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CODEPENDENCE OF THE DEVELOPMENT OF SELECTIVE TOURISM, ORGANIC PRODUCTION, AND THEIR FINANCING

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ABSTRACT

Tourism represents one of the fastest-growing economic branches. Selective tourism has developed in recent decades as part of tourism as a financial branch. Particular tourism has many forms, among which the most important are rural tourism, city tourism, congress tourism, ethnic, eco-tourism, educational, sports, health, recreational, spa, nautical, adventure, hunting, cycling, and biker; archaeological, research, heritage tourism, and urban tourism. The fundamental human right is a healthy living environment and safe and healthy food. These rights can be secured by balancing the need for healthy and safe food for all of humanity (about 8 billion people) and maintaining a healthy environment. One way to achieve this balance is to produce organic food. Despite adopting valid regulations in the Republic of Serbia, the financing of ethnic and eco-tourism and the production of healthy and safety-correct food is not adequately financed; these activities will not achieve this despite the potential high growth.

Key words: *sustainable agriculture, production organic food, ethno-tourism,eco-tourism.*

JEL Classification: *O13, Q00, Q19, Z39*

INTRODUCTION

The movement of people, i.e., traveling from one place to another, is a phenomenon that is related to the oldest epochs of human development. This movement through different eras had different goals, such as providing food and other existential needs to trade (silk road), research (sailors), then sports, diplomatic, health, cognition, etc. (Vujovic et al., 2012). However, until the industrial revolution, these movements could not be considered tourism as we understand it today. Today, tourism as a branch of economic activity is indisputably a crucial element of the economic development of any country since it influences from an economic, sociological, and ecological point of view. It contributes to substantial changes, both in domicile and foreign countries, but also has a significant positive impact on local economic development, education, employment, and the development of agricultural and, more recently, organic production. Tourism represents a service economic activity that is not independent but consists of several activities, among which the most important are: tourist (travel) agencies, traffic, trade, catering (accommodation and food), handicrafts, and agricultural, i.e., organic production.

Most often, tourism is understood as a trip with the aim of rest, recreation, getting to know unknown destinations, cultural-historical monuments, natural beauties, customs, and ways of life of other peoples, other cultures, as well as other ways and types of food and similar things, but always of limited duration. This trip can be within the domicile country and to other destinations in foreign countries. The World Tourism Organization (UNWTO) defines the term tourist as people who travel and stay in places outside

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Book of Proceedings

their place of residence for at least eighty kilometers for a certain period, but not longer than a year, for entertainment, business, or other reasons. The League of Nations also dealt with the issue of tourists in 1936., which defined a foreign tourist as someone who travels abroad for a minimum of 24 hours, and in 1945. the United Nations added to this definition that such travel abroad could last a maximum of 6 months.

In 1941., Hunziker and Krapf viewed the phenomenon of tourism and tourists as people moving from a permanent residence to a specific place where they neither live nor work. The International Association of Scientific Experts Tourism (AIEST) defines tourism as special activities chosen by the personal choice of specific people or groups outside their domicile. The phenomenon of tourism was dealt with by the United Nations in 1994. Thus, they divided tourism into three forms or three classifications. The first form is Domestic tourism, which implies that residents of a country travel to destinations only within their own country. Another form is inbound tourism, which involves non-residents traveling to a particular country. The third form is outbound tourism, which means residents travel to other countries. From such classifications, i.e., forms, it is evident that outbound and inbound tourism means residents who travel to other destinations outside their home country; the only difference is from which point of view the movements of residents are observed - whether it is about residents who come to another country or residents who they go from one country to another. The United Nations has modified the International Association of Scientific Experts classification so that under internal tourism, it means domestic and inbound tourism, then under national tourism, which means inbound and outbound tourism; and under international tourism, it means inbound and outbound tourism. William F. Theobald (2004.) states that the term tourism comes from the Latin word "tornarer" and the Greek word "tornos", which are interpreted as movement around an axis or movement in a circle. Thus, tourist movement represents movement in a loop where tourists leave from one point of departure (place) and return to that same point, i.e., the home of release, after a certain period. According to Unkovic, the word tourist comes from the English word tour," which means the pleasure of traveling with a stay in different places" (Unkovic, Zecevic, 2019.).

All the above explanations have distinct differences, but what is common to all causes is that tourism refers to the movement of people from their place of residence to another destination (domestic or foreign) for various reasons, to stay in that destination for a certain period where they do not perform a specific activity and to return to their place of residence after spending time in one or more goals.

