

RURAL TOURISM, THE FASTEST WAY TOWARDS DEVELOPED, RESILIENT AND SUSTAINABLE COMMUNITIES

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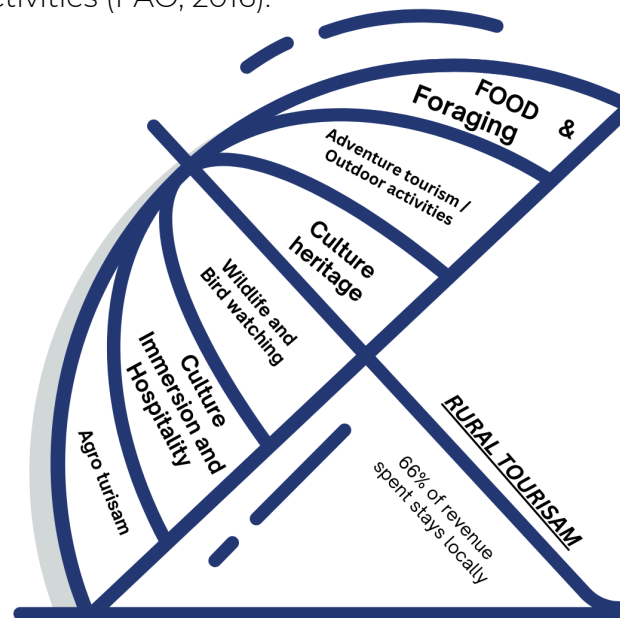
INTRODUCTION

Rural areas face increasing demographic challenges, particularly depopulation, lower income levels, a digital divide, decline in traditional economic activities and lack of economic diversity as well as scarce infrastructure, services and transport connectivity. Rural youth are one of the most vulnerable groups due to the lack of gainful employment and entrepreneurial opportunities in agriculture and related rural economic activities (FAO, 2016).

According to the United Nations World Tourism Organization (UN Tourism, 2024), rural tourism is a type of tourism activity in which the visitor's experience is related to a wide range of products generally linked to nature-based activities, agriculture, rural lifestyle/culture, angling and sightseeing.

Rural Tourism activities take place in non-urban (rural) areas with the following characteristics:

- i) low population density,
- ii) landscape and land-use dominated by agriculture and forestry and
- iii) traditional social structure and lifestyle.



Rural tourism keeps revenue in the destination: it gives alternatives to extractive one-use industries (e.g. mining) and pushes revenue to the rural communities – around 66% of the revenue spent stays in the local destination (Stowell and Heyniger, 2013).

One of the keys to the development of these areas is the diversification of the economy through, among other things, various appropriate types of tourism.

Rural tourism has a high potential to stimulate local economic growth and social change. This stems from its complementarity with other economic activities, its contribution to the countries' GDP and potential for job creation, as well as its capacity to fight seasonality (promote the spreading of demand in time) and across a wider territory (UN Tourism, 2024). In general, especially in contrast to urban settings, rural areas provide less economic prospects as well as limited access to infrastructure, connectivity, and basic services. It is anticipated that depopulation will significantly affect rural heritage preservation and livelihoods. In addition to boosting the local

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economy, social cohesion, and the preservation and promotion of rural heritage, tourism can present chances to encourage residents to remain in or even move to rural areas.

An effective community development should be fostered through a holistic and integrated approach – with inclusion of all other key stakeholders in the rural tourism sector – including national and local governments, the private sector, civil society, rural communities and tourists (WTO, 2020).

This document highlights the role of rural tourism, as a fast and effective way towards developed, resilient and sustainable communities, and its potentials in the Western Balkan region.

MAIN FINDINGS

The development of rural tourism faces numerous challenges, many of which are a result of the lack of coordination and collaboration among various stakeholders and governmental bodies. One significant obstacle is the **absence of intersectoral cooperation** between line ministries responsible for the creation of a thriving environment for rural tourism development. Different ministries often have divergent agendas and priorities, leading to fragmented efforts and inefficiencies in resource allocation. Without cohesive collaboration, initiatives to support rural tourism may lack the necessary synergy to address complex challenges effectively. This lack of alignment results in duplicative efforts, conflicting policies, and missed opportunities for integrated planning and implementation.

A comprehensive study on the **economic diversification policies and rural tourism** in South East Europe (SWG: Đorđević-Milošević, et al., 2020) developed a regional approach for assessing and presenting policies for diversification of economic activities in SEE rural areas, focusing on rural tourism development, with recommendations for an improved policy framework for economic diversification through rural tourism in line with EU policies. Based on this study findings, strategic planning documents frequently fail to recognize rural tourism as a viable economic activity that integrates local economic activities while properly valuing ecosystem services, natural landscapes, and cultural heritage. This oversight can result in missed opportunities to leverage the unique assets of rural areas and maximize their potential for tourism development in a sustainable manner.

The development of policies aimed at promoting rural tourism often suffers from a **lack of quality statistical data**. Effective policymaking requires accurate information and analysis to identify trends, assess needs, and evaluate the impact of interventions. Without robust data, policymakers may struggle to develop targeted strategies and allocate resources efficiently, obstructing the advancement of rural tourism initiatives. Although statistical data for the sector of rural tourism is fragmented for the Western Balkan six, the data provided by North Macedonia and Serbia show that the overall number of nights spent at tourist accommodations in rural areas has had an important increase in the last years, (see Figure 1), which can be significant evidence of the importance of the sector for the whole region.

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Urban tourism is more represented; for instance, in 2022, 30% of tourist overnights in North Macedonia and 38% in Serbia were in rural accommodation (this share takes 34% for rural tourism in average for the EU-27 countries in the same year).

