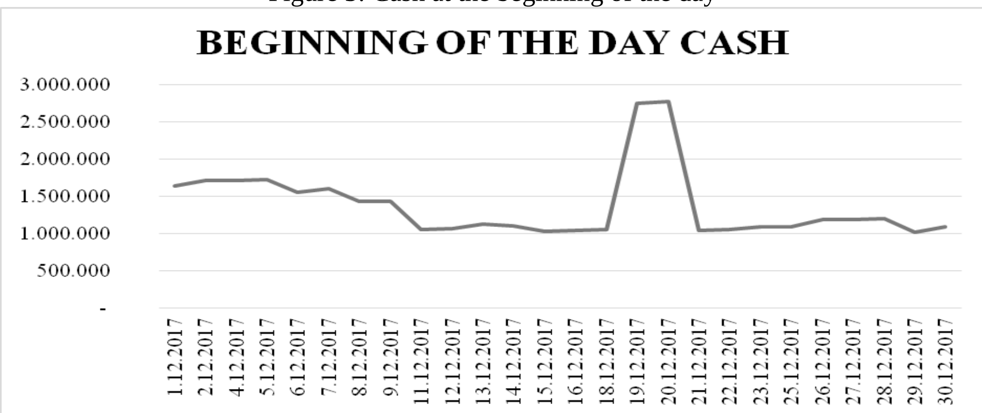
Source: Authors

Figure 2: Net changes in cash from investing activities



Source: Authors

Figure 3: Cash at the beginning of the day



Source: Authors

1. The graph of operating activities shows that net cash changes from business activities deviated from the limit value of 9,617 m. u. until 27.12. 2017 when large cash outflows occurred. The bulk of the inflows from operating activities belongs to insurance premiums, while a large part of the outflows from operating activities are outflows from damage.

2. The investment activities are at an even level, while large outflows of cash flows from investment activities are present, mainly related to outflows from investments in securities. Inflows from investment activities are mostly provided from income from the sale of securities.
3. Regarding monetary changes from financing activities, they did not exist, except on 4.12.2017 and 5.12.2017 when there was an outflow from short-term loans.
4. Cash at the beginning of the period has a declining trend until 16.12.2017 when it records the growth which continues until 21.12.2017. After this period, it continues to in oscillate a small degree around its main value.

4. Conclusion

Insurance is gaining in importance, in particular with an ever more challenging environment and increased risk, and insurance is understood as a means of risk management in a risky environment. Insurance companies, bearing in mind the foregoing, must take into account cash flows in order to lead the decisions to the achievement of objectives, and in doing so, there would be no problems with the liquidity of the insurance companies. Cash flow planning is one of the most difficult and vulnerable areas in business management, especially in the insurance industry where many risks are immanent. When talking about insurance companies, it is necessary to suggest that cash is the lifeblood of the firm and that insurance company’s cash planning practices can be a critical early warning device of impending financial problems, especially in the segment of investing funds in financial investments (long-term and short-term). From a risk perspective, a particularly sensitive item is long-term financial placements.

The cash flow statement of an entity is a basic choice of information used to make operational decisions regarding the management of cash flows, to control the financial solvency of the entity, and to interpret the differences between financial results and changes in the amount of cash. Bearing in mind the significance of cash flow statements for insurance companies, it can be concluded that, in addition to using them for the assessment of the quality of earnings and financial flexibility, they can greatly assist in forecasting cash flows. In addition, they provide us with key information for assessing the quality of earnings, the degree of reproducibility of business resources, as well as the level of competitiveness in the insurance market in which the insurance company is operating.

The monthly simulation of the internal report on cash flows for domestic insurance companies is of great importance to insurance companies. Information on cash changes is useful in order to assess its investments, financial and operational activities during the accounting period. This information gives different stakeholders the basis to assess the ability of the company to generate cash and its equivalents, as well as the needs of business to use these flows appropriately. Cash management is a process of planning, controlling and accounting monitoring of cash transactions and balances in order to prevent the loss of money and maintain its adequate level.

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The role and importance of ecosystems in creating tourism activities

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Abstract: Tourism and forms that are manifested in a specific area are subjected to intensive scientific-professional analysis of different goals and tasks. In addition to monitoring the volume of tourism flow, it is also important to analyze the effects on ecosystem values within destinations. Such effects are mainly manifested on environmental elements such as air and water, but they are nothing less manifested on coastal areas, urban and mountain areas. All these effects are analyzed in this paper. Attractive tourism areas are also valuable biocoenosis which is inhabited with endemic plant and animal species. Besides that, those are the areas with fragile ecosystems, swamps, areas important for the protection of biodiversity, where ecological niche and valence are the priority in environment protection systems.

Keywords: tourism, ecosystem, tourism and area protection
JEL classification: Z32, Q56, Q57

Uloga i značaj ekosistema u kreiranju turističkih aktivnosti

Sažetak: Turizam i oblici koji se manifestuju u određenom prostoru, predmet su intenzivnih naučno-stručnih analiza različitih ciljeva i zadataka. Pored praćenja obima turističkog prometa, važno je analizirati i uticaje na ekosistemske vrednosti unutar destinacija. Ovakvi uticaji uglavnom se ispoljavaju na elemente životne sredine, kao što su vazduh i vode, ali nisu manji ni uticaji na priobalna područja, gradsko i planinsko okruženje. Takvi uticaji upravo su analizirani u ovom radu. Atraktivna turistička područja ujedno su vredne biocenoze, u kojima su naseljene endemične biljne i životinjske vrste. Inače, to su područja sa osetljivim ekosistemom, močvarni tereni, prostori važni za zaštitu geodiverziteta, gde su ekološka niša i valenca prioritetni u sistemima zaštite prostora.

Ključne reči: turizam, ekosistem, turizam i zaštita prostora
JEL klasifikacija: Z32, Q56, Q57

1. Introduction

The use of resources in tourism is very often overlapping with the ecosystemic values of nature, where changes in the elements of nature and still life lead to numerous consequences

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to nature. The problems of degradation and the pollution of ecosystems are, globally, all the more present and dangerous for the survival of many species, even for the entire life on the planet. Geological forms, hydrographic forms, rare flora and fauna, natural phenomena and the characteristics of specific areas represent an interest for billions of people that are involved in tourism. That can often result in negative relations between nature on one side, and tourism on the other. Some resources are non-renewable and remain permanently degraded, as is the case with land exploitation, coastal erosion, the devastation of flora on mountain terrains, etc. (Belsoy & Korir, 2012). Such modified ecosystems continue to develop other devastating domino effects. On the other hand, air, water, and land have been greatly modified by civilization. Humanity is a witness to the daily decrease in plant and animal species. A large number of them gained the IUCN status of extinct species (EX) for a long time already.[1] This paper will analyze the way in which the ecosystem and its elements influence the creation of certain tourism activities within protected areas as tourism destinations. Whether tourism plays a role in protecting and promoting the values of an ecosystem or not, represents a basic hypothesis of the paper.

2. Background

The loss of individual species in ecosystems and food chains disturbs a complete natural balance. Various global organizations are making great efforts in preventing the consequences of environmental degradation (Danilović & Lazić, 2018). Through protection initiatives and activities in protected areas, tourism has a significant role in preserving the value of ecosystems and often gets the epithet of the ′savior′ of the planet. Eco and wildlife travels are being increasingly initiated, in order to improve and promote the preservation of nature and its unique ecosystems (Štetić & Šimičević, 2015). Various forms of tourism that are not in contradiction with sustainable development can be developed in protected areas (Manente et al., 2014). The types of tourism that are most often conducted in these areas are related to the following concepts: sustainable tourism, ecotourism, green tourism, and the like (Vujović et al., 2012; Štetić et al., 2014). Sustainable use of natural resources implies an analysis of the basic components of sustainable development, such as environmental, economic and social component (Milićević et al., 2013; Carr et al., 2016). Lately, when it comes to the use of biodiversity (Fennell, 2015), the so-called ecosystem services are being increasingly emphasized (Holden, 2016), whereby attempts are made in order to valorize all possible values of specific ecosystems and natural habitats (Kostić & Petrović, 2013; Delić et al., 2017). The forms of tourism directed towards the elements of ecosystem, such as flora and fauna, are often formed (Hall et al., 2015). There is a lot of interest in them and they represent significant travel motives. In addition to the safari tourism within destinations, there are numerous forms of direct habitations with animals. Often such activities have an impact on changes in animal behavior which can be negatively reflected in their future life in natural environment. The tourism activities from previous research (Chen et al., 2016) are shown in Table 1.

Humanity is increasingly turning to the conservation of natural values. World ecosystem conservation practices refer to the restriction of tourist activities within protected areas (Ali & Frew, 2013). Proper monitoring contributes to the sustainability of all elements of the environment (Malek et al., 2018). Both direct and indirect benefits are gained by such a destination to all entities within the border and zone of the area. Table 2 (Higginbottom, 2004) provides the most significant factors of this system and their role in the models as well as the reasons of ecosystem protection within the area of a tourist destination.

[1] IUCN Red List to the end of 2017 has 91,520 estimated endangered species, and the aim is to cover at least 160,000 species by 2020 (IUCN, 2017).

Table 1: List of tourist activities involving animals

Type of tourist activities	Programs of tourist activities	Main animals used	Example
Entertainment	Circus performance	Horses, monkeys, bears, dogs, pandas, elephants, lions and tigers	Circus in the world
	Routine performance	Elephants, seals, dolphins, crocodiles and snakes	Hong Kong Ocean Park, Thailand Crocodile Park
	Horse racing	Horses	Countries all over the world
Sport	Playing polo and elephant ball	Horses and elephants	Europe and South-east Asia
	Bull fight and ram fight	Bulls and rams	Spain and China
	Hurting	Rabbits, deer, jackals, boars, birds, etc.	All countries
Appreciation, relaxation and fun	Animals for appreciation	Gold fish, tropic fish and small birds	China, Europe and America
	Fishing	Fish	Countries all over the world
	Fun of fighting	Cocks, crickets and golden dogs	China, European and Asian countries
	Listening to bird's singing	Parrots, starlings and orioluses	China and Japan

Source: Chen et al., 2016

Table 2: Primary goals of major wildlife tourism stakeholders

Stakeholder	Expected primary goals
Visitors	– Access to affordable, high quality wildlife tourism experiences
Tourism industry, including private and public sector operators, the travel trade and industry associations	– Growth of wildlife tourism – Maximise short-term profits to individual operators and members of travel trade
Government agencies concerned with tourism planning and promotion	– Economically, socially and ecologically sustainable growth of wildlife tourism – High quality operators and experiences
Host communities	– Maximise profits to local area – Minimise negative social consequences of tourism – Minimise disruption of local uses of wildlife
Environmental managers, particularly government conservation agencies	– Ecological sustainability of tourism activities – Satisfy public recreation goals – Use tourism to support conservation goals
Non-government organisations concerned with animal welfare and conservation	– Minimise threats to wildlife conservation and/or welfare – Use tourism to support conservation goals
Wildlife	– Generally it is assumed that their interests are reflected among the goals of – the latter two stakeholder groups

Source: Higginbottom, 2004

When analyzing the relations among the subjects of ecosystem protection, the expenses and losses imposed by tourism, along with the protection of ecosystems must be taken into account. Such potential benefits and costs from previous research can be seen in Table 3.

Table 3: Costs and benefits of tourism to national parks

Benefits	**Costs**
Designated protected areas for the conservation of nature, wildlife and eco-system services	Unless carefully managed, tourism and recreation can pose both a threat to landscape and wildlife that the park was established to protect
Provides a place for people to experience nature. Tourists can also provide revenues for park management, scientific research and conservation projects. It may also provide an economic rationalefor conservation	Granting of national park status focuses attention on the area. This may lead to the attraction of too many tourists and overcrowding of the area. The use of pricing mechanisms and entrance fees may discriminate against the less economically rich
Offers capacity building and employment opportunities for local people in conservation and tourism activities	Indigenous peoples can be excluded from their territory with a detrimental effect on their livelihood opportunities and security

Source: Holden, 2013

3. Materials and methods

The methodology of this paper includes the analysis of various written data concerning the effects of tourism relationship with the ecosystem, that is, the basic elements of the environment. The current status of ecosystem values in some tourism destinations will be attempted by synthesizing and displaying the collected data. The analysis of data in the paper can serve as a good model for defining the role and significance of ecosystems in creating tourism activities and will be compared with the results obtained by the author's survey regarding the opinions of tourists towards ecosystems within protected natural areas of Serbia. This can be of importance for making conclusions regarding the role of ecosystems in creating tourism activities within specific destinations. Protected areas represent certain spaces and very attractive destinations in which many activities that can change the area and affect natural processes and the entire ecosystem are restricted (Milićević & Štetić, 2017). The concept of area protection in the world allows the use of resources, but exclusively in a sustainable way, based on renewal. That additionally increases the tourism significance of specific destinations. As the final results of the area protection effect on the quality and type of destination, there is ecological, economic, and socio-cultural profit that can be distinguished for all participants of this unique system (Hoang et al., 2018). The data can be compared to the results provided by the author's conducted research.