Since tourism represents a stay outside the residence, it can be internal (within the country of residence) or international (in other countries). In current conditions, tourism is given a lot of attention. In many countries, it is a significant economic branch that generates a substantial part of GDP and foreign exchange reserves. For many countries in the world, tourism is the most fundamental source of income. However, tourism is not only important as a source of income for individual countries, but it has an impact on the social, cultural, educational, and economic sectors within a country, but it is also a significant factor in international relations and cooperation between different countries. The impact of tourism on local economies is multiple positive, which is reflected in the sale of goods and services at the "threshold." Still, at the same time, it also affects employment, increasing economic growth and development, the resident population's education, and the production of agricultural products - organic food, souvenirs, presentation service of domicile cultural and other sights, historical monuments, and other natural beauties. The main goal of this work is to perceive and gain the importance of tourism as the fastest growing economic branch, but also to pay attention to selective forms of tourism such as ethnic and eco-tourism and their mutual relationship with organic products from the point of view of growth, development, and financing.

HISTORICAL DEVELOPMENT OF TOURISM

According to some data, leisure and tourist travel started three hundred years ago in England. They were young rich Englishmen with noble pedigrees who traveled through France and Italy. Since they owned huge funds during the so-called "Wanderings" in France and Italy and bought valuable works of art, but at the same time, they appropriated local customs and habits. Leisure travel began with the industrial



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revolution in Great Britain, and the owners of manufacturing plants, wealthy merchants, and owners of factories and other industrial facilities traveled. Their most frequent tourist destinations were France and Italy. Tourists of that time traveled to acquire new knowledge and get to know different cultures, which is why the most frequent destinations were cities such as Paris, Rome, London, London, Venice, Florence, then the Cote d'Azur, the Alps, and other exciting places. Such trips were, as a rule, obligatory for the wealthy classes of the inhabitants of Europe, and these trips raised their reputation. These trips were talked about, written about, and often kept in diaries and other notes (Vujovic et al., 2012.). These documents are essential today as historical material for researchers investigating tourism development, types, and characteristics. The first excursion was organized by Thomas Cook in 1841 by railway with 540 activists. Later he organized a tour to France, Switzerland, Italy, Egypt, USA. Cook achieved enormous success with these excursions. Interestingly, these tourist trips were one-time and one-year.

However, the last quarter of the previous century led to significant changes in tourism development, which is still developing in the first quarter of the XXI century. Therefore, tourists no longer use one or two longer passive vacations (3S-Sun, Sand & Sea). Still, they are interested in and use several shorter leaves in different destinations, and on that occasion, they express and practice many various activities. Such interests of tourists and their demands contribute to the emergence and development of many selective forms of tourism. "The basis of modern tourism is a rich, diverse and differentiated offer of various selective forms of tourism that meets increasingly discerning and complex tourist needs" (Hrabovski - Tomic E. 2010.). Tourists in current conditions want to satisfy an increasing number of their needs and interests. Tourism is an economically very important branch at the global and local level that is constantly evolving (Baltezarevic et al., 2022). As a result of the new tourist requirements, needs, and interests, the segmentation of the tourist markets inevitably occurs, which further leads to the creation of specialized "market niches." Specialized "market niches" create selective forms of tourism, i.e., tourism of unique purposes and interests. Therefore, modern tourism is no longer dominated by 3S tourism but by those attractions that were secondary or tertiary in this form of tourism. So, Jenkins (1992.) states that 3S mass tourism providers are increasingly devoting themselves to creating and developing a smaller but special tourist offer while developing their brand, image, and identity. Thus, tourism of small niches becomes the introductory offer of very different tourist destinations according to the wishes and interests of tourists.

Depending on the types of interests and attractions tourists want to use, theory and practice have developed many selective or thematic types of tourism. The group of particular, i.e., thematic, includes, among others: ethnic, eco, and rural tourism, then educational, sports, health, recreational, spa, nautical, adventure, hunting, congress, cycling and biker, archaeological, research, heritage tourism, urban and date tourism, etc. It should be noted that with the development of new interests and the increase in the purchasing power of tourists, the number and selective or thematic types of tourism increase yearly. In the professional literature, there are different names for the same or similar forms of particular tourism. Regardless of their content, other authors define them differently, and it will probably not be easy in the professional and scientific sphere to reach a consensus on how certain forms of selective or purposeful tourism are accurately named.

