

**RURAL TOURISM DEVELOPMENT AND HOW TO FINANCE IT:
COOPERATION OF MUNICIPALITIES IN THE REGION**

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We want to explore the potential benefits of rural tourism development in the narrow area between the rivers Drava and Bilogora in the heart of Podravina in Croatia. Important topic is in what ways it is possible to finance such tourism development in a rural area, where tourism does not have its tradition and where the majority of the population is still engaged in agricultural production. Rural areas have extremely excellent development potential. On the one hand, this is due to their underutilization in terms of tourism. On the other hand, the desire, need, and ultimately the European Union policy is such that in non-industrialized areas through various Development Funds, it encourages tourism development to maintain population and equalize the level of development of all areas in the territory of the Union. The results we have collected show that at least in the area of the Dravski Peski Tourist Board, intensive education is needed because the potential certainly exists, but we do not think people know how to use it. Once this population's education is carried out, we think that there is an excellent opportunity for the development of rural tourism in Podravina.

Key words: *rural tourism, EU Development funds, rural areas, cooperation between municipalities.*

**РАЗВИТИЕ СЕЛЬСКОГО ТУРИЗМА И СПОСОБЫ ЕГО ФИНАНСИРОВАНИЯ:
СОТРУДНИЧЕСТВО МУНИЦИПАЛЬНЫХ ОБРАЗОВАНИЙ РЕГИОНА**

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Мы хотим изучить потенциальные выгоды развития сельского туризма в узком районе между реками Драва и Билогора в самом сердце Подравины в Хорватии. Важной темой является вопрос о том, каким образом можно финансировать такое развитие туризма в сельской местности, где туризм не имеет своих традиций и где большинство населения все еще занято сельскохозяйственным производством. Сельские районы обладают чрезвычайно высоким потенциалом развития. С одной стороны, это связано с их недоиспользованием в плане туризма. С другой стороны, желание, потребность и, в конечном счете, политика Европейского союза таковы, что в неиндустриальных районах через различные фонды развития он поощряет развитие туризма для поддержания численности населения и выравнивания уровня развития всех районов на территории союза. Результаты, которые мы собрали, показывают, что, по крайней мере, в области туристического совета Дравски Пески, интенсивное образование необходимо, потому что потенциал, безусловно, существует, но мы не думаем, что люди знают, как его использовать. Как только будет проведено обучение этого населения, мы думаем, что есть прекрасная возможность для развития сельского туризма в Подравине.

Ключевые слова: *сельский туризм, фонды развития ЕС, сельские районы, сотрудничество между муниципалитетами.*

Introduction

The research aims to show the development opportunities that municipalities bring to their cooperation. It is our opinion that there are many such opportunities, and only some of them are the development of all forms of tourism, in order to develop tourism conditions first of all the development of all other parts which then enable the realization of income. Primarily, we mean the development of road connections with cities and main roads, construction, and modernization of public infrastructure, the arrangement of settlements, development of enological and gastronomic offer based on local products. Furthermore, one of the goals is indeed to show how and to what extent this development can be financed from various development funds so as not to burden the budgets of local units further.

Using only a qualitative or quantitative research strategy cannot provide sufficiently precise data based on which it is possible to draw relevant and credible conclusions that will be able to answer the questions that we will address when designing the research. Thus, when preparing the paper, we plan to apply both strategies, the combination of which we will obtain a sufficient amount and quality of data to conclude.

In preparing the theoretical part of the master's thesis, we plan to do research based on secondary data (articles, studies, strategies, decisions, and laws). In addition to these data, and to have relevant data directly related to the issue of inter-municipal cooperation, we plan to conduct interviews with mayors or presidents of municipal councils that founded the Tourist Board of Dravski Peski and its expert leader who coordinates its work. We think that without these interviews, it is not possible to draw credible conclusions and, at the very end, give constructive suggestions on how and in what way to improve the work of the Tourist Board of the Dravski Peski area.

In addition to the theoretical part of the research, we plan to conduct empirical research. We want to use a survey questionnaire to survey respondents living in the area covered by the Tourist Board of the Drava Sands. The questionnaire will consist of a demographic part and a part in which we want to examine the familiarity of the population with the cooperation of municipalities, and their opinion on what should be done to enrich the tourist offer and generally raise the quality of life. We will survey social networks, and we believe that in this way we will be able to collect a sufficient number of completed questionnaires, which will be filled out by all demographic groups, and thus it will be possible to obtain satisfactory results from this research.