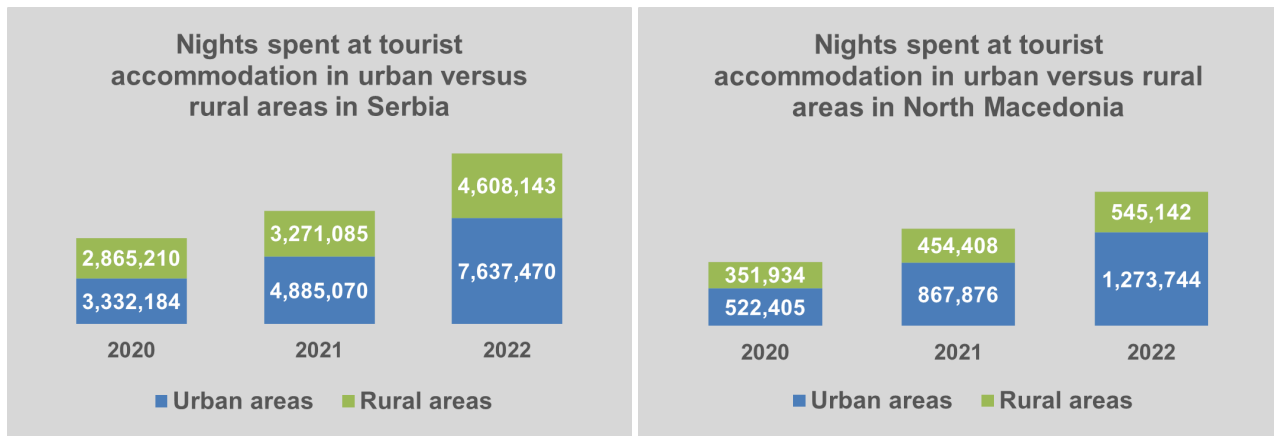


Figure 1. Nights spent at tourist accommodation establishments by degree of urbanisation (Source: Eurostat, 2024)

The **absence of rural space planning** poses real challenges in rural tourism development, particularly regarding investment in physical infrastructure. Without proper planning, there have been difficulties in utilizing available financial instruments in the Western Balkan/South East Europe countries, such as national rural development support programs and IPARD/LEADER initiatives. The countries using the IPARD programme in the region (Albania, Montenegro, North Macedonia and Serbia) already use the measure on diversification and business development, which also includes rural tourism support, although the number of approved projects is still modest.

In addition, **inadequate infrastructure** poses a significant barrier to rural tourism development. Deficiencies in roads, airports, and other transportation networks limit tourists' ability to reach rural destinations. Basic services such as sewage, electricity, and water systems may be lacking, further impeding the tourism experience. Moreover, gaps in telecommunications or internet coverage and a shortage of healthcare services threaten the appeal of rural areas as attractive tourist destinations.

Although **hospitality is a hallmark of the region's residents**, there is a pressing need for capacity building measures to enhance their skills and knowledge in providing tourism services. Investing in training and education programs can empower local communities to offer high-quality experiences that meet the expectations of tourists, thus fostering positive interactions and driving visitor satisfaction.

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Ultimately, there is a **lack of awareness** regarding the importance of cooperation within the tourism value chain and among stakeholders within tourist destinations. Collaborative efforts are essential for creating cohesive tourism experiences, fostering innovation, and addressing shared challenges effectively. By promoting cooperation and partnerships, stakeholders can unlock the full potential of rural tourism and maximize its benefits for communities and economies in the Western Balkans.

CONCLUSIONS AND RECOMMENDATIONS

- To effectively address the challenges and capitalize on the opportunities for rural tourism development, **collaborative efforts are needed** across various dimensions, from policy formulation to capacity building and intersectoral cooperation.
- The development of policies must be informed by **high quality statistical data**. This requires a collective approach involving different ministries responsible for agriculture and tourism, as well as national statistical offices. By pooling resources and expertise, stakeholders can ensure the collection and analysis of accurate data, enabling evidence-based policymaking that aligns with the needs and priorities of rural tourism development.
- Enhancing rural tourism requires **linking the different service providers** in the tourism value chain. This integration is essential for creating a diverse and integrated tourism offer that meets the diverse preferences and expectations of visitors. By sustaining collaboration among accommodation providers, tour operators, transportation services, and other stakeholders, rural destinations can enhance their appeal and competitiveness in the tourism market.
- **Horizontal and vertical coordination**, with a focus on local authorities, is crucial for effective rural tourism development. Local governments play a pivotal role in facilitating partnerships by coordinating initiatives and ensuring the implementation of policies at the grassroots level. By empowering local authorities and promoting collaboration among all levels of government, rural communities can leverage their resources and capacities more effectively to support tourism development.
- The adoption of **specially designed measures for enhancing rural tourism** can serve as a catalyst for the revitalization of rural areas. Providing resources such as land and buildings, supported by capital and human resources, can stimulate entrepreneurship, investment, and job creation in rural communities. Taking inspiration from successful models like those observed in Serbia (different financial support instruments (SWG: Đorđević-Milošević et al., 2020), and for instance, the successful listing of Mokra Gora in the Best Tourism Villages by UN Tourism[AM1]), policymakers can promote interventions to the specific needs and characteristics of their respective regions, unlocking the potential of rural tourism as a driver of economic and social development.

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- Harmonizing standards and **aligning with EU standards** can enhance the quality and competitiveness of rural tourism offerings, allowing in this way, compliance with international best practices and enhancing the destination's appeal to domestic and international visitors.
- Investing in **training, education, and skills development programs**, stakeholders can empower local communities, tourism professionals, and policymakers to meet the evolving demands of the tourism industry, follow innovations, and ensure the sustainable development of rural tourism destinations.

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ADDITIONAL INFORMATION

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