SELECTIVE TYPES OF TOURISM

Constant changes in tourist demand cause changes on the side of tourist offers on such a scale that completely new forms of tourist offers appear. In the literature, most tourism theorists consider new forms of tourism as new forms of tourism. As exciting selective forms of tourism compatible with the principles of sustainable development, tourism of special interests and organic productions are ethno, eco, and rural tourism. Special Interest Tourism is a form of tourism in which the focus is on activities attractive to smaller groups of tourists (most often families) who want to visit new tourist locations and authentic places and achieve a unique experience. These are tourist trips whose primary motive is the realization of a particular interest and enjoyment of it, which can be a hobby, an activity, a topic, or a destination; that is,



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a form of tourism that includes consumers whose choice of a tourist trip is prompted by a specific motivation, and the level of satisfaction determines the realized experience. Special interest tourism occurs when tourism is divided according to the specifics of the stay into smaller segments of the tourist market (so-called market niches) within a particular theme, i.e., specific, particular, selective or alternative forms of tourism, which are marked by their primary tourist motive (specific tourist interest). Tourists of specific interests demonstrate a desire for authenticity and an experience that differentiates them from mass tourism proponents. These tourists are motivated by the desire to pursue a particular interest, hobby, or other activities, which is supported by the fact that 77% of tourists believe that their vacations include visits to learn about local culture, traditions, and gastronomy. Gastronomy is based on local and traditional food products prepared from organic products. Special interest tourism focuses on the sustainability of the tourist destination and maximum satisfaction of the needs and wishes of tourists.

ETHNO TOURISM

The development of tourism, for different many other economic activities, is conditioned by the quality of the environment (Milicevic et al., 2022). It is a well-known fact that the culture of a region is one of the basic resources which acts as an attractive factor in tourism (Curuvija et al., 2021). Ethno tourism emphasizes preserving national identity, folklore heritage, nurturing local crafts, local old-time gastronomy, traditions, customs, etc. Through animation programs, as an integral part of the tourist offer, a more meaningful tourist stay in a particular destination is realized. The preparation and implementation of thematic events promoted cultural heritage (heritage, cultural-historical monuments), folklore characteristics (music, costume, customs, games), gastronomic aspects (traditional culinary specialties produced from organic products and standard drinks), traditions and customs (old crafts), and other cultural-ethnological specifics. The authentic traditional ambiance of the ethnic village, modern facilities, and numerous accompanying activities and services represent unique and unique tourist complexes intended for relaxation where you can feel the spirit of the past. Ethnic tourism tourists can pick medicinal, organic, and spicy herbs, organic fruits, and vegetables, taste freshly prepared food, and participate in its preparation. Also, it is significant for this type of tourism that tourists can decide what food they will consume and at what time without time limits, as in hotels or other mass tourism.

ECO TOURISM

It is undeniable that tourism as an economic branch has significant positive effects that are reflected in financial results, employment, education, production and use of agricultural products, production and consumption of organic products, traffic, services of tourist organizations, etc. Along with all these positive effects, tourism also has opposing sides, primarily reflected in the environmental threat. It is believed that every day an average tourist leaves behind 1 kg of solid waste, which means that all tourists leave behind about 200 million tons of solid waste every year (how much waste is left in Hyde Park and Ada Ciganlija in Belgrade during the May Day holidays). This amount of waste represents an excellent danger for plant and animal life and through the food chain for humans. The environmental threat increases since tourists often use more resources than they need (Hrabovski-Tomic, Katic, 2010).

To neutralize the harmful effects of tourism in nature, eco-tourism as a particular form of selective tourism has recently been increasingly strengthened. The importance of eco-tourism was noticed by Miller as early as 1978 (Miller, 1978). He used this term as part of the activities related to the infection of national parks. Eco-tourism, i.e., ecological tourism, means a responsible tourist trip to new natural resources to enjoy them and all other natural, national, and cultural features that result in socio-economic benefits for the local population (Ceballos-Lascurain, 1996). This form of tourism promotes the protection of the environment, and as a result, there is an insignificant negative impact of visitors on the environment and enables the