During April and May 2018, the author conducted a survey on travel to the protected areas of the Republic of Serbia. The survey was conducted among 215 potential travelers, coming from eight cities in Serbia - Smederevo, Belgrade, Kovin, Novi Sad, Pirot, Indjija, Niš and Pančevo.

In addition to the written questionnaire, they were asked to provide answers to 3 questions regarding sustainable tourism development and its role in determining tourist activities within protected areas, as well as their opinions about specific ecosystems. The respondents gave answers within a written questionnaire in protected natural areas or other travels. The examiners were tourism workers and teachers. There were multiple-choice answers, i.e. more than one correct answer could be circled or checked. There was no ranking of responses.

4. Results and discussion

Before the data analysis, it is important to show the structure of the respondents.

Parameters of importance to data analysis and research are gender of respondents, education and age structure. The structure of the respondents is shown in Table 4.

Table 4: Structure of respondents

gender	**frequency**	**percent**	
male	102	47.4	
female	113	52.6	
Total	**215**	**100.0%**	
education	**frequency**	**percent**	
primary education	27	12.6	
secondary education	94	43.7	
higher education	22	10.2	
high education	72	33.5	
Total	**215**	**100%**	
age structure	**N**	**min**	**max**
	215	18	73
	mean	**std. dev.**	
	36.85	15.228	

Source: Authors

Within the research, respondents were asked a question regarding the reasons for the protection of ecosystems in the territory of Serbia (Table 5).

Table 5: Answers of respondents regarding the reasons for the protection of ecosystems of Serbia

Do you think that ecosystems of Serbia should be protected because of:	**Responses**		**Percent of Cases**
	N	**Percent**	
Pollution	166	30.8%	77.2%
Endangered plants and animals as basic components of the ecosystem	151	28.0%	70.2%
Tourism reasons	103	19.1%	47.9%
Significant and rare ecosystems	60	11.1%	27.9%
Unplanned construction	56	10.4%	26.0%
It is sufficiently protected, protection should not be improved	3	0.6%	1.4%
Total	**539**	**100.0%**	**250.7%**

Source: Authors

The largest number of respondents (30.8%) said that the pollution was the main reason for the protection of ecosystems, and (28.0%) of them said it was endangered plants and animals. This is followed by tourism reasons, value, and rarity of ecosystems and illegal construction. Only 3 respondents (0.6%) believe that no further improvement of the protection of ecosystems is required.

Due to tourism exploitation of the area, damage to weaker representatives of the ecosystem, such as plants and animals, can be caused. The polar area is perhaps the easiest to recognize as such areas, with the harsh climate, a high degree of endemism of flora and fauna and an extremely fragile environment (Stonehouse & Snyder, 2010). However, such rare ecosystem destinations have recorded a dramatic increase in tourist visits over the last decades. The participants of the adventurous forms of tourism are growing an interest for the Arctic region. Polar bear (*Ursus maritimus*) attacks are often recorded there. On the Norwegian island of Svalbard, only four attacks of polar bears were recorded in the seventies, and, in the following years that number increased up to 12 per year. Naturally, people kill more of these animals each year, primarily due to close encounters (Cater, 2013). Such conflicts can become increasingly frequent because the territories with extreme conditions (deserts, oceans, polar ice caps) largely represent the motive of adventurous travels. The results of the research cited (Navareen et al., 2001), documented the docking of 425 speedboats to 165 locations in Antarctica, only in the period from 1989 to 1999. In the period from 2000 to 2007, there was a triple increase in the number of passengers of large passenger ships to Antarctica, which in the summer seasons of 2008 and 2009 was approximately 40,000. There are about 20 different companies that offer such cruises in the world, and some of their ships can transport from 1,000 to 3,000 passengers (Mercer, 2013). Ecosystems are threatened directly by the construction of infrastructure, both for the needs of the domicile population and for the needs of tourists (Wood, 2017). The existence of this degradation cause is confirmed by the answers of respondents in the author's conducted questionnaire. 10.4% of respondents noted that illegal construction negatively affects the ecosystem.

Tourism also has a very significant effect on seaside destinations. In an overall study carried out by the German Federal Nature Conservation Agency and the World Nature Protection Society (Fennell, 2015; Holden, 2016), among the most important coastal areas for tourism development on the global level there are: The Mediterranean, the Caribbean, the Gulf of Mexico, the Indian Ocean Island, Australasia, and the Pacific Islands. The most negative effects of tourism and recreation are the categories of sandy beaches and coastal dunes. The big problem is a constant increase in the tourist traffic of these areas, as indicated by the fact that 100 million tourists visit the coastal areas of Europe each year, and it is predicted that that number will reach 230 million by the year of 2030 (Trišić, 2012). The pollution of aquatic ecosystems increases which directly involves tourism destinations as well. Such examples are recorded in Acapulco Center with the beach of the same name in southern Mexico. This was once a tourist destination with clear water and green environment for holidays, summer vacation and swimming. However, this beach has been turned into a waste dump, because it suffered the worst pollution. The authors Chen, Lu & Ng, 2016 note the results of the research that show that the daily waste that went into the bay through various channels included 300,000 m^3 of wastewater, 440,000 tons of solid waste, 170 tons of phosphate salt, 5 tons of detergent and 500 tons of industrial oil. These agents that were found in sea salt, led to the infection of many tourists, typhoid diseases, intestinal diseases, skin diseases, etc. According to statistics, approximately 20% of tourist are infected by bacteria and viruses in this water every year (Chen, et al., 2016). Water pollution is a big problem in many tourist areas in the world. For example, in the most visited tourist area, the Mediterranean, only 30% of more than 700 coastal cities processes the sewage before it is dropped into the sea (Štetić & Trišić, 2018). Another important ecosystem in the world is offshore and inland wetlands that cover about 6% of the world's surface. Wetlands not only possess a wide spectrum of biodiversity and act as storage sites for huge amounts of carbon, but they also function as a form of local flood control absorbing huge amounts of water during heavy precipitation and subsequently discharging it in neighboring areas in a slow and moderate manner. The example of Languedoc-Roussillon in the southern France (Buckley, 2012), where 5 coastal areas have been developed on wetlands in response to the lack of available land for construction of the French Riviera shows that wetlands are increasingly involved in tourism. One of the ′new′ seaside areas, La Grande-Motte, has become the third largest French resort in the Mediterranean after Cannes and Nice (Trišić & Kostić, 2018).

The given data can be compared with the results of the research conducted by the author. In the questionnaire, respondents were also asked about the activities related to the protection of ecosystems in the territory of Serbia (Table 6).

Table 6: Responses of the respondents regarding the activities related to the protection of ecosystems of Serbia

By which means would you support the sustainability and protection of ecosystems of Serbia:	**Responses**		**Percent of Cases**
	N	**Percent**	
Ethical codes for tourists	82	20.8%	38.1%
Conscientious ecological behavior	133	33.7%	61.9%
Applying tourist activities in order to support the ecosystem	174	44.1%	80.9%
Some other activities	6	1.5%	2.8%
Total	**395**	**100.0%**	**183.7%**

Source: Authors

The largest number of respondents (44.1%) stated that it is necessary to apply tourist activities based on the protection of the ecosystem and conscientious ecological behavior of the individual (33.7%). The following answers are based on the importance and significance of ethical codes (20.8%). Only 6 respondents (1.5%) suggests some other activities in order to support the sustainability of the ecosystem.

Many examples in world practice show that tourism has become an ′ecosystem savior′. For example, in a large part of Madagascar (Southgate & Sharpley, 2015), there is numerous damage to nature due to the population growth and its dependence on natural resources. Up to 85% of the forest has been cut down for production of coal and for making space for cultivation and livestock production which resulted in a significant increase in soil erosion rates. According to The Economist's quoted report (Mieczkowski, 1995), it is estimated that the price of the deforestation in this area costs between 100 and US$300 million a year. However, tourism has provided the extension of these ecosystems lifespan. In particular, ′tourism towards nature′ has become the main source of income for the Government of Madagascar due to the international interest for this unique ecosystem. The species like Hairy-eared dwarf lemur (*Allocebus trichotis*) have arisen significant interest among growing number of ′nature tourists', and since 1991, the remaining forests that provide protection for this and other lemur species have also been protected. At the same time, the Ranomafana National Park was also founded. Here, a USAID project was implemented in order to train the local population as tourist guides and to provide other people with basic skills that are needed to develop local tourism and catering industry. Half of the value from the collected tickets contributes to the sustainability of this project (Southgate & Sharpley, 2015). Nine of the world's 25 biodiversity hotspots for conservation priorities are mostly or completely made up of islands. Isolation is often considered a benefit for tourism as far as it tends to make the destination more attractive, exotic, and enticing, especially in the case of small islands where tourism is of vital importance for the economies, but islands are fragile environments due to isolation and can suffer easily degradation in their ecosystems (Queiroz, Guerreiro & Ventura, 2014). A good example of the protection of ecosystems through tourism is recorded on the island of Fiji. With the surface of 6.5 km^2 only, the Sigatoka Sand Dunes National Park was established there in 1989 for the protection of the archeological sites of ancient tools from the prehistoric period. The park is managed by the National Fund of Fiji, and that is the first national park in the country. Within the park, there are numerous endemic coastal flora and 22 species of birds, eight of which are extremely rare. These include the Fiji bush warbler or the shrub (*Horornis ruficapilla*), the Fiji goshawk (*Accipiter rufitorques*) and the Orange-breasted Myzomela (*Myzomela jugularis*). The National Fund of Fiji supports the protection of this park by charging the tickets in the amount of US$5 per person. There are numerous system services in the park such as walking paths and the visitor center. Park tours also promote local resorts around the park itself (Morrison & Buckley, 2010). The following data stated by Southgate & Sharpley, 2015, testify in support of the existence of the positive relationship between the ecosystem and tourism: Galapagos, with the epithet of ′magical islands′, offers various advantages that can be achieved by tourism. It is about 966 km from the coast of Ecuador, and as a volcanic island, it is considered to be one of the most fragile ecosystems in the world. It is significant that 95% of reptiles, 42% of plants, between 70% and 80% of insects and 17% of fish found in Galapagos do not exist in any other area in the world. Gaining the status of a National park for 97% of the island has, without doubt, enabled the sustaining of the ecosystem, although the government of Ecuador faced strong opposition from other interest groups regarding the use of the area. Only with the help of different regulations, and considering the needs and requirements of the local population, as well as other interest groups from the island, were the positive steps made in order to preserve one of the most intact enclaves of nature on the planet. The efforts of the National Park of Ecuador service - Instituto Ecuatoriano Forestal y de Areas Naturales y Vida Silvestre: INEFAN made the tourism on Galapagos popular. The revenue gained from tourism was significantly increased. For example, the tickets were US$100 for foreigners which made 5 million dollars return directly to the Galapagos National Park. That has built a strong relationship between the tourism industry and the environment (Southgate & Sharpley, 2015).

Monitoring and evaluation of the effects of tourism can provide concrete evidence of successes or failures in managing protected areas and with that, they help to identify necessary system management changes, including precaution to serious problems (Liburd & Becken, 2017). In addition to identifying multiple unpredictable effects on the environment, this can also help managers to create the protection and hypotheses as to how they should face such changes (Mulongoy & Chape, 2004). In support to this, the authors Eagles-Paul, McCool and Haynes, 2002 present the benefits of tourism development in specific protected areas through a case study: more than 60,000 tourists visited the Chitwan National Park in Nepal in 1994. Nevertheless, household income was minimal and limited only to the villages closest to the park. The study has shown that out of the estimated 87,000 working-age people living near the park, only 6% of surveyed households earn directly or indirectly from this form of tourism. In fact, the average annual income of these households was only US$600. Therefore, it is important to develop an understanding of the levels of economic benefits. Tourism managers should not create unrealistic expectations in terms of economic benefit levels and the protection of specific areas (Eagles-Paul et al., 2002).

