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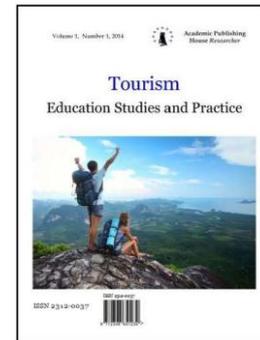
Published in the Russian Federation
Tourism Education Studies and Practice
Has been issued since 2014.

ISSN: 2312-0037

Vol. 1, No. 1, pp. 11-22, 2014

DOI: 10.13187/issn.2312-0037

www.ejournal10.com



State Support for Development of Agritourism Entrepreneurship in AP Vojvodina (Serbia)

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Abstract. Small tourism enterprises are confronted with many obstacles that slow down their development, hence external support is of great importance for their work. The lack of state support in the form of incentive funding, training and promotion rise on uncertainty about small tourism enterprises survival. The possibility to obtain financial support and favourable bank loan is one of the key factors determine success or failure of a new business venture.

The aim of this paper is to examine the way relevant Ministries have provided financial support for agritourism development up to now, as well as to examine the effect of the support on the viability of tourism businesses in rural areas of AP Vojvodina. A qualitative study of randomly selected rural entrepreneurs showed dissatisfaction with the current method of funding agritourism development; hence they do not see a future for their companies. Further financial support with more appropriate networking of all stakeholders will provide the basis for growth of tourism businesses in rural areas.

Keywords: financing support, small tourism entrepreneur, rural tourism, AP Vojvodina, Serbia

Introduction.

In rural areas of Europe, rapid economic changes are occurring in recent decades, primarily because of declining profitability of the agricultural sector and the lack of additional sources of income (Niskanen et al., 2007). Rural tourism is widely recognized as a special development potential, representing a diversification method of economic activities in the rural environment and a stabilization factor of the rural population. Its development may contribute to the attenuation of mismatches between various areas, also representing an incomes' increase source for the rural population (Balteş, Ciuhureanu, 2009). An often-overlooked fact in the debate about economic development of rural areas via tourism is that its promotion is synonymous with small-

business promotion and the industry is heavily characterized by small, family-centred enterprises (Fleischer, Pizam, 1997).

At the end of 20th century much of the research on small tourism firms has been carried out in Europe and focused on rural tourism, with a particular emphasis on the accommodation sector (Evans, Ilbery, 1992; Lynch, 1998). Small tourism firms are often less visible than larger ones in urban and resort environments, and have received little attention in these contexts (Williams, 2000; Ateljevic, 2007).

Ateljevic (2007) emphasizes that research on small tourism firms has been limited by a paucity of primary and secondary data and by the challenges that the diversity of small firms presents. Despite the large numbers of such businesses, it is only in recent years that small tourism enterprises have started to attract attention from researchers and a small but growing literature dealing with the characteristics and needs of this sector has emerged (Andriotis, 2003; Morrison, Rimmington, Williams, 1999; Thomas, 2004).

Practice has shown that one of the most important characteristic of small and medium-sized enterprises in general is their efforts to overcome difficulties in providing themselves with financing assets for their survival, growth and development. Vos, Yeh, Carter and Tagg (2007) emphasize that the finance gap hypothesis suggests that small firms suffer from a shortage of finance and that informational asymmetry is the likely cause of this problem. It is particularly conspicuous in transitional countries that are facing considerable challenges in terms of uncertainties such as availability of financial resources, business profitability and market trends as well as solving problems of uneven profit distribution.

An organized approach to development of rural tourism in Serbia begun three decades ago and it was recognized as a generator of rural development (Veselinović, Sevarlić, Todorović, 2007). There is plenty of domestic literature highlighting the importance of rural tourism in the function of the revitalization of the village, focusing on the challenges of the environment (Štetić, Šimičević, 2008; Stanković, 1995). AP Vojvodina is a part of Serbia with the most developed small and medium-sized entrepreneurship in the field of agribusiness (Popović, Maletić, 2008) representing a specific form of traditional agricultural holdings increasingly involved in tourism – salaš.