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valuable and active socio-economic involvement of the local population, i.e., it respects the protection of the environment, ethics, sustainability, education and substantial benefits for the local population. It is a form of tourism in which ecologically conscious individuals and smaller tourist groups (eco-tourists) participate, whose actions reduce the adverse effects on the environment created by the so-called mass tourism. In principle, eco-tourism means traveling to natural destinations. Still, at the same time, it builds environmental awareness, respects and respects local cultures and sights, contributes to strengthening economic development and provides financial support to the local population, encourages employment, and, most significantly, contributes to the preservation of the environment. Eco-tourists are usually small groups of tourists who aim to enjoy a healthy living environment, local landmarks, and traditional local gastronomy on their vacation but gain experience and knowledge about all local peculiarities. Eco-tourism represents a destination that must be a protected or monitored territory. This territory must contain heritage subjects that can be both natural and cultural. It should be pointed out that cultural tourism is directly related to eco-tourism because ecological trips that involve visiting certain cultural zones or particular communities that live and survive in harmony with nature do not aim only at passive acquaintance but active participation in those zones and districts. A specific link between eco-tourism and cultural tourism is the simultaneous interest of tourists in the natural environment and its specificities, the cultural values of those destinations, and traditional gastronomy and organic food. Although eco-tourism and cultural tourism are directly related, they still represent two types of tourism. The main difference between these two types of tourism is the motive of the tourists that leads them to a specific destination. Is the reason for visiting and traveling to a natural, healthy living environment with all its peculiarities, or is the motive of traveling visiting and touring cultural, historical, and other sights?

DEVELOPMENT OF SELECTIVE TOURISM, ORGAN PRODUCTION, AND THEIR FINANCING

It is known that the number of people in the world is constantly growing. According to the data of the United Nations, about 8 billion people [<https://www.worldometers.info/world-population/>] live in the world today. Due to the excessive use of pesticides and herbicides (Tasic, 2018), there needs to be more nourishment in the country, but also problems related to preserving a healthy environment and producing healthy food certificates. The fundamental human right is the right to a healthy environment, which implies that the same person does not damage it, does not pollute it, and does not do anything that makes it unsuitable for his life, but also for the life of plants and animals. Everything that connects man with his production and life activity represents the environment (Hamidovic, 2012). As a conscious being, man is responsible for protecting the environment, but this is where the problem of balancing economic needs and ecological requirements arises. (Jović et al., 2019) points out that this balance is achieved by applying the concept of sustainable development. This concept implies necessary and acceptable economic activities and desirable and necessary environmental practices.

The main goal of this paper is to point out the connection between the development and financing of ethno- and eco-tourism and organic production as production that does not endanger the environment. Human survival without food, that is, agricultural production, as one of the existential needs, is not possible (Subić J et al. 2010). That is why agricultural production is viewed through the prism of sustainable agriculture, and its content depends on whether ecological, economic, or profitability aspects are the focus of observation (Jankovic et al., 2022). Nevertheless, it should be borne in mind that these aspects should not be considered individually and separately because they are interconnected and intertwined. Therefore, sustainable agriculture has the fundamental goal of providing enough correct and health-safe food for all of humanity while protecting the environment and the entire ecosystem from adverse impacts.

Today, the need for health-safe food for humans and animals is growing globally. Such food is undeniably provided by organic production. Organic food production applies such methods and procedures that protect the environment, i.e., all existing resources are socially acceptable, and what is very important is



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economically sustainable, and most importantly, provides healthy and safe food for human and animal consumption. During the production of organic food, the best ecological practices are applied, all natural resources are preserved and protected, which are limited and which are not limitless, and natural biodegradable substances are used that are not dangerous for the health of animals and people and that cannot be damaged or damaged through food chains—people's health. Organic products are produced in volume and types according to the wishes of consumers, which is directly related to ethnic and eco-tourism. It has already been pointed out that ethnic and eco-tourists travel to desired destinations, among other things, for traditional gastronomy, which implies using healthy organic food according to their wishes and needs. It is vital that "organic production excludes the possibility of using genetically modified organisms in crop or livestock production and thus excludes the possibility of reaching products for human consumption via the food chain (Beslac et al., 2022). It should be emphasized that the organic production system seeks to establish a closed circle of plant and livestock production and products for human consumption. Conventional production implies high yield and profit, and organic production balances several elements, such as land, plants, animals, and people. The balance between the earth, plants, animals, and people ensures preserving a healthy environment. Various pesticides and herbicides do not contaminate these plants; finally, most importantly, healthy and health-safe food is produced. At the same time, the balance of the entire living world, natural cycles, and the ecological system is achieved, which man does not negatively affect with any of his activities. In terms of achieving the balance mentioned earlier, producing organic food that is healthy and safe for animals and people worldwide is gaining more and more importance. Organic food production is vital and ethno- and eco-tourists are interested in it.