Numerous benefits and potential costs in relation to the protection of ecosystems and defining tourism activities within specific areas are presented in the paper. Developing the awareness and needs of tourists in terms of ecosystem development influences the choice of destinations and the form of tourism activities. The results of the author's questionnaire, that can confirm the basic hypothesis of this paper, are in support of this contention. As a part of the conducted questionnaire, the respondents were also asked to provide an answer regarding the choice of future travel that is based on certain ecosystem protection activities (Table 7).

Table 7: Response of respondents regarding the choice of a future travel

The choice of a future travel destination will be related to the following tourism activities:	**Responses**		**Percent of Cases**
	N	**Percent**	
Visit certain destinations but without restricted tourist activities	17	7.3%	7.9%
It will not include visits to rare and fragile ecosystem sites	5	2.2%	2.3%
Visit protected areas of nature with valuable and pristine ecosystems, in which only specific activities regarding nature sustainment are allowed	210	90.5%	97.7%
Total	**232**	**100.0%**	**107.9%**

Source: Authors

A total of 215 respondents had the possibility of circling one or more responses regarding the question above. 210 respondents chose answer 3, 17 of them chose answer 1, while the answer 2 was chosen 5 times. The largest number of responses (90.5%) circled answer under 3, from which it can be concluded that the respondents expressed their will to select a destination with restricted activities because of nature and ecosystems protection.

5. Conclusion

Overloading is perhaps one of the biggest hidden perils for the ecosystem which is preserved by protected areas, and by proclaiming a national park status or any other kind of protection mechanism, it automatically becomes an attractive place to visit. The question arises as to what extent was the visiting of protected areas actually involved in the preservation of ecosystems and other natural values of protected areas. The concept of protection in most of these areas in the world allows the use of natural resources, but only in a sustainable manner, with the basics of renewal. Ecological, economic, and socio-cultural benefits for all members of this system can be distinguished as final results of the protection. Tourism effects of ecosystems in the world are subjects of many protection studies, as well as spatial plans and conservation projects. Sustainable development of tourism has a role to level out the gaps and problems within this circular system. The intensive use of environmental resources leads to global consequences, many of which are extensively spreading all over the planet and claiming their victims. Fires, droughts, the rise of seas globally, climate changes, the melting of polar caps, an increase in average air temperature, and many other changes are the results of man's unconscionable relation towards ecosystem values. Since these values are disappearing gradually there is a need for protection and preservation, whether it is spatial units, natural phenomena or the representatives of flora and fauna. Today, there are more than 217,155 protected areas (destinations) in 244 countries, 202,467 of which being terrestrial and 14,688 marine protected areas. A large number of rare plant and animal species are preserved under this protection and they are not compromised. It is already too late for man's reaction to a certain number of environmental changes. Other consequences can be put to the minimum with proper and quick interventions, or they can be completely eliminated because it can be concluded that tourism not only has no negative effects on the ecosystem but can improve all its values according to data analysis in the paper. Today, ecological crises are increasingly common. Shrinking ozone layer, climate changes, erosion, pollution of water, air and soil, and biodiversity loss are consequences of man's irresponsibility towards nature. Resources are spent and their ability to renew is far less than it is required. The existing imbalance between nature and the needs of society required establishing a specific regime of behavior and functioning which could result in longterm responsible and optimal development. According to data analysis and the results of the conducted questionnaire, it can be concluded that the ecosystem greatly defines tourism activities during tourist visits. Moreover, the responses regarding choices of tourism activities within the visits of the protected areas in the Republic of Serbia point to the awareness and will for improvement and protection of ecosystem values. Also, almost all respondents recognized the crucial reasons for protecting the ecosystems. By analyzing the data from the world practice and the obtained results of the conducted survey, it can be concluded that the role and importance of ecosystems are significantly present in the creation of tourism activities. The limitations of the research were obsolete data. Other research will show the outcome of these models in terms of preventing negative impacts of tourism on the environmental system protection, and whether this protection is going to be sufficiently implemented, controlled and monitored.

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Ownership transformation of spa resorts in the Republic of Serbia (the model of the privatization of Gornja Trepča Ltd., Gornja Trepča)

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Abstract: The subject of this paper is an explanation of the concepts of ownership, ownership transformation and detailed analysis of the key elements in the business operations of Gornja Trepča Spa Ltd., Gornja Trepča, before and after privatization. The aim of this paper is to present a good example of a privatization through the analysis of the key elements that are responsible for successful spa business. The importance of this work is in its very goal, which is to draw attention to the significance of spa resorts and ownership transformation that is still in progress in the Republic of Serbia. An example of successfully implemented privatization can serve as a model for all remaining unresolved problems in the field of transformation of the properties of spa resorts.

Keywords: public property, transition, privatization, spas, Gornja Trepča Ltd., Gornja Trepča
JEL classification: P31, P26

Svojinska transformacija banja u Republici Srbiji (model: privatizacija „Gornja Trepča“ d.o.o. Gornja Trepča)

Sažetak: Predmet ovog rada jeste objašnjenje pojmova svojine, svojinske transformacije i detaljna analiza ključnih elemenata poslovanja banje “Gornja Trepča” d.o.o. Gornja Trepča pre i nakon privatizacije. Cilj ovog rada jeste da se prikaže dobar primer jedne privatizacije kroz analizu ključnih elemenata koji su zaslužni za uspešno poslovanje banje. Iz ovog cilja proizilazi i značaj rada, a to je skretanje pažnje na značaj banja i svojinske transformacije koja je u Republici Srbiji započeta, ali još uvek nije okončana. Primer uspešno sprovedene privatizacije može služiti kao model za sve preostale nerešene probleme iz oblasti transformacije banja.

Ključne reči: društvena svojina, tranzicija, privatizacija, banje, „Gornja Trepča“ d.o.o. Gornja Trepča
JEL klasifikacija: P31, P26

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1. Introduction

Spas in the Republic of Serbia are characterized by a long tradition, but the position of all of them is not the same. Some of them are doing business well today, while others are facing difficulties and are expected to find solutions for continuation of their business activities.

This paper will look into one of the ownership transformation models, i.e. the case of the privatization of Gornja Trepča Ltd., Gornja Trepča. For the purposes of this work, data is collected and processed from the archive of the Special Hospital for Rehabilitation Gornja Trepča from Gornja Trepča, the Ministry of Economy and the Bankruptcy Supervision Agency, as well as professional literature from various sources. The main goal of this paper is to present a good example of a privatization through the analysis of the key elements that are responsible for successful spa resort business.

The paper consists of theoretical and empirical parts divided into four segments. In the first and second segment, the notion of public property and ownership transformation with reference to the legal regulation is described in more detail. The third segment explains the methodological framework. Finally, the fourth segment provides a detailed example of the successfully implemented privatization of Gornja Trepča Spa, Ltd. Gornja Trepča, with comparative analysis of the operations of the subject of privatization before and after the privatization.

2. Ownership transformation and the concept of social property

Ownership transformation is the transformation of one form of property into another. Over the last 30 years, according to Radulović & Dragutinović (2015) "public opinion and attitudes about privatization has significantly changed – from it being a necessary evil, as privatization was observed until the late nineties, to its treatment as a panacea, the cure to all problems of the Serbian economy during the early 2000s" (p. 11).

Ownership makes one of the most important concepts of the Western social thought. For the first time, ownership was defined in the Middle Ages as "total power over things", or otherwise "belonging to the owner". The elements of ownership are: (1) *Usus* or the use of things according to the needs of the owner (2) *Frustus* or the right to the yield products of things (3) *Abusus* or the owner's authority to dispose of his means at will: to maintain, change, save, throw, destroy or give it to another (Property law, 2013).

Social property should be, as its name itself says, the property of society. The society consists of all residents of a social community (state, republic, provincial, region, municipality, etc.), and the property of society can be called joint ownership. The common property of all inhabitants of a given social community is, in other countries and in old literature, less often called "social" and more often called "state", "public", "governmental" or "general public" property (Šoškić, 1995). In the Yugoslav economy the management of this communal, social property was transferred to the labour collectives, which, in comparison with the developed market economies, proved to be ineffective. Between workers and means of production, in capitalism the capitalist is its owner, in state socialism the state is its owner (Gnjatović, 2007). In the late 1980s and early 1990s, the socialist countries fell into a deep and comprehensive crisis, and it was believed that progress would be made if countries and the developed Western countries would converge. This convergence required major changes in socialist societies. Ownership is the fundamental determinant of the established social order, the basis on which relations in one society lie, so that any change in property implies a change in the social order (Ćeranić, 2011).

Transition is a break with the so-called socialist economic pattern in which the state plays the main role. The main stronghold to transition is privatization. In fact, the transition to a market economy is a comprehensive process because it contains ownership transformation, change of the role of the state, smooth functioning of the market, gradual and selective liberalization of economic relations with foreign countries, restructuring of enterprises, increase of social stability and creation of more favourable terms for inflows of foreign capital, changes in infrastructure and environmental protection, macroeconomic stabilization (Marsenić et al., 2004) as well as a number of other important segments of social change.

3. Legislation

Article 56 of the Constitution of the Republic of Serbia from 1990 stipulates that a social, state, private and cooperative ownership and other forms of ownership are guaranteed (Constitution of Republic of Serbia from 1990).

Article 86 of the Constitution of the Republic of Serbia from 2006 stipulates that private, cooperative and public property is guaranteed (Constitution of Republic of Serbia from 2006). Public property is a state property, property of an autonomous province and property of a unit of local self-government. Furthermore, it has been established that the existing social property is converted into private property under the conditions, in the manner and within the deadlines stipulated by the law.

From the mentioned constitutional provisions, it can be concluded that since 2006 the Constitution of the Republic of Serbia no longer recognizes social property, although it still exists in social enterprises, until converted into private property either through privatization or bankruptcy.

Namely, the process of property transformation in the Republic of Serbia began in 1991 with the adoption of the Law on the Conditions and Procedures for the Conversion of Social Property into Other Forms of Property (Official Gazette of the Republic of Serbia, No. 48/91, 75/91, 48/94, 51/94). In accordance with this Law, employees could buy shares of socially-owned enterprises, but not state capital. The co-ownership of employees in the enterprises in which they work not only increases their interest in better use of capacities, but also contains elements of social justice, because they have contributed to the formation of business funds with their work (Marsenić et al., 2004). After a period of three years of deterioration of social capital in conditions of hyperinflation (Gnjatović, 2007), in 1994, a large number of ownership carried out transformations were annulled.

The new legislative activity in the field of change of capital structure was introduced in 1997 when the Law on Ownership Transformation (Official Gazette of the Republic of Serbia No. 32/97) was adopted, according to which employees and pensioners in the social and state sector could acquire shares without compensation up to 60% of the total value of capital. The adoption of this law resulted in a further slowing down of the initiated process of ownership transformation, creating business entities without investment and credit ability and without the interest of strategic investment partners. Also, the new shareholders were not able to provide the necessary investments for the survival of their enterprises by their means (Radović-Janković, 2001).

In 2001, the Law on Amendments to the Law on Ownership Transformation was adopted with the six-month application period, in which time a new law would be passed which would regulate the field of privatization of state and social capital. Namely, the applicable Law on Ownership Transformation at that time gave the explicit advantages to the employees of the company in the privatization process. The workers had a priority over other citizens in registration of shares in the first round, as well as a priority when registering shares in the second round (Radović-Janković, 2001).

New legislation was drafted in order to correct the noted shortcomings of the law and make privatization mandatory. Thus, in 2001, the Law on Privatization (Official Gazette of the Republic of Serbia, No. 38/2001) was adopted.

In the application of this law, certain experiences were gained that pointed to the need to amend certain provisions in order to improve and supplement existing legislative solutions. When innovating the text (2003, 2005, 2007, 2010, 2012 and 2014), the need was to overcome the circumstances that emerged and to solve the technical difficulties encountered during the application of the Law on Privatization, but the basic concept has remained unchanged.