Despite the fact that in the period from the year 2000 to the appearance of the first effects of the global financial crisis in 2009, the small business sector was the most efficient segment of Serbian economy (Erić et al., 2012) and it is well accepted both among academicians and policy makers that these enterprises play an important role in community development.

The aim of the paper is to highlight the importance of incentive funds of further development of rural tourism on the whole territory of Vojvodina. Furthermore, the analysis of the responses of people who are involved in tourism should be beneficial to the competent Ministries and Secretariats in planning future projects in order to overcome the problems and easier dealing with the challenges that may affect the business entities involved in rural tourism.

Materials and methods.

Data collection incorporated two sources recognized in qualitative research: interviews and consultation of secondary sources. Data were collected via semi-structured in-depth interviews with four randomly selected agritourism entrepreneurs in November 2013 after the course “Agriculture and tourism” which was held in Novi Sad (AP Vojvodina). Interviews were flexible in style and encouraged open discussion. The interviews were recorded. The questions were open-ended and focused on the following questions:

1. How did you heard about the tender for incentive resources allocation for rural tourism?
2. What was, in your opinion, the main deficiency of the tender?
3. Have you applied for grants and if you got them how did you use them?
4. What the financial resources mean to you?

A wide range of secondary sources were used. Authors used literature about rural tourism in AP Vojvodina, indicating its current state. Furthermore, the study applies data on past allocated financial resources for encouraging rural tourism from Ministry of Agriculture, Forestry and Water Management, Ministry of Economy, Province Secretariat for Agriculture, Employment and Gender Equality in AP Vojvodina.

Small tourism business as a factor of development of rural areas.

Street and Cameron (2007) interpreted that a small business is an independently owned and operated enterprise and has relatively fewer resources than other companies in its market. In this statement can be recognized some difficulties that small business are facing. On the other hand, small business may have greater flexibility and are faster at adapting and responding to changes (Aragón-Sánchez, Sánchez-Marín, 2005).

Small businesses are especially dominant in tourism industry where they make 95% of all tourism business (Middleton, 2001) and they are especially visible in the rural tourism sector (Nordbø, 2009) where entrepreneurs can develop special personal relationships with customers.

Main determinants of small agritourism business are:

- supplementary business,
- family business and women,
- remoteness and location,
- independence and informality,
- support by organizations (Do, 2010).

Small business and individual motivation of the business's ownership are closely related. Although the financial benefits are the main reason for starting a tourism business, non-economic reasons, like dislike of previous occupation, desire for a better lifestyle, have a great influence (Komppula, 2004).

Small tourism businesses in rural areas are often family-run and women play a significant role (McGehee, Kim, Jennings, 2006). According to the same authors, there are differences between businesses run by men and women. Men are more motivated to invest in tourism in order to increase income, while women are more focused on reducing costs by family employment.

For the competitiveness and even viability of the business, location play central factor. A significant distance from the closest city, a lack of infrastructure may reduce the attractiveness of the destination among city dwellers.

One of the important characteristics of agritourism business is that they are dependent on their own resources and are responsible for all customer services (Dahles, Bras, 1999). Usually, process of making decision is characterized by informality, but this might be advantageous since a small tourism business is easier to establish than a larger one or new ideas may be quickly applied (Aragon-Sanchez, Sanchez-Marin, 2005).

Outside support for agritourism business is very important since it could be one of the reasons for the failure. Lack of investment, lack of training and experience and ineffective marketing could be the reason for termination of the business or barriers to entry on tourist market (Sharpley, 2002).

Rural tourism in AP Vojvodina and characteristics of agritourism entrepreneurs.

The development of tourism activities in the villages of AP Voivodina began in the late 70's of the last century. Although it has a long tradition, development of rural tourism is still uncoordinated with imprecisely defined development priorities.