It is undeniable that organic production, compared to conventional production, requires much more manual work, which results in higher product prices. However, if you consider the quality of organic products and their health and safety compared to conventional products, then that higher price is not a reason for not using organic products. Of course, here, you should always have the vision and payment possibilities of the consumer. It is also essential to keep in mind that the price of organic products will be higher as long as it is not produced in large areas where conventional production is grown today, which involves various pesticides and herbicides. Cleaning the soil from the long-term use of pesticides and herbicides requires a more extended period and a complete change in agricultural policies (Beslac, Ćorić, 2017). Tourism as an economic branch, especially eco and ethnic tourism, which have the most significant growth potential (Vujovic et al., 2018), encourages the development of organic production. The development of these types of particular forms of tourism creates the conditions for the return of people from urban areas to villages and, thus, the revival of villages and their further development (Vujko et al., 2012). Nickerson et al. (2001) indicate that ethnic- and eco-tourism rely on raising the awareness of residents from urban destinations and their needs for a variety of vacations, escaping to peace, a natural and healthy living environment, the need for gastronomic specialties prepared in a traditional way and very different possibilities for recreation without time limitation. It is essential for ethnic and eco-tourism that their development results in preserving family and family values. It is not unknown that the family, as the primary cell of society (Račić, Baltezarević, 2022), is becoming increasingly alienated after the arrival and use of new technologies, primarily the Internet and social networks. Traditional positive family values are being lost. However, since ethno and eco-tourism are, in fact, the most common type of family tourism, family values are renewed within one family, but also among different families that meet at eco and ethno destinations. In the same way, the providers of services to ethno- and eco-tourists are complete families, as well as other families that do not engage in tourism but produce organic food, renewing and developing traditional family values, thus eliminating alienation. The mutual interaction of hosts and guests humanizes relations between families. These types of tourism showed all their positive effects and contents during the Covid-19 pandemic (Vesic, 2021) and the complete closure. In the eco and ethnic destinations, there was no mass illness and infection with the Coronavirus, but only individual cases, so there was no need for any isolation and restriction of movement. After that, all resources were available. The importance of ethnic- and eco-tourism is multifaceted because it employs the local population, provides guests with correct and health-safe food, has no negative impact on the environment, and provides tourists with an active vacation. For this reason, it is viewed as an "experience economy" (Stojanovic, 2016).



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The Republic of Serbia has very favorable conditions for the development of ethnic- and eco-tourism as well as for the development of the production of organic products because it has vast rural areas that are not polluted by any industrial waste or pesticides and herbicides used in conventional production. Small agricultural farms in rural areas are increasingly opting for selective tourism but also for producing organic products to meet their guests' wishes and needs. However, the financing of these activities is at a different level than the required for accelerated growth and development of these activities.

MATERIALS AND METODS

Considering this work's primary goal, standard research methods such as analysis and synthesis, induction, and deduction as description methods were used when processing this topic. These methods are utterly relevant since the paper's content is based on the relevant available literature and official documents. A selection and analysis of available literature and specific previous research on this topic were conducted during this research. In addition to the analysis, synthesis, deduction, induction, and description of the available literature, the authors additionally carried out field research. The lack of field research is an insufficiently large sample and the need for more willingness of respondents to answer the questions. In addition, field research has shown a cause-and-effect relationship between the development and financing of organic production and the development of ethnic- and eco-tourism.

The Republic of Serbia adopted the tourism development strategy of the Republic of Serbia for the period from 2016 to 2025["Official Gazette of the RS" No 98, 8th Decembre 2016.], which defined four primary goals (sustainable economic, ecological, and social development in tourism in the Republic of Serbia, strengthening the competitiveness of the tourism industry and its related activities on the domestic and international markets, increasing the direct and total share of the tourism sector in the gross domestic product, as well as increasing the direct and total number of employees in the tourism sector and its share in the structure of the total number of employees into the Republic of Serbia and improving the overall image of the Republic of Serbia in the Region, Europe, and the world. Likewise, the Republic of Serbia adopted the Law on Organic Production[Official Gazette of the RS" No 30/2010 and 17/2019 and other Law] and regulated many measures for promoting and developing organic production.

FIELD RESEARCH

Basic information

It is known that eco and ethnic tourism in Serbia is not at the level of development according to the total existing resources. The authors of this paper believe that there are several reasons for this fact, and two are the most significant. One is contained in insufficient support for the village and its collapse decades ago. Another less significant reason is insufficient information about the possibilities and advantages of ethnic and eco-tourism. The pandemic of COVID-19 during 2020, 2021, and 2022 (Cogoljevic, Beslac, 2022) pointed out the importance of these types of selective tourism. However, it is always necessary to remember that the material basis of tourism (Vujovic, 2005) is of fundamental importance for developing sustainable tourism and, thus, ethno- and eco-tourism.