The existing Law on Privatization from 2014 did not meet expectations in terms of the result of the transformation of the social/state ownership, so a new draft of Law on Privatization (Official Gazette of the Republic of Serbia No. 83/2014, 46/2015, 112/2015 and 20/2016) was made. The main objective of this Law on Privatization is to minimize the negative fiscal effects, and to create conditions for economic development and preservation of social stability by opening new ones or preserving the existing jobs. Also, the intention is to draw the attention of potential investors and strategic partners, who would be ready to participate in the privatization of the remaining social and public capital and assets of the privatization entities, to the completely new legislative solutions, and make the privatization process more efficient and fully transparent using simple privatization models (Parlament of the Republic of Serbia, 2014).

4. Methodological framework

Privatization included almost all branches of the economy. According to the data of the Ministry of Economy of the Republic of Serbia, two spas were privatized according to Law on Privatization and there are 11 more spas still in the process of privatization (Ministry of Economy of the Republic of Serbia, 2018), while, according to the Bankruptcy Supervision Agency, more than 3 spas, which are with the majority of social or public capital, are currently in the bankruptcy procedure (Bankruptcy Supervision Agency, 2018). These data drive the conclusion that only two spas were sold in the privatization process in accordance with Law on Privatization (Spa Badanja from Donja Badanja (Ministry of Economy of the Republic of Serbia, 2003) and Gornja Trepča from Gornja Trepča (Ministry of Economy of the Republic of Serbia, 2008), while the remaining fourteen spas wait for a solution to successfully complete the transition process in this segment of the economy of the Republic of Serbia, which has great development potential.

This study analyzes an example of good practice and a company that is successfully operating after the process of privatization and ownership transformation. The degree of freedom in the selection of the companies was limited, as the privatization was carried out only on two companies. A company that was selected has great importance for the local self-government, and therefore the entire economy, which also vividly illustrates the specific aspects of privatization. The case study includes a detailed analysis of five key elements: investment in facilities, equipment, personnel, marketing, and clinical research. Without equal investment in all these elements, this company would not be able to develop and successfully operate both on the domestic and foreign markets of special rehabilitation hospitals. Without a successful continuous development, the ownership transformation that was achieved through the privatization of the Gornja Trepča Natural Healing Centre from Gornja Trepča would not be successful.

5. Privatization of Gornja Trepča Ltd., Gornja Trepča - Case study

5.1. Basic information

Spas are natural health resorts rich in medicinal water, mud, pleasant climate, or other natural factors, which use various therapeutic services, mainly water-based and carried out by qualified staff in a professional facility, to help or relief discomfort, accelerate treatment and healing, or help and support healing process in some other way (Milićević, 2015). Preservation of health is the essence of the wellness concept which is the main motive for staying in spas (Živanović & Manojlović, 2016).

Spa Gornja Trepča is located at an altitude of 460 m (Special hospital for rehabilitation „Gornja Trepča" from Gornja Trepča, 2015). It could be said that it is located in the triangle between the towns of Čačak, Gornji Milanovac and Kraljevo, at a distance of 18 km from Čacak, 9 km from Milanovac (via Vujan), 159 km from Belgrade, via Ibar Highway (Obradović-Bursać & Stanković-Vasović, 2004).

The natural health resort uses underground thermo-mineral waters in balneotherapy. Balneotherapy is a complex of stimuli of the organism of patients with natural factors: mineral water and peloid (Živanović, 2015). It is well known that the Gornja Trepča basin has springs of thermo-mineral water with medicinal properties. The water temperature ranges from 27° C to 31° C, which means that it belongs to the category of hypothermal waters (Obradović-Bursać & Stanković-Vasović, 2004).

With these characteristics, spa Gornja Trepča Ltd., Gornja Trepča was a challenge for new investors, who would contribute to better use of all natural and human resources with their investments.

5.2. Business activities conducted before privatization

According to the information obtained from the archive of the Special Hospital for Rehabilitation Gornja Trepča from Gornja Trepča, the subject of privatization had 51 employees. It had a gross income of EUR 1,088 million. The most important assets (administrative building, stationary building, hydrotherapy block, prefabricated restaurant building, prefabricated camping units, spring building, sewerage, hydrofoil facility and river basin I, II and III), according to business books, amounted to RSD 111.7 million. Prior to the privatization, RSD 1.3 million were invested in marketing.

Other business indicators, all obtained from the archive of the Special Hospital for Rehabilitation Gornja Trepča from Gornja Trepča, which will be shown in the next part of the work, and after privatization, are the number of guests, number of overnight stays, the number of foreigners who visited the spa, the number of conducted therapies. Namely, in 2008, 2,052 guests stayed in the resort, a total of 25,524 overnight stays. There were a total of 248 foreigners who had made 3,347 overnight stays. The total number of therapies conducted in 2008 is 217,655.

5.3. Privatization of Gornja Trepča Ltd., Gornja Trepča

The auction was held on 5th of September, 2008, when the buyer, "Bonida" Ltd. from Vladimirci bought 70% of the social capital of the subject of privatization, the Socially-owned enterprise Natural Healing Centre Gornja Trepča from Gornja Trepča. On 9th of September, 2008 the contract regarding the sale of social capital via public auction method was concluded between the Privatization Agency and the company "Bonida" Ltd., from Vladimirci (Ministry of Economy of the Republic of Serbia, 2008).

5.4. Business operations and key events after privatization

Three key events that took place after the privatization, which crucially influenced the conduction of business of the privatization subject Gornja Trepča from Gornja Trepča, are:

1. Founding of the Special Hospital for Rehabilitation Gornja Trepča from Gornja Trepča. On 9th of February, 2010 by the decision of the Commercial Court Fi-2/2010, a Special Hospital was registered in accordance with the Health Care Law (Official Gazette of the Republic of Serbia, No. 107/2005). Namely, Article 46, paragraph 2 of the aforementioned law states that health institutions may be established by means of state or private means. Furthermore, the same article states that a health institution may be established, as a hospital (general and special). Article 48 paragraph 1 of the same law states that state-owned health institutions, depending on the type, are established by the Republic, autonomous province, municipality or city, in accordance with this Law and the Plan of the Network. From this, it follows that every special hospital must have a founder. Socially-owned company Gornja Trepča from Gornja Trepča, a special rehabilitation hospital, prior to this registration, was not a health institution established by the Decree on the Plan of the Network of Health Institutions (Official Gazette of the Republic of Serbia, No. 107/2005), because Socially-owned company Gornja Trepča was in the process of privatization and there was no legal basis for changing the form of organization without changing the form of capital, that is, without ending the privatization process, or without ending the ownership transformation of the company. Natural Health Resort Atomic Spa Gornja Trepča JSC founded the Special Hospital for Rehabilitation Gornja Trepča JSC. Resources for establishing and commencement of work of the Special Hospital consisted of funds, assets, employees of the Atomic Spa Gornja Trepča Natural Health Resort. This registration enabled the undisturbed performance of the predominant activity for which the subject of privatization was registered on the day of auction sale (Registered activity – 85141 – medical rehabilitation).
2. With the opening of a new facility, the Vujan Special Hospital in 2012, Atomic Spa has expended its offer with 122 beds, that is, 52 single and double rooms and five two-room apartments (Special hospital for rehabilitation „Gornja Trepča“ from Gornja Trepča, 2016). In the newly built facility, 30 new workers were employed, mostly highly qualified medical staff and tourist workers. The first guests came in May 2012, including foreigners from Poland and Norway. Total revenue and number of overnight stays increased.
3. Investments in marketing, both in the country and abroad, created a recognizable brand. Presentation of Atomic Spa in electronic and written media is an important factor in successful conduction of business. In addition, this spa took part in numerous tourism fairs in Belgrade, Oslo, Gothenburg, Moscow, Bucharest, Paris and Novi Sad. Doctors working in the clinic continuously carry out scientific research and clinical studies and results are presented to the general public, thus improving the work of this institution. Some of the most important published studies are: “MSQoL-54 predicts change in fatigue after inpatient rehabilitation for people with multiple sclerosis” from 2012 (Drulović et al., 2012) and “Thermomineral water promotes axonal growth but does not reduce glial scar formation in a mouse model of spinal cord injury” from 2014 (Aleksić et al., 2014).

5.5. Business indicators

Employees represent one of the most important links in the chain of good business. In addition to increasing the number of employees, it is necessary to conduct continuous education of personnel in order to ensure the path of success.

From Table 1 it can be concluded that the number of employees has grown steadily since 2011, and that the number of employees has increased by almost 30, compared to 2017.

Table 1: Number of employees

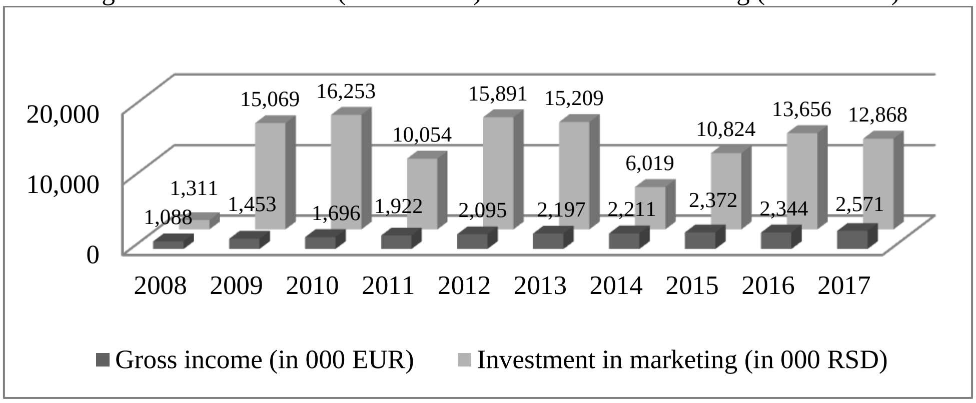
Year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Number of employees	**51**	**62**	**69**	**51**	**57**	**60**	**62**	**66**	**71**	**78**

Source: Archive of Special hospital for rehabilitation Gornja Trepča from Gornja Trepča

Namely, in 2008 and 2011, the company employed the same number of personnel, and the employment of 27 new staff members in the period from 2008 to 2017 represents an increase in the number of employees by 52.94%.

From the financial indicators, the movement of gross income is shown, as well as the movement in value of property and investment in marketing in the period from 2009 to 2017 with the reference to 2008 values when the subject of privatization was sold at a public auction.

Figure 1: Gross income (in 000 EUR)/Investment in marketing (in 000 RSD)



Source: Archive of Special hospital for rehabilitation Gornja Trepča from Gornja Trepča

Figure 1 shows the gross income movement in the analyzed period after privatization. Compared to the level of gross income in 2008, when it amounted to EUR 1,088 million, constant growth was observed with a slight decrease that occurred in 2016, after which the gross income continued to grow in 2017, exceeding the amount from 2015. The largest leap, compared to 2008, was achieved in 2009 when the gross income increased by EUR 365,000. Total gross income increased by 136.31% in 2017 compared to 2008.

Figure 1 also shows investment in marketing. Analyzing the obtained results, we notice that in comparison with the starting base from 2008, when the amount of RSD 1.3 million was invested in marketing, in 2009, a huge reversal was made when investments in marketing rose over RSD 15 million. The figure shows that continuation of investments in marketing was made in 2010. In 2011, investments in marketing dropped. This fact can be linked to investing in the construction of new facilities. After the opening of the new facility, the Vujan Special Hospital, it can be noticed that the investments in marketing in 2012 again increased significantly.

Table 2 shows the values of immovable assets by year. There is a remarkable increase in value of assets in 2017 compared to 2008, when the spa was privatized. The table also shows that some facilities were built after privatization, such as the Vujan facility in 2012, and the pharmacy building in 2016. Also, there is noticeable growth in the value of the objects purchased during the privatization process, due to investment and renovation.