According to Tourism development strategy of Serbia (for the period 2005-2015, adopted in 2006.) rural tourism is recognized as one of six key tourism products of AP Vojvodina.

Products in rural tourism in Vojvodina are represented by the offer of:

1. Farms (salasz). Farm tourism is a term denoting the tourist offer in Vojvodina farms, as a specific form of traditional agricultural holdings (Ćurčić, Bjeljac, 2008). Farms are authentic products of Serbian rural offer because they offer a unique experience of life on isolated farms in a traditional way. There is no exact information about the number of farms adopted for tourism - it is assumed that there are about 30 such farms and the most attractive are located close to major cities such as Sombor, Novi Sad, Bečej, Subotica and Srbobran.

2. Tourist villages. In recent decades, rural settlements in addition to their traditional activities – farming, even more develop its tourism and recreational functions (Čomić, 2001). There are no significant data on the total number of villages and households that are engaged in tourism what makes it difficult to codify rural areas as well as tourist sites. Rural tourism can contribute to the conservation of the rural environment and its cultural heritage, but also to

economically motivate local people for staying there and dealing with, among others, traditional crafts. This type of tourism could significantly contribute not only to nature protection but also to providing funds for scientific research of specific sites.

3. Rural architecture. The original house in AP Vojvodina was build of mud and covered with reeds, but other details were added over time. These houses became unique to this part of the Pannonia Basin and one of the most remarkable forms of material creation. Villages which contain these houses got a particular cultural significance, and in the next period their significance should extend to touristic (Vasić, Turnšek, 2004).

4. Ethno houses. Ethno house was built in traditional style of not only Serbian folk architecture, but also architecture of people of other ethnic minority (Slovak, Hungarian...) in Serbia. Its main function is to preserve traditional agricultural activities, based on multiethnicity, folklore, as well as customs and thus represent the cultural heritage of a specific group of people (Gavrilović, 2008). Ethno houses contribute to conservation of tangible and intangible traces of local culture (Deacon et al., 2004) and they reflect the struggle of the local community with the process of globalization. In the territory of Vojvodina, there are a number of more or less adopted ethno-houses for tourism purpose.

5. Rural tourism events. Annual tourism events have become means to revitalize local economies in rural communities (Irshad, 2011; Lo, Lai, 2003). In AP Vojvodina rural tourism offer is presented through commercial events of folklore and ethnography. Permanent changes in structure and quality of their supply as well as application of appropriate technological innovation have a significant impact on improving the quality of tourist events (Košić, 2012).

According to previous conducted research (Košić, 2012), agritourism entrepreneurs are small family farms, which mostly employ up to two members of the household, or 3 to 5 family members. The main activity of the households is agriculture, while tourism is an additional activity, and small number of them is primarily engaged in tourism. Rural tourism in Vojvodina is still in its infancy, since the majority of households began their work between 2003 and 2008. A great number of households are still not appropriately categorized. Furthermore, more than half of households included in the study are not a member of any association. Considering touristic offer of the households in Vojvodina, most of them (48 of 70) offer accommodation, but the rest only food services. They sails their products and services through travel agencies (66%) or on their own (34 %). Among the activities available to tourists, the most common are excursion trips and walks in the surrounding area, recreational activities, participating in work of the host and creative workshops. These activities are meant mostly for all structures of visitors, while small number of homesteads has offer aimed firstly for school children (9 %) and 23 % for the others (youth, families, older people etc.).