Theoretical background – Types of tourism offered by the Tourist Board of the Dravski Peski

Rural tourism: The Rural Development Program of the Republic of Croatia 2014-2020 was approved on May 26, 2015, and, according to its classifications, the whole of Croatia is a rural area, except for the Croatian cities of Zagreb, Rijeka, Osijek, and Split. According to research conducted to compile this program, rural tourism in Croatia is underdeveloped, mainly due to the orientation towards coastal tourism and insufficient affirmation of domestic gastronomy and winemaking (Dobrota, 2015). Given that in addition to these large cities, the entire area of the Republic of Croatia is defined as rural, it is logical that there are high potentials for the development of tourism in it. Unfortunately, all the relevant data show that this is not the case. Far more is developing tourism in the coastal area and on the coast, while continental rural areas are neglected, primarily due to the inability of investors to achieve fast and high returns. The coastal area itself attracts tourists, while the continent requires a lot more work and investment of both time and money. In the absence of large hotel chains, branding and destination management are taken over by local tourist boards, which then, in cooperation with family farms, small wineries, and general lovers of their area, create a tourist offer and present it on the market.

Adrenaline tourism: Adrenaline has a lot to do with tourism. Apart from the fact that many guests are looking for excitement and activities on vacation, tourism is an adrenaline job. Seasonal crowds and daily communication with different people bring unforeseen situations, so they often bring adrenaline into the host (Dobrota, 2017). Adrenaline and active tourism have a lot in common. They are mostly aimed at younger tourists, but they can also be suitable for active holidays for all age groups. The continental part of the Republic of Croatia is an ideal area for cycling tourism development, due to the existence of many excellent cycling routes that connect rivers and hilly areas and pass through dense deciduous forests. In addition to cycling, it is possible to use the rivers, especially the Drava, which, in its part of the flow from the confluence with the Mura to the Danube's impact, has a relatively calm flow, with beautiful surroundings.

Gastronomic offer and wine roads: The notion of food as a cultural good is a recent phenomenon. Previously, food was considered solely as meeting the body's need for an energy source (Renko and Bucar, 2014). It is known that the sun and the sea are enough to attract a tourist once, but to keep him and get him to spend money takes much more. One of the traditional ways is to offer him a healthy, fresh, and tasty meal, even if it is accompanied by a glass of wine, the better. The whole of Croatia is widely known for its culinary specialties.

Cultural and historical sites: Starting from the sites of Vučedol culture and Krapina prehistoric man, through medieval fortified towns on the coast and the continent, to theaters and museums dealing with the recent not so beautiful history of Croatia, culture is undoubtedly one of the main trump cards when it comes to tourism. Croatia has a long and turbulent history, through which rulers have changed, and numerous wars have been fought on its territory, and each has left a mark, which today can be used exceptionally well as part of the tourist offer. We also have many medieval castles scattered across the continent, which have already been turned into part of the tourist offer as museums or even hotels.

Hunting and fishing: The Republic of Croatia is a unique natural area where so much natural diversity is present in a relatively small area connected in a miraculous combination of the Mediterranean, the Alps, and Pannonia. The relief and climatic diversity of Croatia determines its lush vegetation diversity, from the river islands on the Danube, the Drava river basin, indigenous willow forests, white and black poplar, through the most beautiful and valuable pedunculate oak and field ash forests, and mountain oak and willow oak forests, to the beautiful natural beech-fir forests of Gorski Kotar and Lika (Hrvatske Šume doo, 2011). Hunting and fishing are some of the most prized tourist products of a country. Croatia can offer both to its guests. In the Republic of Croatia, hunting grounds for wild boar, deer, mouflon, and chamois are known, which often reach large trophy values, and hunters set aside large amounts of money for their shooting. The more efficient use of this wealth requires the necessary change in the tax law, which will enable smoother disposal of hunting grounds and existing accommodation capacities for local hunting associations operating throughout Croatia.

Further development of rural tourism: Weber (1999) gave his recommendations for developing tourism in rural areas to the European Commission. Similar recommendations delivered the European Committee of the Regions - Tourism as a driving force for regional cooperation across the EU (The European Commission, 2010) to the Member States of the European Union because it is nevertheless fundamental for each country to take steps in its territory and support the development of its regions. In contrast to the recommendations given to the European Commission, the country-specific recommendations emphasize that:

- accelerate digitalization in the tourism sector, in particular, to enable high-speed broadband internet access in the outermost regions and remote, sparsely populated and mountainous areas,
- recommends that public authorities harness the potential of the digital agenda for Europe and the opportunities it opens up to improve their eHealth services for the benefit of citizens and travelers,
- adopt measures to guarantee a significant influx of visitors throughout the year,
- promote an increase in the average length of stay in destinations,
- improve the training and employability of employees in the sector,
- advocate for sustainability as a primary criterion in the management of tourist destinations and products and
- establish expert forums to promote best practices, especially among SMEs.