Table 2: Value of immovable assets by year, starting from 2008 to 2017

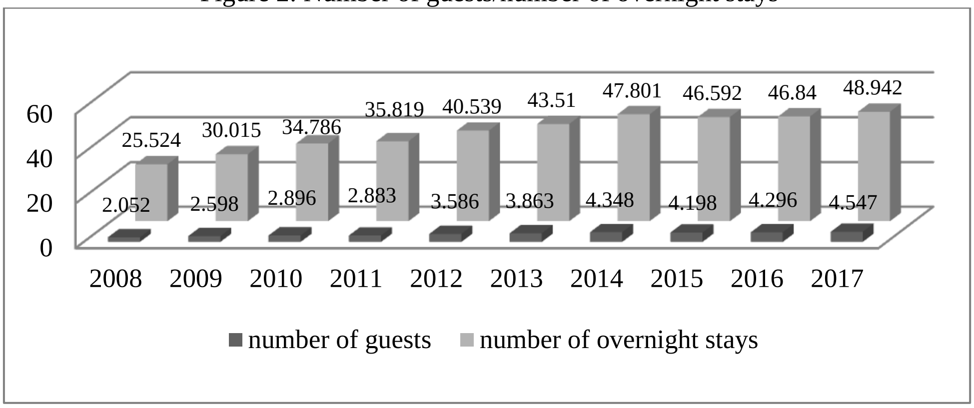
Table 1: specification of immovable property (in 000 RSD)										
Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Stationary building, Hydrotherapy block, Administrative building	90,307	309,025	301,556	332,931	364,247	368,538	368,307	368,307	368,307	368,307
Sewage	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726	3,726
Hydrofoil facility	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146	1,146
River basin I II III	7,249	7,249	7,249	7,249	7,249	7,249	7,249	7,249	7,249	7,249
Spring	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651	1,651
Prefabricated restarurant building	7,155	53,572	56,884	70,041	70,041	70,595	70,595	70,595	70,915	70,915
Prefabiricated units-camps	527	18,034	22,191	32,535	32,535	32,535	32,535	32,535	32,535	32,535
Parterre		16,399	16,399	17,537	20,959	20,959	20,959	21,502	21,502	21,502
Vujan facility					187,766	209,766	209,766	209,766	203,937	203,937
Land				15,689	15,689	15,689	15,689	15,689	17,888	20,718
Forests				284	284	284	284	286	284	284
Pharmacy building									874	874
Total	111,761	410,802	410,802	482,789	705,293	732,138	731,907	732,452	730,014	732,844

Source: Archive of Special Hospital for Rehabilitation Gornja Trepča from Gornja Trepča

In 2011, Gornja Trepča Natural Healing Centre from Gornja Trepča and the Serbian orthodox monastery Vujan (The Vujan Monastery is located in close proximity to the Natural Healing Centre Atomic Spa Gornja Trepča, Gornja Trepča) signed a settlement contract, which ended the long-standing litigation regarding the restitution of property to the Monastery, which was taken away on the basis of the Decision of the District Agrarian Court in Čačak from 1946. This settlement resolved the status of the land and the forest of the Gornja Trepča Natural Healing Centre from Gornja Trepča. Part of the assets was returned to the Monastery, while part of it was purchased. After this settlement, changes in the business books of the Spa were made, and the total value of the immovable assets increased.

As other indicators of the success of the Gornja Trepča Natural Healing Centre in Gornja Trepča in this paper, the number of guests of the Spa and the number of overnight stays will be processed. We will also look at the movement of the number of foreign guests who have stayed in the Spa and the number of overnight stays of foreign guests of the Spa. In the end, we will also analyze the number of therapies that have been provided in this natural health resort.

Figure 2: Number of guests/number of overnight stays



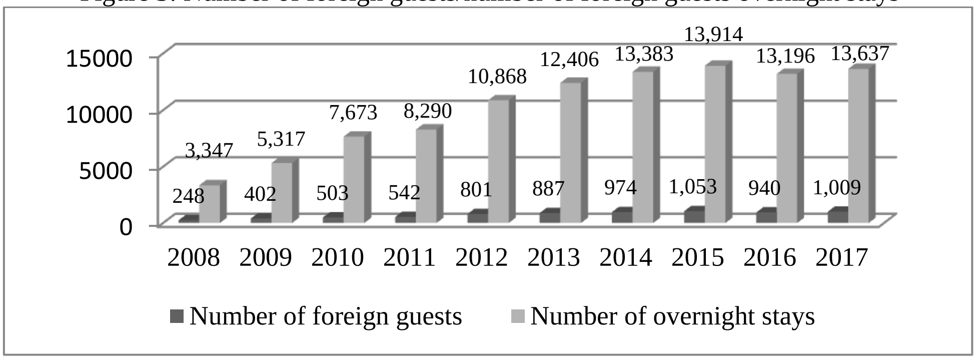
Source: Archive of Special hospital for rehabilitation Gornja Trepča from Gornja Trepča

Figure 2 shows the number of spa guests in the period from 2009 to 2017. Compared to 2008, when 2,052 guests were noted, the indicator has increased by 546 in 2009, which is 26.61% more than in the pre-privatization period. Also, a higher leap occurred in 2012 compared to 2011 and in 2014 compared to 2013. This increase in the number of guests can be attributed to the opening of the new facility Vujan, which increased the accommodation capacities of this natural health resort in the form of new beds in new rooms and apartments.

Figure 2 shows the number of guest arrivals in the period from 2009 to 2017. This figure, representing follow-up of the analysis of the number of guests, indicates a significant increase compared to 2008, when 25,524 overnight stays were recorded in the resort. Furthermore, in 2017 a total of 48,942 overnight stays were registered, which is an increase of 18,927 overnight stays compared to 2009, or 23,418 overnight stays more than in 2008. In 2017, the number of overnight stays was almost doubled compared to the period prior to privatization.

Also, by analyzing the data on the number of foreign guests of the spa, as well as the number of their overnight stays, which is graphically depicted in Figure 3, we conclude that the number of visitors from abroad has increased. Namely, in 2008, a total of 248 persons who are not from our country were treated in the spa. In 2009 this number increased by 154 persons, while in 2017 a total of 1009 foreign guests visited the spa, which is 761 persons more compared to the period prior to the privatization.

Figure 3: Number of foreign guests/number of foreign guests overnight stays



Source: Archive of Special hospital for rehabilitation Gornja Trepča from Gornja Trepča

As the number of foreign guests increased, the number of overnight stays increased as well. Analyzing the data from Figure 3, that is, comparing the number of overnight stays per foreign guest for the period prior to the privatization to date, we come to the conclusion that this number is approximately 13, that is, that each foreign guest stays in spa for more than 13 days on average, except in 2010 and 2011, when that number was slightly more than 15 days on average.

The number of foreign visitors grew faster than that of domestic visitors to the spa. Namely, the part of foreigners in the total number of spa guests in 2008 was 12.09%, while in 2009 this percentage was 15.47%.

In 2017, the share of foreign guests in the total number of guests rose to 22.19%. Observing the entire period after privatization, there was an increase in the participation of foreign guests in the total number of guests. The largest number of foreign guests was registered in 2015, when every fourth guest of the spa was a foreigner, that is, the guests from abroad made 25.08% of the total number of guests.

Judging by the previous analysis of all parameters that reflect excellent conduction of business, that is, evidence of a good example of successful privatization, it is expected that the values shown in Table 3 will show growth. Table 3 shows the number of therapies provided in the observed period from 2009 to 2017.

Table 3: Number of therapies

Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Number of therapies	217.655	280.911	293.971	277.318	283.158	275.803	302.280	300.169	296.647	316.295

Source: Archive of Special hospital for rehabilitation Gornja Trepča from Gornja Trepča

In 2008, a total of 217,655 therapies were administered to patients. In the Spa, patients are rehabilitated by various forms of physiotherapy. After the privatization, the number of therapies varied, but it was never below 275,000, which, compared to the pre-privatization period, represents an increase of over 57,000, or an increase of 26.35%. In 2017, the number of conducted therapies was 316,295, which is 38,640 more than the number of therapies provided in 2008. From this it follows that the number of therapies from the period prior to the privatization increased by 45.32% until 2017.

6. Conclusion

The privatization of the spa was the first step to the utilization of the huge potentials to the best of its potential. Analyzed privatization of Gornja Trepča Ltd., Gornja Trepča is an example of a successful privatization, after which Gornja Trepča Ltd., Gornja Trepča changed its orientation from the classical health and rehabilitation centre to providing modern form of preventive services, offering its guests, not just prime healthcare services and recreation, but, through additional activities, quality accommodation and excellent service.

Through the careful selection of the model of ownership transformation of other spas, as well as investments in infrastructure, the tourist offer of the Republic of Serbia will be significantly improved, and thus will enhance the competitiveness of the tourism industry and other activities related to it. All this will further increase the direct and total participation of the tourism sector in the gross domestic product and ultimately influence the improvement of the overall image of the Republic of Serbia in the region, Europe and the world.

In 2016, the Government of the Republic of Serbia adopted the Tourism Development Strategy for the period from 2016 to 2025, which aims to approach tourism systemically, and recognizes that tourism needs to take a significant place in economic policy. The purpose of tourism policy, according to this strategy, is to create an environment that maximizes the benefits for all stakeholders, i.e. to minimize negative impacts in the processes and activities regarding the creation of valuable experiences for visitors (Tourism Development Strategy of the Republic of Serbia 2016-2025, 2016).

Article 4 of the Regulation on the conditions and method of attracting direct investments (Official Gazette of the Republic of Serbia No. 18/2018), which states the Sources and Purpose of funds for attracting direct investments, among other things, stipulates that the funds can be used to finance investment projects in the hotel accommodation sector in the territory of the local self-government unit in which the spa area is established. Furthermore, by the same Regulation, Article 9, Paragraph 1, Item 4) states that the funds can be allocated for investment projects in the hotel accommodation sector in the spa areas with a minimum value of EUR 2 million and providing employment for at least 70 new employees for an indefinite period of time associated with an investment project.

All this indicates that the Government of the Republic of Serbia is taking an active part in creating a good business environment for the development of spa tourism. With impatience, we expect more examples from the practice of solving the problems of ownership transformation of the remaining spas, which represent the true gem of our country.

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Speleotourism potential and tourist experience in Resava cave

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Abstract: Resava Cave is a very old cave in Eastern Serbia, authentic and popular, with special geological and geomorphological features that are excellent representatives of the area's geodiversity. Most of the speleotourism and geotourism potential of this geosite still remains unlocked. This paper provides an analysis of the tourist potential and tourist experience for speleotourism development of Resava Cave. The aim was to explore the speleotourism potential of Resava cave and to determine and compare tourist experience while visiting this cave. The research includes a a survey of tourists who visited Resava Cave during the month of May, 2018. Each respondent was asked a total of sixteen questions related to their social-demographic profile, the evaluation of certain speleotourist indicators and the tourists' personal attitude to their experience in the cave. Results of the paper have shown that the tourism potential is very high and experiences are diverse, but some of them are more present than the others.

Keywords: speleotourism, Resava cave, tourism potential, tourist experience
JEL classification: L83, Z32

Speleoturistički potencijali i iskustva turista u Resavskoj pećini

Sažetak: Resavska pećina je jedinstvena, popularna i veoma stara pećina u istočnoj Srbiji, sa posebnim geološkim i geomorfološkim karakteristikama, koji su odlični predstavnici geodiverziteta ovog područja. Speleoturizam i potencijal geoturizma ovog geolokaliteta ostaju neotkriveni. U ovom radu je sprovedena analiza turističkih potencijala i iskustva turista za razvoj speleoturizma u Resavskoj pećini. Cilj je istražiti potencijal za razvoj speleoturizma ove pećine i odrediti i uporediti iskustva turista tokom posete Resavske pećine. Istraživanje je realizovano putem anketiranja turista koji su posetili pećinu tokom maja meseca 2018. godine. Svakom ispitaniku je postavljeno po šesnaest pitanja koja se odnose na njihov socio-demografski profil, evaluaciju određenih speleoturističkih indikatora i izražavanje ličnog stava o turističkom iskustvu u pećini. Rezultati rada pokazali su da je turistički potencijal veoma visok i da su iskustva različita, ali neka od njih su više zastupljena od drugih.

Ključne reči: speleoturizam, Resavska pećina, turistički potencijal, iskustvo turista
JEL klasifikacija: L83, Z32

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1. Introduction

Tourism in eastern Serbia has a significant potential for the development of local and regional economies. The karst regions and caves in particular hold exceptional value in this region and with their distinctiveness, they are potential indicators for the development of several forms of tourism in this area, including speleoturism, geotourism, adventure and excursion tourism etc. Considering that Resava Cave is one of the most popular in Serbia, it is necessary to explore the tourist experience. Only then can we know which types of speleotourism need to be more developed in the tourist offer of Resava cave.