Analyzing all the characteristics of rural tourism in Vojvodina, the following benefits can contribute to better development of this type of tourism:

- Exceptional geographical location – AP Vojvodina is located at the crossroads of major international routes and the region is well available at the national level and has developed road and railway infrastructure;
 - Multi-ethnic culture, which enhances the level of attractiveness of the rural tourism product (folk heritage of different nations and ethnic groups - Hungarians, Romanians, Slovaks, Serbs and others);
 - Rich tourist offer – farms, rural households, rural events, ethno-houses, protected village architecture;
 - Gastronomy offer – Vojvodina specialties which are well known in the national and inter-regional frameworks;
 - Low cost services in rural tourism in comparison to neighbouring countries.
- On the other side, there are some deficiencies that need to be solved:
- Undeveloped rural infrastructure (roads, telephones, water and sewerage networks to villages and the farm settlements);
 - Lack of tourist infrastructure in the villages;
 - Poor legislation in the field of tourism, for which no categorization of many rural households was performed;
 - Low level of education of the rural population and the poor quality of education in rural areas;

- Lack of funding for the realization of program in the field of tourism;
- Marketing is not on a high level, especially promotion;
- Lack of horizontal coordination and weak networking of institutions of tourism.

Financial support of the state for developing rural tourism in AP Vojvodina and Serbia.

In the period from 2006 to 2013, financial support of the state for the development of rural tourism in AP Vojvodina and Serbia was realised through:

- (a) non-refundable grants – subsidies from Ministry of Agriculture, Forestry and Water Management;
- (b) non-refundable grants – subsidies from Ministry of Economy (previously Ministry of Finance and Economy);
- (c) loans which Ministry of Economy approved via the Development Fund of the Republic of Serbia;
- (d) non-refundable grants-subsidies from Provincial Secretariat of Agriculture, Water Management and Forestry of AP Vojvodina;
- (e) non-refundable grants-subsidies from Provincial Secretariat of Economy of AP Vojvodina (Pejanović, Radović, 2013).

Ministry of Agriculture’s financial support for developing rural tourism from 2006 to 2010 was demonstrated through agrarian budget subsidies (Table 1.). The Ministry granted the subsidies for building and adaptation of old village houses, restoration of authentic rural buildings (mills and wine cellars), acquisition of the equipment, and promotion of rural tourism and events held in rural areas. Also, subsidies could be used for purchasing raw and processed materials and equipment necessary for preservation of old crafts. For these subsidies the right to apply had registered owners of the farms, agricultural cooperatives, entrepreneurs, associations and professional services and churches and monasteries.

The share of the realized subsidies in agrarian budget in the first three years (2006-2008) was closely at the same level, while in 2009 there was a rise in the share. Although it was set aside more funds to boost rural tourism development in 2009, the agricultural budget decreased by 12% in comparison to the previous year. In 2011 and 2012 there was no budget allocated for the development of rural tourism, while in 2013 the Government adopted *The Regulations on Incentives for improvement of rural economy through support to non-agricultural activities**.

Table 1. Subsidies for development of rural tourism, Ministry of Agriculture, Forestry and Water Management

YEAR	AGRARIAN BUDGET FUNDS FOR DEVELOPMENT OF RURAL TOURISM	REALISED FUNDS FOR DEVELOPMENT OF RURAL TOURISM	AGRARIAN BUDGET	SHARE OF REALISED FUNDS IN AGRARIAN BUDGET (%)
2006	-	27,827,116 RSD	23,593,481,000 RSD	0.11
		352,242 EUR	298,651,658 EUR	
2007	40,000,000 RSD	27,028,686 RSD	21,410,029,000 RSD	0.12
	504,820 EUR	341,115 EUR	270,205,146 EUR	
2008	40,000,000 RSD	36,724,413 RSD	27,634,337,342 RSD	0.13
	451,462 EUR	414,492 EUR	311,896,450 EUR	
2009	59,000,000	58,685,782 RSD	15,964,071,000 RSD	0.36

* Rules on incentives for improving economic activities in the countryside through support for non-agricultural activities, Official Gazette of the Republic of Serbia no. 81/2013.

	RSD			
	615,296 EUR	612,019 EUR	166,485,252 EUR	
2010	80,000,000 RSD	Data not available	20,572,438,000 RSD	-
	758,307 EUR	-	195,002,740 EUR	
TOTAL	219,000,000 RSD	150,265,997 RSD	109,174,356,342 RSD	0.13 (without 2010)
	2,329,885 EUR	1,719,868 EUR	1,242,241,246 EUR	

Source: Ministry of Agriculture Forestry and Water Management of the Republic of Serbia.