The need to digitize the entire sector to speed up the flow of information has been very clearly recognized. This is especially important when we want to develop rural areas that are not in themselves at the desired level of development and use of modern technologies, and the necessary infrastructure for the active development of tourism is still non-existent.

Functional tourist regions: We believe that the logic itself dictates that it is much better and more cost-effective to oblige Municipalities to establish Tourist Boards with at least 3 or 4 neighboring Municipalities and to employ an expert who will then have the knowledge and authority to develop tourism in their Tourist Board, product branding, and efficient destination management.

- Regional Tourist Board (Horwath HTL Zagreb, 2013):
- Current in the late 20th century;
- Global competition begins to intensify, and the region is slowly becoming the dominant unit.
- Exchanges in the tourism market (Tuscany, Provence, Basque Country, Tyrol, Bavaria, etc.);
- There is a need for internal management functions - primarily.
- Planning, quality control and orientation to the concept of competitiveness;
- Regional tourist boards are getting more robust, and cooperation is starting to get stronger in the regions.

- The private and public sectors, but still at an informal level;
- This weakens the role of central national offices, but all levels of the organization still cover all tasks.

Tourist board of the area Dravski Peski: The Tourist Board of the "Dravski Peski" area (from now on: the Board) is an organization that operates on the principle of destination management and is established

to promote and develop tourism in the Republic of Croatia and economic interests of legal and natural persons providing catering and tourism services. other activities directly related to tourism by managing the destination at the level of municipalities: Ferdinandovac, Kalinovac, Kloštar Podravski and Podravske Sesvete (Tourist Board of Dravski Peski, 2020).

When managing a destination, it is essential to respect and manage the unique natural resources, cultural attributes, and interests of each destination's community. Tourism must enable the realization of positive effects today, but also create a promising legacy for future generations (principle of sustainable development) (Horwath HTL Zagreb, 2013)

The fact is that the Dravski Peski brand still does not exist outside the Republic of Croatia and that most visitors who visit this area reside within a radius of 50 kilometers. The tourist board organizes local events that are primarily intended for the local population, and then for a passing visitor who comes. The research results show that the Republic of Croatia has the image of a green country mostly due to its unpolluted nature and natural, non-GMO food. Nevertheless, the implementation of environmentally responsible activities is not at the desired and expected level, especially in terms of waste and energy management, as well as the basic knowledge of Croatian citizens about how environmental awareness raises the level of quality of life (Renko et al., 2017).

Research question, methods of work and research

We want to use a survey questionnaire to survey respondents living in the area covered by the Tourist Board of the Drava Sands. The questionnaire will consist of a demographic part and a part in which we want to examine the familiarity of the population with the cooperation of municipalities, and their opinion on what should be done to enrich the tourist offer and generally raise the quality of life. We will survey social networks, and we believe that in this way we will be able to collect a sufficient number of completed questionnaires, which will be filled out by all demographic groups, and thus it will be possible to obtain satisfactory results from this research.

The survey questionnaire itself will consist of two parts. The first part will contain questions based on which we want to determine the demographics of the respondents (gender, age, level of education, employment status, residence). In the second part of the survey, we want to find out how much residents and potential visitors are familiar with the existence and activities of the Tourist Board of the Drava Sand, its offer of tourist attractions, and opinion on possible or desired additions to the offer. The questionnaire will contain 15 questions that respondents will answer using a Likert rating scale from 1 to 4, where one will ultimately be a disagreement, while four will be a complete disagreement.

Using the method of descriptive statistical analysis, based on data from the demographic part of the survey questionnaire, we will present the demographic profile of the population that completed the survey questionnaire.

The second part, through its 15 questions, questions the respondents' attitudes and opinions about various claims related to the tourist offer, possibilities for improvement, and the Tourist Board of the Drava Sands area. A score of 1 indicates a negative attitude of the respondents (disagree entirely), while on the opposite side, there is a score of 4, which is positive (I completely agree). Using the data thus obtained, we will use descriptive statistical analysis methods to calculate statistical indicators and assess the respondents' attitude.