In addition to the fact that this cave has great popularity among the recreation, nature and cave enthusiasts, this speleological geosite has a significant geological and geomorphological processes and unique speleomorphological units that are of great importance for speleology and development of science in general. Numerous cave figures are very attractive for visitors and can be a crucial reason for visiting. It is known that many tourists consider the caves to be mystical and dark places. Therefore, it is necessary to provide adequate infrastructure, technical equipment and guidance service.

The main goal of this paper is to explore the speleotourism potential of Resava Cave and to determine and compare the experiences of the tourists who visited the cave. The research included a survey of tourists who visited Resava cave during 2018. The respondents provided answers to a total of sixteen questions, which included evaluating certain speleotourist indicators and expressing a personal attitude about their experience in the cave. The results of the analysis should provide information about the speleotourism potential and tourist experience of Resava Cave. The survey was conducted with the topic „Research on tourist attitudes and experience in Resava Cave".

2. Literature review

Many aspects of nature have a great potential for tourism. Among them there are mountains, canyons, islands, beaches, rivers and waterfalls, as well as wildlife and vegetation. In this vast panorama of options, caves stand out due to their unique features, both scientific and aesthetic, resulting in a high degree of attractiveness. The management of tourist related activities, in protected cave areas, requires a solid and scientifically based knowledge of the environment, with special emphasis on the limits of the resilience of the geo and ecosystems directly and indirectly affected by such activities (Lobo et al., 2013). A stony limestone region known as *Kras* on the border region of Slovenia and Italy was the place where karst and caves were first scientifically studied (Gams, 2003).

Caves are also called speleological objects and tourism based on them is called speleotourism or cave tourism (Knežević & Grbac-Žiković, 2011). Cave tourism is a fairly recent name given to tourism that involves speleological structures. As a form of special interest tourism, cave tourism can be found in the tourism offerings of countries in which carbonate terrain is widespread. Because of some of the features of its offering (labyrinths, narrow passages, high humidity and the lack of natural light), this form of tourism has been included in adventure tourism (National Caves Association).

A part of speleotourism, the background of geotourism may also be related to caves (Cardozo Moreira & Neto de Carvalho, 2013). Geotourism represents a sustainable form of tourism with a primary focus on experiencing the earth's geological features and creating geotourism product. Geotourism is also protecting geoheritage, building communities and promoting geological heritage (Dowling, 2013).

Caves were the earliest tourist attractions, and nowadays one of the most appreciated geotourism destinations in the world (Anderson, 2010). Many of the existing World Heritage properties include outstanding caves with rich and varied speleothem decoration, that can be crucial indicators for speleotourism development. Most caves are decorated with crystalline deposits such as stalactites and stalagmites (collectively known as *speleothems*) (Williams, 2008).

The economic perspective of speleotourism has great potential. The profits derived directly and indirectly from the touristic exploitation of caves can acquire substantial importance at local level (Pulido-Bosch et al., 1997). However, the lack of regulation of the visits, an adequate maintenance infrastructure or management in general can result in a serious threat to the underground environment and speleotourism development (Cigna, 1993). The study of cave conservation in relation to tourism is not simple, since many factors and variables must be simultaneously taken into account.

Modern speleotourism development in Serbia was initiated in the year 1959. The first cave that was opened for visitors was Lazar cave, near the city of Bor in eastern Serbia. For a period of thirteen years this cave was the only tourist cave in Serbia. Further development of speleotourism in Serbia was continued in the year 1972. The second cave that was introduced to the tourism market was Resava cave. A large number of tourists visited the Resava cave during the first year which was completely unexpected and an utter surprise for many people in the tourism industry. This was a powerful incentive for adapting more caves and opening them for tourist visits (Petrović, 2006).

Resava cave is one of the oldest caves in Serbia, located 20 km from Despotovac (eastern Serbia), in limestone hill called Babina Glava on the bank of the karst field Divljakovac. It is 4.5 km long, where 2,830 m have been explored, and a visit can be arranged for only about 800 m. The interior of the cave comprises galleries, canals, poles and jewelery estimated to be 45 million years old. The process of equipping the cave lasted for 10 years, which means that the cave was officially open to visitors on April, 22 1972 (Lazarević, 1991).

The interests of the local communities involved in the tourism activities should also be considered. The economic importance of geotourism and speleotourism for local communities is adequately presented in the study of Farsani et al. (2011). The authors state that geotourism is an emerging vision that involves the creation of new tourism products, new jobs and new recreational activities. These recreational activities are often related to the topography and geology of the scientific and educational nature, which enables the connection of this type of tourism with school field trips, science camps and other forms of tourism activity (Antić & Tomić, 2017).

3. Material and methods

Research methodology implies a combination of quantitative methods (statistics and Internet analysis) and qualitative methods (written documents). In order to define the theoretical framework of this paper, bibliographic-speculative method was used, and in the processing and interpretation of the results a descriptive method. The survey involved 125 respondents who visited the cave in the month of May, 2018. Questions in the survey included evaluation (on a scale from 1 to 5) of certain speleotourist indicators that affect the comprehensive tourists' experience. These indicators include:

1. Aesthetic values of speleothems;
2. Duration of the tour;
3. State of the pedestrian track;

4. Lighting and technical equipment;
5. Expertise of the guidance service.

Also, respondents expressed their views on the tourist experience in the cave. They answered positively or negatively about adventurous, excursion, recreational, scientific-educational and cultural tourist experience. The survey was field-based. The author participated in several tours, where he managed to collect 125 completed surveys. For statistical data processing, during the statistical analysis, Microsoft Excel 2010 was used.

An interview with the marketing service of the Resava Cave was also realised. This approach provided additional information that was crucial for understanding tourism business within the geosite. Certain information was obtained, such as the duration of the tours, breaks between the tours, amount of groups that can visit the cave daily and how many visitors can be on a single tour.

4. Results and discussion

Social and demographic profile of the respondents is shown in Table 1. It is noticeable that almost the same number of men and women are present among the respondents. Also, 47.2% of the respondents are married, while 52.8% are not married.

Table 1: Social and demographic profile of the respondents

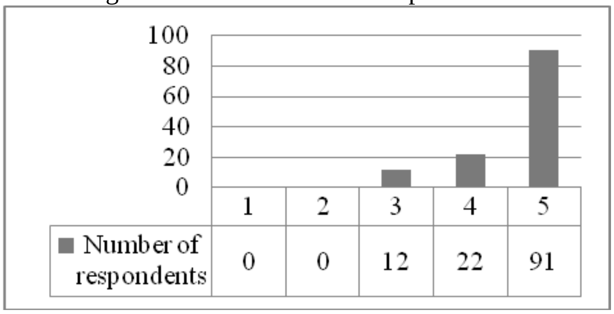
	Number of respondents	**Percentage**
Sex		
Male	61	48.8%
Female	64	51.2%
Total	125	100%
Family status		
Married	59	47.2%
Not married	66	52.8%
Divorced	0	0 %
Widow	0	0 %
Age		
Less then 15	0	0 %
From 16 to 25	39	31.2%
From 26 to 35	36	28.8%
From 36 to 45	24	19.2%
From 46 to 55	11	8.8%
Over 55	15	12%
Habitation		
City (apartment)	94	75.2%
City (house)	21	16.8%
Country place	10	8 %
Profession		
Employed	48	38.4%
Unemployed	14	11.2%
Student (University and High School)	51	40.8%
Senior	12	9.6%
Education		
High school	65	52%
Bachelor degree	53	42.4%
Mr/Dr	7	5.6%

Source: Research by author

As for age structure, there is a large number of younger people, but there were also older people among the respondents. The vast majority of respondents live in cities, they are employed and well educated. The data on the number of students among the respondents is revelatory. A total of 51 (40.8%) respondents were students. This fact highlights a great interest of the younger educated population for caves, which is positive information for speleologists and karst enthusiasts, as well as for tourist workers.

Aesthetic values of speleotems are the main cave values and, as such, they are the most significant for the entire tourist experience in the cave. These values include cave jewelry, figures, canals and other diverse geomorphological processes. Statistical analysis of aesthetic values is shown in Figure 1. When respondents evaluated this speleotourist indicator, the rates were mostly positive. A total of 91 respondents rated these values with 5. A small number of respondents rated these values with 4 and 3, while no respondents rated these values with 2 or 1. These results indicate the presence of great interest in geomorphological processes within the cave. This means that the cave holds exceptional aesthetic values. Therefore, there is a great basis for further development of tourism.

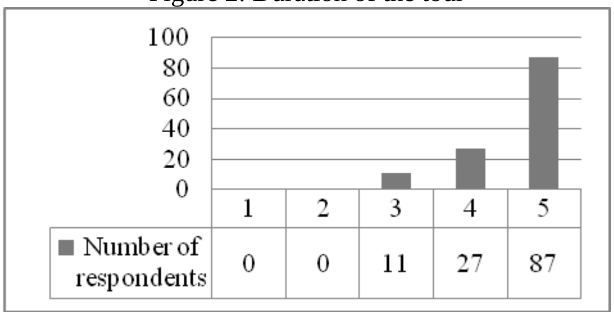
Figure 1: Aesthetic values of speleothems



Source: Research by author

The length of the tour is important because some tourists may find this type of tourist engagement to be difficult or exhausting. This speleotourst indicator was also rated highly by the respondents. Statistical analysis of tour duration is shown in Figure 2. A total of 87 respondents rated this indicator with 5, whereas 27 rated with 4 and 11 with 3. The duration of the tour in the Resava cave is, therefore, at a satisfactory level. This data points to another positive aspect of the tourism potential of the Resava cave.

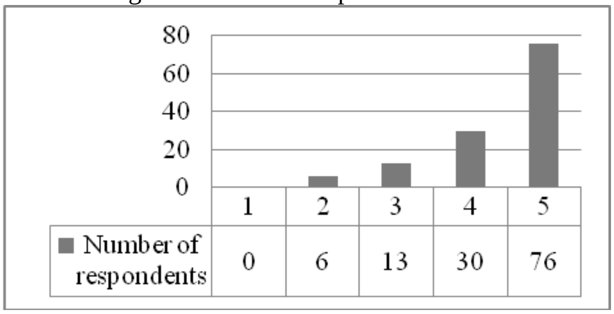
Figure 2: Duration of the tour



Source: Research by author

The state of the pedestrian track in the cave is the basic infrastructural element, which enables the tourist flow within the cave. Tourists's opinion of this indicator is important because the unfavorable condition of the pedestrian track can affect their safety. In some cases, caves are visited by families with many children. Children also go to caves with schools for the educational purposes. Given that children can sometimes be careless, the unfavorable condition of the pedestrian track can jeopardise their safety. Therefore, the safety of tourists should be the starting point when it comes to adjusting the cave for tourist flow. The statistical results of this indicator are shown in Figure 3. In the case of Resava Cave, respondents mostly rated this speleotourist indicator with 5 (76 respondents), while 30 respondents rated this indicator with 4, and 13 with 3. Also, 6 respondents rated this indicator with 2. Some of the weaker grades are given to this indicator. It is assumed that this is because of the lack of handrails in some places in the cave. In general, it can be concluded that this indicator is also positively assessed.

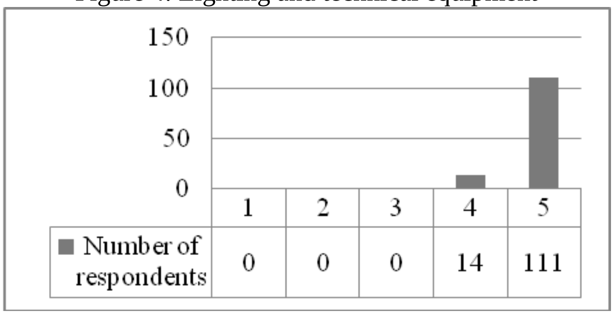
Figure 3: State of the pedestrian track



Source: Research by author

As for the lighting and technical equipment in the cave, the tourists were very clear. This indicator was rated 5 by the total of 111 respondents. Figure 4 also shows that 14 respondents rated this indicator with 4, while no one rated this indicator with lower grades. Technical equipment and lighting of good quality in the cave represent crucial aspects for the development of speleoturism. All the aesthetic values found in the cave should be illuminated in an adequate way so as to be visible to visitors. Positively evaluated, these values indicate the existence of good infrastructure conditions inside the Resava Cave, which can improve and modernise speleotourism.