Note: The authors calculated the amounts in euros according to the middle exchange rate of NBS on the last day of the observed year

Ministry of Economy has been granting subsidies and grants for developing rural tourism since 2007 (Table 2.) for promotion, improvement of the quality of tourist offer, education in rural tourism and infrastructural projects in the municipalities. Approved funds are used mostly for infrastructural projects (90.11%), and the rest for promotion and education projects.*

Table 2. Subsidies for development of rural tourism, Ministry of Economy

YEAR	TOTAL OF SUBSIDIES AND GRANTS FOR TOURISM	SUBSIDIES AND GRANTS FOR RURAL TOURISM	SHARE OF SUBSIDIES FOR RURAL TOURISM IN TOTAL SUBSIDIES FOR TOURISM (%)
2007	460,608,705.30 RSD	330,970,164.70 RSD	71.85
	5,813,109.47 EUR	4,177,007.03 EUR	
2008	1,189,440,245.74 RSD	989,610,098.25 RSD	83.19
	13,424,681.95 EUR	11,169,288.13 EUR	
2009	708,165,868.00 RSD	431,123,711.00 RSD	60.87
	7,385,282.41 EUR	4,496,079.94 EUR	
2010	458,815,194.18 RSD	391,327,728.18 RSD	85.29
	4,349,033.39 EUR	3,709,330.86 EUR	
2011	787,340,608.76 RSD	684,515,608.76 RSD	86.94
	7,524,214.80 EUR	6,541,568.44 EUR	
2012	525,953,800.00 RSD	377,549,800.00 RSD	71.78
	4,625,058.59 EUR	3,320,044.35 EUR	
2013	427,742,955.00 RSD	81,000,000 RSD	18.94
	3,719,503.96 EUR	704,347.96 EUR	
TOTAL	4,558,067,376.98 RSD	3,286,097,110.89 RSD	72.09
	39,635,368.49 EUR	28,547,757.49 EUR	

Source: Ministry of Economy of the Republic of Serbia.

Note: The authors calculated the amounts in euros according to the middle exchange rate of NBS on the last day of the observed year

Also, Ministry of Economy has been granting loans for development of rural tourism for improvement of quality in tourist offer (Table 3). Registered farms, small and medium enterprises

* Data from Ministry of Economy of RS

have the right to apply for the loans. The minimal amount of the granted loans for farms and entrepreneurs is 500,000 dinars, while the amount of the loans for small and medium enterprises is 2 millions dinars. The loans are granted with the annual interest rate of 1% indexed, with the repayment period of 72 months (Pejanović, Radović, 2013).

Based on available data, it can be concluded that the amount of loans placed for the development of rural tourism was reduced by 88% in 2012, compared to the amounts placed in 2008.

Table 3. Loans for the development of rural tourism, Ministry of Economy and Development Fund of the Republic of Serbia

YEAR	LOANS FOR THE DEVELOPMENT OF RURAL TOURISM (RSD / EUR)	DEVELOPMENT FUND LOANS FOR DEVELOPMENT OF TOURISM AND HOSPITALITY INDUSTRY (RSD / EUR)	LOAN SHARE PLACED IN DEVELOPMENT OF RURAL TOURISM WITHIN TOTAL NUMBER OF LOANS FOR DEVELOPMENT OF TOURISM (%)
2008	55,500,000 RSD	861,900,000 RSD	6.43
	626,403 EUR	9,727,881 EUR	
2009	57,600,000 RSD	1,170,150,000 RSD	4.92
	600,696 EUR	12,203,198 EUR	
2010	25,550,000 RSD	775,633,000 RSD	3.29
	242,184 EUR	7,352,097 EUR	
2011	4,800,000 RSD	667,547,502 RSD	0.71
	45,871 EUR	6,379,413 EUR	
2012	6,814,672 RSD	624,202,852 RSD	1.09
	59,926 EUR	5,489,027 EUR	
TOTAL	150,264,672 RSD	4,099,433,354 RSD	3.66
	1,575,080 EUR	42,151,616 EUR	

Source: Ministry of Economy of the Republic of Serbia.