In the survey we created and posted on Facebook, a total of 110 respondents responded. Of these, 67% or 74 are women, while the remaining 33% or 36 respondents are men. The fact is that, as a rule, women are much more likely to show readiness to fill out surveys, so this result is entirely in line with expectations.

Of all the responses collected, we see that 57% were obtained from the population aged 18 to 41 years. What is more important to us personally are the attitudes of the population aged 26 to 48, of which a total of slightly higher is 59%. This population is critical because it is the target market for the development of the tourist offer. Overall, as far as the respondents' age structure is concerned, given that the survey conducted on the social network was expected, even 11% of the respondents over the age of 57 are a bit of a surprise, but in any case, a welcome result.

Of the 110 respondents, 40% have completed high school or college, 45% have a four-year high school education. The remaining 15% are respondents with three years of secondary education, whose share is 11%, and respondents who have completed only primary school, who make up 4% of the respondents who responded to the survey. The results are expected, given the age of the respondents and the method of data collection.

An analysis of the working structure of respondents who completed the survey shows that the vast majority of them are employed, 62%. 13% are students, and as many as 12% are unemployed, which is a huge number and can be partly explained by the fact that some are not employed as seasonal labor in Istria and Dalmatia due to the duration of the pandemic. Another interesting fact is that the share of pensioners of 13%, while at the same time, the share of people over 57 was 11%. We come to the result that we have "too young" retirees.

Out of a total of 110 answers received, 36% are not familiar with the areas where the municipality consists of the processed tourist board. As 24% of respondents gave a negative answer to the previous question, and here the number is even 50% higher, we conclude that many people who know about the existence of the Dravski Peski Tourist Board do not know which municipalities founded it. Of the 110 respondents, almost 71% answered that they fully agree with the statement that such cooperation between municipalities has a positive impact on tourism development, while 21.82% partially agree with it. This is, in our opinion, an excellent result, as slightly more than 92% of respondents gave an affirmative answer to the offered statement. The vast majority of respondents still answered positively, over 83% of them, but of this 83%, only about 31% are fully satisfied with the tourist offer, while about 53% of them believe that the tourist offer should be improved in some way. 15.45% are partially dissatisfied, while one respondent is wholly dissatisfied with the tourist offer in this area.

It is necessary to turn the tourist offer towards younger visitors. 51% of respondents wholeheartedly agreed with this statement, while an additional 24% supported it. 15% moderately disagree with it, while one respondent expressed complete disagreement. We think that this result indicates the need to adapt to younger age groups when making tourism development plans.

Of the 110 respondents who responded to the survey, almost 22% believe that tourist facilities in the area are fully recognizable, 49% think that additional work should be done on recognizability, while more than 29% of respondents think that tourist facilities are not recognizable. We will attribute this result partly to the fact that we need to work on the constant improvement of recognizability, and partly on the ignorance of the offer in the part of the answers given by the respondents who do not live in the Tourist Board.

Over 70% of respondents are satisfied with how tourist facilities in the area of the Tourist Board of the Dravski Peski area are marked. We think this is a good result, but we also think that extra effort should be made because it is necessary to have the recognition of visitors in transit, encourage them to stop and take part in their time to see or feel something about the tourist offers.

The results of the survey show that more than 70% think that there are enough of them. Of that percentage, 35% think there should be more. Interestingly, a relatively large percentage of people think that there must be more cycling routes. This figure is over 29%, which is a potential that should be paid attention to in any case, given the growing popularity of cycling, and the high possibility of organizing events that would connect different parts of the Drava Sands.

31% of respondents fully agree with the statement that the gastronomic offer is made up of traditional dishes of the Podravina region. 47% think that there is still room to repair the offer, while the rest of the respondents spoke negatively about the gastronomic offer. In general, the gastronomic offer is unsatisfactory, as there is one restaurant where traditional food can be eaten. The rest of the restaurants offer pizza and hamburgers as the first offer, not a tradition of Podravina.

Almost 80% of the 110 respondents think that the oenological offer of wineries from this area is excellent. Both positive responses have an equal number of responses. We think this percentage of positive responses is excellent news for all winemakers who make great wines on the slopes of Bilogora. 20% of respondents disagree, and this opinion should be respected in any case, we will attribute this percentage to the reduced selection of varieties and types of wine offered because the offer should be expanded with a more modern wine offer and promoted accordingly.

Of the 110 respondents who completed the survey, 40% think that the Dravski Peski Tourist Board should expand to increase the number of municipalities that would participate in it. A further 30% think that this would have a positive impact on TZpDP tourism. The remaining 30% partially or entirely disagree with the proposed statement.