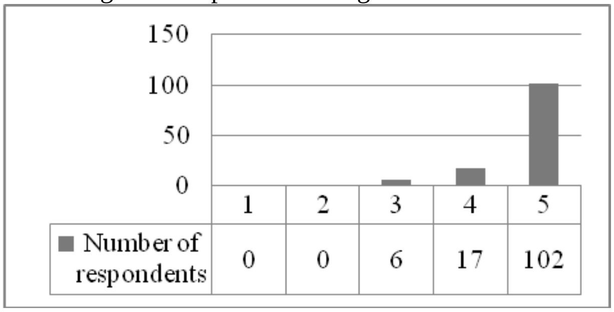
Figure 4: Lighting and technical equipment



Source: Research by author

The anthropogenic factor of every form of tourism is the most important one. This stems from the fact that the basis for the development of tourism is primarily a human resource. Tourist presentation and guides service form the tourist's experience. This is important because the general impression and experience of tourists is something that affects the general picture of tourist sites. If visitors experience a negative situation, there is little chance that they will return to that place or recommend someone to come. The results of statistical analysis for the speleotourist indicator - Expertise of the guidance service are presented in Figure 5. A total of 102 respondents rated this indicator with 5, only 17 responded with 4 and six respondents with the grade 3. This means that tour guides and information service workers have done their job well, which points to another positive aspect of the successful development of speleoturism.

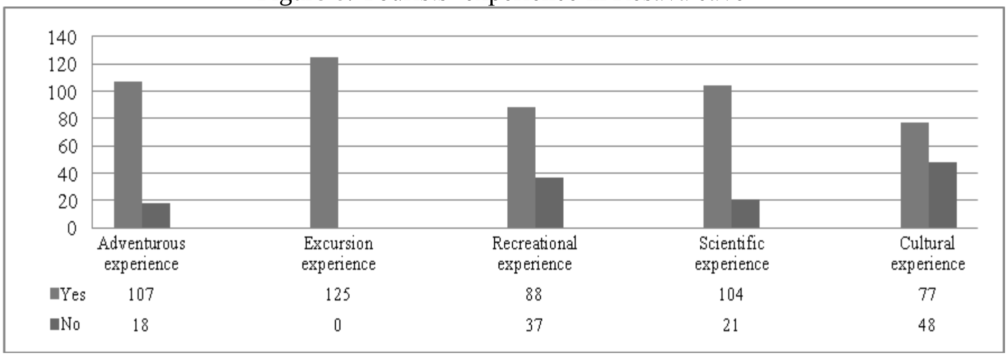
Figure 5: Expertise of the guidance service



Source: Research by author

The last questions in the survey focused on the experience that tourists had while visiting the Resava Cave. Respondents were offered five tourism experiences: adventurous, excursion, recreational, scientific-educational and cultural. The results are shown in Figure 6. It is noted that the excursion experiences are the most present, while cultural experiences are the least present. Also, adventurous and scientific-educational experiences are highly present. Over 100 respondents indicated that they had an excursion, adventure and scientific-educational experience during their visit to Resava Cave. Fewer tourists had recreational and cultural experience. Therefore, it is concluded that tourists recognise adventure and education in the form of excursions while visiting the cave. These data indicate that tourists are willing to accept speleotourism flow in this region. It is possible that the tourists would visit more caves or other karst areas in one day.

Figure 6: Tourists' experience in Resava cave



Source: Research by author

The field research also included an interview with the marketing service of Resava Cave. From the interview, a number of useful information was provided which helped to analyse tourism activity in more detail. We learned from the interview that the tours usually last from 30 to 45 minutes, depending on the size of the group. The entrance to the cave is organised every 15 minutes regardless of whether it is a working day or a weekend. The working hours of the cave are from 9 am to 5 pm every day and longer, if necessary. After working hours, there is a guard who also introduces visitors to the cave. During the season, which begins on April 1 and lasts until the end of October, the working hours are extended to 20 hours. Since tours are organised every 15 minutes, the maximum number of daily trips is 32, or more, when working hours are prolonged. At least one person is required to form a group, and the maximum is 60.

5. Conclusion

In conclusion, it can be said that Resava Cave is one of the most developed caves in Serbia. It is of national significance and the nucleus of speleotourism and geotourism in eastern Serbia, which can be the initiator of the development of speleoturism in that region. Research has shown that speleotourist indicators positively influence all aspects of the development of speleoturism in the Resava cave. In this regard, the technical equipment and lightning quality should be emphasised as the most important indicator, as it is estimated by respondents to be exquisite. Speleotourist indicators that are also recognised as exceptional by the respondents are the aesthetic values and the expertise of the service guide. Regarding the experience that the tourists had during the tour, it should be noted that the most common one is the excursion experience with the motives of adventure and science.

When it comes to the promotion, Resava Cave has a very organized marketing program. The promotion of the cave includes promotional activities mainly by local and regional tourist organisations. However, this cave is also quite well known on the national level. If we take a look at the annual number of organised visits, we can notice a significant difference between Resava cave and other caves in Serbia. Resava cave has more than 48 organised visits per year while, for example, Ceremošnja Cave currently has no organised tours. When it comes to tourist infrastructure, interpretive panels and tour guide service, Resava Cave's value is the highest. These services and facilities are non-existent or at a much lower level at other speleological geosites. One more major factor is the vicinity of visitor centres. Visitor centre in Resava Cave provides tourists with information about the site or area they are visiting through video displays and exhibitions. Although Resava Cave is one of the most developed tourist destinations for speleotourism, it is always necessary to continually monitor speleotourism trends throughout the world so that Resava cave can be competitive on the market. The uniqueness of this cave certainly provides a possibility for its recognition on the global speleotourism market (Tomić et al., 2018). Tourism potential represents a great value of the Resava cave and it is necessary to modernise continuously all tourist indicators in order to place this geosite on the high position of the global speleotourist market.

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Review Article

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Developing rural tourism in minority ethnic villages: Zlot and Xiaocang She Ethnic Township

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Abstract: This paper deals with deploring two villages, one in Europe in the eastern part of Serbia called Zlot village and one in China in Fujian province by the name of Xiaocang She Ethnic Township. These two villages have a significant population of national minorities, so their historical backgrounds and local traditions are explained in order to point to their potential of development as rural tourist destinations. Using the empowerment model, the villages can develop and reach their full potential. Provide their residents with better income and incentive to keep and share invaluable minority traditions that have been alive for a long period of time. The empowerment model can help locals improve their economic status by being involved in tourism in their respective villages. Due to the rich local traditions of the minorities living there and beautiful natural scenery, tourism potential is vast. Langde Mode should be implemented in a way of community guidance in order to improve both, rural tourism in these areas, as well as the lives of the local community.

Keywords: empowerment, rural tourism, minority culture, Zlot village, Xiaocang She Ethnic Township
JEL classification: Z32

Razvoj turizma u selima sa kulturama manjina: selo Zlot i selo Sjaocang Še naroda

Sažetak: Ovaj rad istražuje dva sela, jedno u Evropi u istočnom delu Srbije po imenu Zlot, a drugo u Kini u provinciji Fuđen, selo Sjaocang Še naroda. Ovo su dva sela sa značajnom populacijom nacionalnih manjina, pa je njihova istorijska pozadina i lokalna tradicija objašnjena kako bi se ukazalo na potencijal za razvoj seoskog turizma. Pomoću modela osnaživanja stanovništva, sela se mogu razviti i dostići svoj puni potencijal kao i pružiti svojim stanovnicima bolje prihode i podsticaj da zadrže i podele sa drugima vredne tradicije manjina, koje postoje već dugi niz godina. Model osnaživanja može pomoći lokalnom stanovništvu u poboljšanju ekonomskog statusa tako što će biti uključeni u turizam u svojim selima, a zbog bogate lokalne tradicije manjina koje tu žive i prekrasnog prirodnog krajolika potencijal je veliki. Langde Mode bi se trebalo sprovesti tako što će davati smernice zajednici kako bi se poboljšao seoski turizam na ovim područjima, kao i život lokalne zajednice.

Ključne reči: osnaživanje stanovništva, seoski turizam, kulture manjina, selo Zlot, selo Sjaocang Še naroda
JEL klasifikacija: Z32

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1. Historical background of Zlot village

Zlot is a village which is a part of Bor municipality located in the eastern part of Serbia. It is not certain how this village got its name. One of the possibilities is that name came from Polish currency which is called Złoty, since lots of coins of Złoty have been found in this area. They are believed to have arrived in Serbia during some of the migrations and the Serbian spelling of this currency is Zlot. This village is positioned at the foot of Malinik Mountain and the Zlotska River. It is a mountainous village with the highest peak being 1,284 m above sea level. According to the area (229,867 km^2) as well as population (3,299 people, in total 1,005 households as of 2017) Zlot is not only the biggest village in Bor municipality but also one of the biggest villages in Timočka Krajina region of Serbia.

Figure 1: Map of Zlot village

Source: Author, 2018

Also is one of the most beautiful ones. Near the village there is the longest explored cave in Serbia with the name Lazareva Pećina, sometimes also referred to as Zlotska Cave. There are two stories where the name of the cave might be coming from. The first one comes from the story about prince Lazar of Serbia and his army that after the Battle of Kosovo, where Lazar was killed, were hiding in the cave. The second story is connected with Hajduk Lazar, an outlaw who stole a vast fortune from the Turks in Ottoman Serbia and hid it inside this cave. The fortune is still believed to be hidden inside of the cave. According to the "2012's Recent Landform Evolution: The Carpatho-Balkan-Dinaric Region", the cave is 9,407 meters long. The cave is situated near the entrance of the deep canyon carved into the mountains by the Zlotska River. The cave has been popular for tourism since at least the 19th century when it was one of the three most popular caving destinations in Serbia along with Prekonoska and

Petnicka. There are around 116 caves but some are still not discovered so this number could go up in the future. Some of the paths are illuminated and tourist services are offered for modern visitors. It has been protected since 1949. Besides the caves, one of the best sceneries here is the view over the Zlotska River from Lazar's Gorge, which is truly a spectacular view. Lazar's Gorge was declared a geo-park of Serbia in 2005. Zlot village and its surroundings are considered one of Serbia's best eco-tourism destinations.

2. Local traditions of Zlot village

Besides having good natural resources, which are the base for being an attractive tourist spot, Zlot village also has interesting demographics. Demographics of the village are as follows: the Serbs (72, 89%), the Vlachs (13, 78%), the Romani people (3, 61%) and others (1, 91%). Even though the Serbs are the majority population, this village and the whole eastern part of Serbia are very influenced by the traditions of the Vlachs, which are the largest minority in this area as well as in Zlot. The Vlachs are an ethnic minority who inhabit eastern part of Serbia and they are culturally and linguistically related to Romanians: they speak the dialects similar to ones in parts of western Romania that belong to a completely different language family from a Serbian and have a distinct local customs and traditions. Historically speaking, the Vlachs have never had their own country and today they live in five of the Balkan Peninsula countries (Greece, Albania, Macedonia, Serbia and Bulgaria), as well as in Romanian Dobrogea (Nowicka, 2016). This minority is highly assimilated into Serbian society, many of them are even considering themselves Serbs that speak the Vlach language, are bilingual in Serbian and Vlach languages, and adhering to the Eastern Orthodox Church, a religion which most Serbs are a part of. Having been highly assimilated into Serbian society did not affect Vlachs retaining their own culture and local traditions. Ethno-social values of the Vlachs can be seen as an authentic touristic product, only people with their cultural background can offer (Trišić, 2017).

Figure 2: Vlachs performing a traditional folk dance in traditional clothing

Source: Kud Petar Radovanović Zlot, 2013

Local traditions of the Vlachs have been attracting visitors for a long time. They are famous for performing a different kind of rituals for which they believe to have magic effects. In addition to mostly being Orthodox Christians, the Vlachs still keep on to some pagan customs, pre-Christian, Indo-European and Paleo-Balkan elements and so-called “white” and “black” magic. The spirituality this minority group poses is unique and one of the oldest ones in Europe. People from all around Serbia and Europe visit areas where the Vlachs live so they can use the power of their supposed magical talents (Ivkov-Džigurski et al., 2012). Besides these rituals, they also have different kinds of festivals. One of them is roughly translated as “Villages meet” where different villages with Vlach population compete with various performances: dancing, singing, recitals, performing different kinds of traditional performances. One of biggest festivals in eastern Serbia occurs in Zlot and attracts a lot of curious visitors.