Note: The authors calculated the amounts in euros according to the middle exchange rate of NBS on the last day of the observed year

The Provincial Secretariat for Agriculture, Water Management and Forestry of AP Vojvodina has been financially supporting the development of rural tourism since 2006 (Table 4.) for the restoration of traditional rural households, farms, construction and adaptation of premises necessary for tourism, as well as for the acquisition of equipment needed in hospitality industry and rural tourism. The subsidies were not granted only in 2009.*

Table 4. Subsidies for the development of rural tourism, Provincial Secretariat for Agriculture of AP Vojvodina

YEAR	GRANTED SUBSIDIES FOR DEVELOPMENT OF RURAL TOURISM	THE TOTAL BUDGET OF THE SECRETARIAT FOR AGRICULTURE	SHARE OF GRANTS FOR RURAL TOURISM IN THE TOTAL BUDGET OF SECRETARIAT FOR AGRICULTURE (%)
2006	50,040,827 RSD	986,039,625 RSD	5.07
	633,428 EUR	12,481,514 EUR	
2007	35,000,000 RSD	821,438,354 RSD	

* Data from The Provincial Secretariat for Agriculture, Water Management and Forestry of AP Vojvodina

	441,717 EUR	10,366,958 EUR	4.26
2008	37,691,532 RSD	1,444,563,547 RSD	
	425,408 EUR	16,304,145 EUR	2.61
2009	-	2,493,532,793 RSD	
		26,004,422 EUR	-
2010	70,000,000 RSD	2,556,176,614 RSD	
	663,518 EUR	24,229,576 EUR	2.73
2011	47,400,000 RSD	3,705,377,863 RSD	
	452,978 EUR	35,410,417 EUR	1.27
2012	90,000,000 RSD	3,891,297,168 RSD	
	791,429 EUR	34,218,742 EUR	2.31
TOTAL	330,132,359 RSD	13,404,893,171 RSD	
	3,408,478 EUR	133,011,352 EUR	2.46

Source: Provincial Secretariat for Agriculture, Water Management and Forestry of APV

Note: The authors calculated the amounts in euros according to the middle exchange rate of NBS on the last day of the observed year

The Provincial Secretariat for Economy of AP Vojvodina, invested the total of 306,7 millions of dinars in tourism development on the territory of the Autonomous Province of Vojvodina (Table 5) from 2007 to 2013. Overall investments could be regarded as the investment in different forms of rural tourism.

Table 5. Subsidies for development of tourism, Provincial Secretariat for Economy of AP Vojvodina from 2007 to 2012

YEAR	SUBSIDIES FOR DEVELOPMENT OF TOURISM IN AP VOJVODINA	
	RSD	EUR
2007	110,000,000	1,388,254
2008	55,250,000	623,582
2009	52,600,000	548,552
2010	2,850,000	27,015
2011	25,500,000	243,691
2012	60,500,000	532,016
2013	77,500,000	673,913
TOTAL	384,200,000	4,037,023

Source: Provincial Secretariat for Economy of AP Vojvodina

Note: The authors calculated the amounts in euros according to the middle exchange rate of NBS on the last day of the observed year

Findings and recommendations.

As previously indicated, the research was accomplished through the analysis of the experiences of four representatives of families autonomously involved in rural tourism. Among the interviewed people, there were two females and two males and their ages ranged from 35 to 55 years.

The core elements collected through the interviews are now presented.