40% of respondents wholeheartedly agreed that the development of tourism has a positive effect on the quality of life and improves it. 30% somewhat agree with that. 20% think that this statement is not entirely true. In the end, 10% think that it is entirely incorrect, which we think is not good because the facts show that the development of tourism dramatically improves the quality of life because all the opportunities and infrastructure created and built for tourists are becoming available to the local population.

Of the 110 respondents who responded to the survey, 10% think that Family Farms have nothing to do with tourism. 20% answered that their inclusion in the tourist offer should not be encouraged, while 30%

believed that they should be encouraged to become more active. 40% of respondents wholeheartedly agreed that family farms should be encouraged to get involved in the tourist offer as much as possible.

In the last question of the survey, we claim that the tourist offer is uniform throughout the year. 40% of 110 respondents ultimately agreed with us, 30% answered that they agreed, but not entirely, while a total of 30% of respondents answered negatively to this statement, which in our opinion is correct because it is impossible to have a uniform offer. If cycling or canoeing on the Drava cannot be offered during the winter, these are the basics of an active holiday.

Conclusion

Rural tourism is often mentioned as one of the contributors to the possible economic and demographic revitalization of Croatia, but at the same time, it is the last hole in the pipe. Compared to other EU member states, it is visibly neglected and has not been dealt with systematically. It is not difficult to guess which European Union countries have the most advanced form of tourism. There are Austria, France, Germany, the United Kingdom, and Italy. Due to the support of EU funds and support in the development of rural areas, this form of tourism has flourished in Romania, Bulgaria, and Latvia (Juničić, 2019).

There are many options, only some of which are described in this paper. It is primary to have people who will be aware of the need that it is not essential to stay where one is but to start and develop whenever and however possible. Other countries' experiences teach us that the highest growth is possible in the field of rural tourism development. Of course, one of the reasons is that this tourism and the area have been completely neglected so far, but also because the general trends in tourism are becoming such that people who travel on vacation to another country are no longer most important to swim in the sea and lie on the beach. They want to experience something more, and they want to spend their vacation more peacefully away from the noise of the cities they come from. The rural continental part of Croatia is ideal for such guests; we have to get to the offer level that will attract them to choose us and not another country. Like any cooperation, this cooperation of neighboring municipalities inevitably has a positive impact on development. It is still not the development of the economy and the number of visitors that everyone wants, but it is essential to emphasize that the establishment of the Tourist Board of the Dravski Peski area began a new chapter in tourism in this area. First of all, a young expert is in charge of the development of tourism, who knows the mentality of the people and the issues of rural tourism development. The underlying infrastructure has been built, the writing of projects, education of the population, and finally, we hope, investments are forthcoming. It is positive that the writing of projects has started and that training of those interested is also underway on how and in what ways and which activities it is possible to apply for funds not only from the EU but also from state development funds.

The fact is that the municipalities have so far not generated any income from tourism. Visitors usually came in organized groups, to see the place, the church, the gallery or some similar place, and continued their journey. Unfortunately, none of the municipalities had tourism projects financed from European Union development funds. Here comes the part that it is easier for people to take out a loan in a bank than to write a project for financing from one of the EU funds.

Further development is certainly possible and mandatory. First of all, we see it using the Drava River and its tributaries and their marking as excellent hiking and biking routes. Active tourism aimed at the young population that would ideally come on Saturday morning from, for example, Zagreb, which is about 100 kilometers away from us, ride bikes or canoes or a combination of both activities, then in the evening go to a winery where they would be served local food and wine, and accommodation in an indigenous house. After a home-made breakfast, we will take a walk through the Black Ditches, and after that, we will head back to Zagreb full of impressions. Of course, there is still a long way to go, but it is essential to have an achievable goal.

At the very end, an extraordinary fact that shows us in the best way how much potential continental tourism has. Austria, which is more visited in the summer months than Croatia, has 2/3 of the mountainous area, but each province has a tourism strategy that corresponds to the national one. In 2017, according to the World Economic Forum (WEF), Austria achieved 26.7 million international tourist arrivals and tourist traffic of 18.2 billion US dollars and ranked 12th in the world in terms of competitiveness of the tourism sector. At the same time, Croatia achieved 12.6 million international arrivals and tourist turnover of 8.3 billion US dollars and ranked 32nd (Karla Juničić, 2019). This data shows how important it is to have the right people and the right development strategy at the right time. The turnover that Austria realizes not only in the number of overnight stays but also in per capita consumption is the Republic of Croatia's goal.

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