3. Historical background of Xiaocang She Ethnic Township

Xiaocang She Ethnic Township is Fujian province’s oldest Ethnic Township. The village is located in Lianjiang County in the northwest of Aojiang in the middle reaches of the east side of the river. It is 48 kilometers from the city center of Fuzhou and 53 kilometers from Lianjiang County.

Figure 3: Map of Xiaocang She Ethnic Township

Source: Author, 2018

Tourism is an emerging industry in this village. Held since 2000 the "March three" black rice Festival, since the official opening of Yu Lake folk customs tour, received a total of more than 60 thousand tourists outside the province, a social output value of about 3,000,000 RMB, to promote the development of shipping, commerce, catering, planting and breeding industry. There are around 850 households in Xiaocang She Ethnic Township, with a total population of 4,073 people and distributed in 18 natural villages, with a total of 5 villagers committees and 38 villager groups. The total land area of the township is 60.4 square kilometers.

4. Local traditions of people in Xiaocang She Ethnic Township

As the name of this village says, it is a place with a strong influence of She Ethnic minority, a Chinese ethnic group, one of the 56 officially recognized by the People's Republic of China. They call themselves 'Hill visitors' or 'Shanha', which means they are visitors, but not native people to this area. The She is the largest ethnic minority in Fujian province. They are also present in the provinces of Zhejiang, Anhui, Jiangxi and Guangdong. Some descendants of the She also exist amongst the Hakka minority in Taiwan. During the Ming-Qing dynasties, they moved to and settled in the southern region of Zhejiang province and mountain districts in the Lower Yangtze region after they left their homeland in Northern Fujian province. It is theorized that the She were pushed out of their land by the Hakka, which caused them to move into Zhejiang, but a sizable amount of the She people are still living in Fujian province. They speak Shehua, an unclassified Chinese variety that has been heavily influenced by Hakka Chinese and they have their own traditions which are being kept until this day. Folk music is an essential part of She nationalities' culture which is performed during marriage ceremonies, traditional festivals and even when they are working in the field. "Three March" is a traditional festival of the She nationality. It is held every year the third day of the third month of the Chinese lunar calendar.

Figure 4: The She minority celebrating Three March festival

Source: Author, 2018

Its main activity is to go outside and eat black rice as to remember the ancestors, so this festival is also known as the "black rice Festival". In Tang Dynasty, the leaders of the She nationality, Lei Wanxing and Lan Feng, led the people of the She nationality to resist the ruling class at the time and were besieged by the Imperial Army on the mountain. To commemorate these solders people take March 3rd as a festival and eat "rice" to commemorate them. During the festival, dozens of families gather to celebrate, which attracts tourists to observe their traditional local customs. Today, She marital customs are much like those of the Hans. But under pre-1949 feudal conditions, parent-arranged marriages were common, as were outright sales of daughters. Brides' dowries usually included farm tools, bamboo hats and rain capes. The wedding ceremony was simple. The groom would go to the home of the bride's family for a feast. Finding the table empty, he would sing out what he wanted, calling for chopsticks, wine and traditional wedding food. At the end of the banquet, he would sing again, this time ordering the dishes to be removed. The cook in return would sing his songs with melodies of his own. The newlyweds would say prayers to their ancestors and bid farewell to the bride's relatives. With the groom in front, they would walk to his family's home, each holding an umbrella and singing in echo. The groom's parents would welcome them at the front door, completing the wedding ceremony. As the feudal landlord system evolved, parents and matchmakers became more important in making "correct" marriages; bride prices became exorbitant, and the poorest peasants were unable to afford marriage. Because of so many pre-arranged, loveless marriages, folk singing gatherings became a means for people to spend time with their lovers -- in defiance of the feudal marriage system.

5. Literature review

Rural tourism – an effective approach for revitalizing villages

In recent years tourism has become an important part of economies in many countries so scholars all over the world have been putting a focus on researching it. A big part of tourism, rural and eco-tourism have been emerging as a way for revitalizing villages, getting an infusion of money into the budget and offering tourists a completely different tourist experience. Rural tourism is one of the forms of tourism that incorporates aspects of sustainable development, environmental protection, development of entrepreneurship, both in direct activities and those related to the practice of this form of tourism traditions and customs, ancient and unspoiled (Balan & Burghelea, 2015).

Villages which are historically and culturally significant have an even better chance of success in tourism since tourists are quite interested in exploring different local customs and traditions. Rural tourism has been recognized as a tool for poverty reduction, but its effects on locals are still being discussed by scholars. Even there is a possibility that rural tourism is affecting locals in a negative way. Still, it is used by lots of governments as a way of improving the way of life of the locals. The most effective method of including locals in rural tourism is community participation or community-based action. A good partnership between village residents and outside developers would lead to sustainable dialogue for the growth of tourism and would also help the village residents (Gao & Wu, 2017) as where some authors put forward the connections between rural tourism and traditional ethnic identity which is being stringent by rural tourism and wish to preserve and present own culture and traditions (Silva & Lenar, 2015). Rural tourism in China has started developing quite late in comparison with the rest of the world but nowadays it has taken the primate due to the changing interest of the tourists (Guo & Sun, 2016). However, rural tourism is not in its beginnings only in China; in Serbia, rural tourism is at its infancy stage as well (Dimitrovski et al., 2012).

The empowerment of Zlot and Xiaocang village

Both of these villages even though in different continents have more than one similarity: minority culture is visible, and with good natural resources make a perfect combination for a good rural tourist destination. But even with these good conditions for making a good rural tourist destination they still have not reached their full potential. Better promotion of these villages and putting forward their special minority cultures would attract a lot of new tourists. It is not being said that now tourists are not visiting these villages but with better marketing, they have a potential of being leading ethnic rural tourist destinations in their regions. Following the example of some of the successful ethnic rural destinations, they can improve their facilities and offer tourists a completely new experience incorporating rural tourism, eco-tourism with the elements of the minority cultures, festivals and customs being both educational and fun. One of the successful examples which can be followed is Langde Miao minority village in Kaili, Guizhou province, China characterized by community guidance, public participation, and its work point system is known as the "Langde Mode" (Chen et al., 2016). Authors, Chen, Li & Li, in their paper explore empowerment of the villages as a great model of how to help locals and develop rural tourism in minority rural villages. But this is not the first time the empowerment models have been used in China. They were mentioned for the first time by Zuo (2009) and have been used in China for almost a decade now. This model can also be adopted by Zlot village in Serbia and Xiaocang village in Fujian, China, and help them improve their positioning as a minority rural tourist destinations. The empowerment of the villages is being described by some authors as a community participation which is the other term commonly used when discussing the development of rural tourism (Bao & Sun, 2008).

6. Conclusion

Both of the above-mentioned villages have similar characteristic and potential of rural tourism development. Using empowerment of the villages which has been used before in lots of cases of rural tourism these villages can develop better. Improve the economy of both village residents and the tourism industry and spread and conserve the local culture (Akama, 1996). Rural tourism can make the full use of natural and cultural resources possessed by these villages and it can optimize rural industrial structures which can be extended to agriculture, tourism services and what is also very important, increase the income of farmers and other village residents (Zhang, 2012). By using the so-called Langde Mode, modified to fit the villages of Zlot and Xiaocang, rural tourism in these villages can be improved largely.

The specific cultures these villages have are the main driving force which can attract both local and foreign tourists. Intangible cultural heritage is one of the driving forces in tourism offering tourists an opportunity to experience culture with its customs, rituals, beliefs, music, skills, crafts, oral literature and more. Minority cultures which can be experienced only in a limited number of places can offer a higher profitability of the tourism products of a certain destination (Filipović, 2018). The villages have a strong foundation for both rural and cultural tourism, which is the main way for cultural exchange, giving tourists experiences of the cultural and social life of the destination (Demirović et al., 2018). By using the intangible cultural heritage these minorities have, a strong brand image should be made in order to ensure good positioning of the tourist destination image (Blažević & Chen, 2018). The limitations of this paper are that it still does not offer a definite strategy for developing tourism in these villages but it offers a good overview of the current situation of the villages and some of the positive strategies that can be used as an example. Possible future research should include practical use in the means of in-depth strategizing and giving some corrective measures which can be implemented to better the lives of the local community, give them a good platform for preserving their cultural heritage and offering it to the tourists, so they can understand it better.

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A model for preparing manuscripts for submission to the journal Hotel and Tourism Management

Title of the paper in English

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[2] Institution
[3] Institution

Abstract: This document presents a model for preparing the camera-ready manuscripts to be submitted for publishing in the Journal of Hotel and Tourism Management. The abstract briefly summarizes the article, at the same time enabling a reader to assess its relevance. The author(s) should elaborate the goal(s) of their research or state the reason(s) for writing the paper. They are additionally required to describe the methods used during the research and give a brief description of the results and conclusions of the research. The abstract should be between 150 and 200 words long.

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JEL classification: 10 pt (http://www.aeaweb.org/jel/jel_class_system.php)

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Papers should be written **in English** using Microsoft Word for Windows. The minimum number of pages is **6** full pages, whereas the maximum number should not be higher than **10** full pages including the text, figures, tables, references list and appendices. The page should be formatted as **B5 (JIS)**. Allow **20mm** for the bottom and top margins and **25mm** for the left and right margins on a page. The line spacing within a paragraph is single whereas the spacing between two paragraphs is **6pt**. The text should be written using **Times New Roman** font. The maximum number of authors per paper is three.

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Materials and Methods section should provide a reader with sufficient details and argue all the necessary aspects in order to allow other researchers to replicate the research and build the published results.

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The results obtained in the research should be described in this section. The discussion should highlight the main findings.

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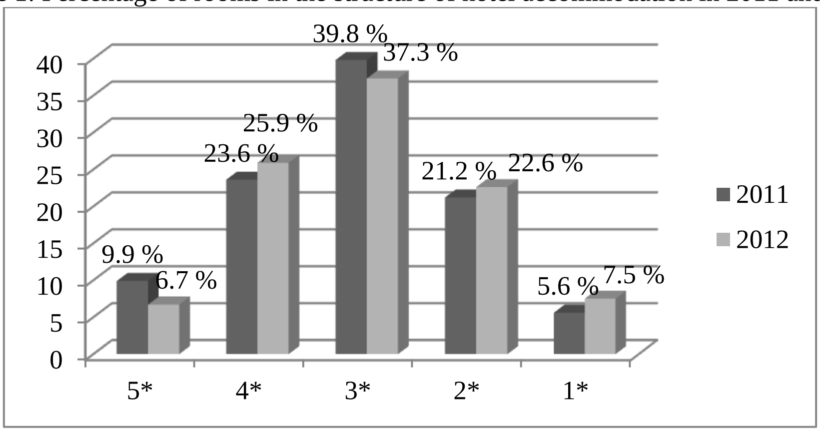
Figure 1: Percentage of rooms in the structure of hotel accommodation in 2011 and 2012



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$$\mathrm{PVo} = \frac{\mathrm{FVn}}{(1+\mathrm{i})^{\mathrm{n}}} \tag{1}$$

The name and number of tables should be centered above the table.

Table 1: Percentage of rooms in the structure of hotel accommodation in 2011 and 2012

Category	**2011**	**2012**	**Number of rooms (2011)**	**Number of rooms (2012)**
5*	9.9	6.7	1,452	990
4*	23.6	25.9	3,486	3,911
3*	39.8	37.3	5,895	5,636
2*	21.2	22.6	3,102	3,420
1*	5.6	7.5	1,133	1,132
Total	100	100	15,068	15,089

Source: Ministarstvo finansija i privrede, 2013

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5. Conclusion

Conclusion summarizes the results achieved during the research.

References

The reference list should not contain sources which were not used in the paper. All the sources mentioned in the paper should be hyperlinked to the corresponding sources in the bibliography (e.g.: Luque-Martinez et al., 2007). Authors should kindly note that all references must be provided in the original language, while the title of the references that have not been published in the English language should be translated and provided after the original title, in square brackets.

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