Question no.1 (*How did you hear about the tender for incentive resources allocation for rural tourism?*) aimed at exploring the most common source of information about available financial resources. The responses revealed that prevailing form of promotion is word-of-mouth. However it is obvious that they have little or no access to the certain information. The majority of respondents indicated that they were informed thanks to "the right people in the right place at the right time".

Respondent no. 1 *"I have heard about the tender accidentally on a teaching related to improvement of tourism product in agritourism. I could not believe that it has existed for several*

years, and many of us who are dealing with the business and to whom the funds were intended actually did not know anything about it. "

Furthermore, the answers indicated that there is low computer usage in their daily operation.

Respondent no. II *"I was informed about the fund thanks to my neighbour who was employed in the Secretariat. I don't have a computer and I would have missed the tender if she hadn't told me about it. You obviously have to know the right people just to get the information."*

Question no. 2 (*What was, in your opinion, the main deficiency of the tender?*) was directed to understand the most common difficulties in application process participants dealing with. Respondents no. I and II justified their opinion about application deadline which was too close. However, insufficient knowledge of the procedure to apply, particularly writing projects and documentation preparation is their considerable disadvantage.

Respondent no. III *"I did not know how to write a project that was a part of required documentation. I think that's why I was refused. Someone should train us how to write even the simplest project, or at least we need someone who will help us to do it."*

This suggests that training and technical assistance programmes designed to assist families would be beneficial in order to generate new enterprises and reinforce those already existing. They agreed that for further development of rural tourism to be achieved, more government support was needed, at least at early steps of their endeavour, so more families could benefit from tourism.

Respondent no. IV *"First of all, disadvantage is that only few people know about the competition. Second, as I noticed the same areas always receive funds, so the others do not have a chance to develop themselves. Also, they should approve the funds for other purposes, not just construction and renovation."*

Question no. 3 (*Have you applied for grants and if you got them how did you use them?*) was used in order to find out what was the most common reason of taking the resources. All respondents have applied for incentives in order to adopt existing facilities for tourist's accommodation or for completing construction of wine cellar. Two of four respondents did not receive the funds; to one respondent funds have been approved after his second application. Respondents who did not get the funds were very discouraged.

Respondent no. I: *"I have applied for grants two times and both times I was refused. It was very discouraging. I could not finish the building I have started to build... I was thinking to give up on tourism business. However, with the support of my family, I took a loan with high interest rate, but I had no choice. Fortunately, the investment paid off. "*

Respondent no. II: *"I have applied for grants only once and did not receive the funds. I was disappointed. This is the only support for those of us who are dealing with rural tourism. Banks are not interested in supporting small firms because it is very risky. "*

Both respondents started with their business at the time, and they needed a significant financial investment in order to adopt existing facilities for tourists. Their savings and current earnings were not enough, so they had to seek additional funds. Respondents no. I and IV had to take loans from commercial banks.

Respondent no. IV: *"I got the funds, but much less than I expected. I had to take a loan additionally."*

Commercial banks offer loans to finance small and medium-sized enterprises, but under very unfavourable conditions, i.e. high interest rates because of the risk profile of these companies. These circumstances reduce the number of those who would start their own business or lead to closure of existing businesses due to inability to repay the loans.

Due to modest financial opportunities, the incentive funds are considered as an important support in starting or expanding business that the respondents in the study could provide with additional revenue and better living conditions for themselves and their families.

Question no. 4 (*What the financial resources mean to you?*) was used to obtain the respondents' perception of importance of the incentive resources for future business. Answers to this question may be useful for planning future activities by relevant Ministries. Due to abolishment or reducing the amount of financial incentives, the respondents cannot see the future for their business and further development of rural tourism in the place of their residence. Respondents no. I and IV said:

„As I heard, the future of these funds is very uncertain, indicating that the state is slowly giving up on investing in countryside and tourism. This is a bad sign for those of us who are dealing with rural tourism, a sign that our business has absolutely no perspective. “

„I have heard that the incentives provided by state are abolished. That’s not good. Everybody keeps talking about necessity for village development. As tourism is one of the ways to improve living in local communities, abolishment of the support sends a bad message. State requires us money and gives us nothing. “

There is still no clear direction for rural tourism development in Vojvodina. Those who deal with it are faced with many problems. In addition to financial one, other forms of support are required, such as education. Respondent no. 3 said:

„...Rural tourism is at the beginning and we need encouragement, we need someone to direct us, who will help us. We cannot do it alone. “

Various internal and external factors affect the business of small tourism enterprises in rural areas, and financial difficulties are one of the key problems they are facing with. Due to abolition of financial incentives for rural development or funds permanent reduction from year to year, the majority of small tourism enterprises are forced to finance from its own resources. On the one hand, it reduces the ability of these companies to grow and more easily adopt changes in tourism market, what increases financial risk. On the other hand it can be a significant barrier for those who want to start a business and do not have sufficient resources.

Conclusion.

This work contributes to understanding importance of state support to small and medium-sized tourism enterprises in rural areas in AP Vojvodina. The current funding of relevant government authorities was analyzed as well as opinions of agritourism farms owners on the importance of the support for establishment and further operation of small tourism enterprises.

Results are discouraging, since the state support for rural tourism development has been declining steadily, and even abolished in some cases. It may threat small businesses or even lead to its failure. A better communication between all stakeholders is required. If participants involved in tourism industry are not provided with information about possible resources or do not know how to obtain them, this kind of support will have no sense. In addition to financial, it is necessary to provide a support in the form of training for owners and their employees as well as conditions for effective marketing.

It turned out that financial state support is one of the main factors for vitality of small tourism businesses in rural areas so it is essential to ensure its constancy in the future. Elimination or reduction of the benefits hinders rural development and leads to the question “Who will develop agritourism in the future”.

Future research on state support for agritourism in Serbia should focus on what are the true reasons underlying financial constraints. Are the authorities fully aware of real economic consequences of neglected form of support for small rural businesses in tourism? All these scientific works will provide a comprehensive understanding of crucial role of state support in the viability of tourism businesses in rural areas, and help relevant authorities to identify and explore appropriate strategies for overcoming current transitional challenges.

Acknowledgments.

Paper is a part of research within the project no. III 46006 - Sustainable agriculture and rural development in the function of accomplishing strategic objectives of the Republic of Serbia in the Danube region, financed by the Ministry of Education, Science and Technological Development of the Republic of Serbia. Project period: 2011-2014. The authors thank Ministry of Agriculture, Forestry and Water Management, Ministry of Economy, Provincial Secretariat of Agriculture, Water Management and Forestry of AP Vojvodina and Provincial Secretariat of Economy of AP Vojvodina for providing all necessary data.

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Государственная поддержка развития агротуристического предпринимательства в Автономном Краю Воеводина (Сербия)

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Аннотация. Небольшие туристические предприятия сталкиваются с многочисленными препятствиями, которые мешают их развитию, а их внешняя поддержка имеет большое значение. Отсутствие внешней поддержки в виде финансовых стимулов, обучение и продвижение ставят под вопрос выживание малых предприятий туризма. Возможность получения финансовой поддержки и благоприятных банковских кредитов являются одними из ключевых факторов, определяющих успех или неудачу нового венчурного бизнеса.

Цель статьи заключается в происходящем сейчас обсуждении ответственным министерством условий по оказанию финансовой поддержки для развития сельского туризма, а также для изучения влияния финансовой поддержки, как бизнес-среды на жизнеспособность туристического бизнеса в сельских районах края Воеводина. Исследование отдельных сельских туристических предпринимателей показало недовольство существующим способом финансирования развития сельского туризма, и они не видят будущего для своих предприятий. Дальнейшая финансовая поддержка и лучшие связи сетей всех заинтересованных сторон будут служить основой для жизнеспособности туристических предприятий в сельской местности.

Ключевые слова: финансирование поддержки; предприниматель небольшого туризма; сельский туризм; АК Воеводина; Сербия.