Sample description

- 1) Sample: 168 tourists and 123 agricultural farms.
- 2) Geographical position of the respondents: The entire territory of the Republic of Serbia, except for the territory of the Autonomous Province of Kosovo and Metohija.
- 3) Type of farms: Ethno and eco-villages, farms, and small producers of healthy food

4) Form and method of the survey: a direct telephone conversation

Research results

Table 1. Sources of funds when starting a business

Types of funds	Sources of funds				
	Own sources	Personal loans	State subsidies	State loans (Development Fund) or commercial loans from banks	Incentives from European funds
Amount in %	69	11	7	9	4

Source: Authors

Although the sample of 168 tourists and 123 agricultural farms seems insufficient to draw definitive conclusions, the data obtained through a telephone survey clearly show the importance of ethnic- and eco-tourism and organic production. However, financing these activities is not of interest to the banking sector either (R. Serbia has a bank-centric commercial banking system), nor is the R. Serbia sufficiently committed to financing this type of selective tourism and the production of organic products, despite the adopted legal regulations. European funds were only available after all because of the highly complex procedure, on the one hand, and the insufficient knowledge of those processes by the interested subjects. The sources of financing for organic production and ethnic- and eco-tourism are their funds, which means there will be no accelerated development of these areas.

Table 2. Provision of means for feeding tourists

Method of providing gastronomic products in %			Type of market in %	
Own organic production	Provision of gastronomic products from producers of organic products	Provision of agricultural products from conventional production	Local market	Shopping centers and markets
48	34	18	86	14

Source: Research results of the co-authors

The previous table encourages devotees of ethno and eco-tourism since hosts predominantly offer them organic products from their production or other producers of this food. However, since the quantity of organic products from their production and producers of organic food is insufficient for the needs of ethnic and eco-tourists, products from conventional production are also used to a lesser extent. Interestingly, gastronomic products are predominantly provided from local markets, which gives particular importance to the development of ethnic and eco-tourism.

RESULTS AND DISCUSSION

Ethno and eco-tourism imply going and staying for a specific time in a healthy environment and using natural, unpolluted, and untouched resources. Through these types of tourism, one gets to know traditional cultures and ways of life in specific destinations. In contrast to urban and mass tourism, ethnic and eco-tourism implies a dominant diet of organic products according to the wishes of the tourists and at the time when they want it, which means that they are not tied to the dates set for individual meals. Organic



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production means plant production without pesticides and herbicides, but biodegradable substances are harmless to animals and people, and thus a healthy living environment can be found. Even though both theory and practice have shown that this type of selective tourism has a positive effect on the psychophysical condition of people, that it affects the increase in self-employment, that it provides healthy and safe gastronomic products, that it protects a healthy living environment, that it encourages the development of villages and other rural areas, the financing of this type of tourist offer, as well as the financing of organic products, is done from own sources, which will not contribute to the accelerated development of these activities.

CONCLUSION

Rest is a necessity for all people. Rest can be passive and active. In contrast to mass and traditional tourism, Ethno and eco-tourism represent an active vacation in rural communities, untouched nature, and a healthy living environment. These types of "on foot" tourism provide all the needs of tourists per their needs and according to their dynamics. Eto and eco-tourism imply the use of healthy organic food prepared traditionally. The users of ethnic and eco-tourism services often take part in food preparation. Organic production provides healthy and safe food, and its production does not threaten a healthy environment because natural biodegradable natural materials are used during production, not chemical pesticides and herbicides.

The Republic of Serbia took away strategic documents related to the development of rural, and therefore also eco-tourism, and a document related to the production of organic food. However, there remains the problem of financing these activities, which are primarily financed from their products, and other sources of financing are less available for them, as shown by the research of the author of this paper.

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Book of Proceedings

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***FUNCTIONALITY OF KNOWLEDGE ACQUIRED DURING
FORMAL EDUCATION***

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ABSTRACT

The young generation, which is acquiring knowledge today, is entering the world that is facing changes in all spheres – economy, culture, politics, technical sciences, technology and social relations. In times of change, education gains one of the most crucial roles – it becomes a factor of social development. Good quality education is essential for the development of national economies, but also for the creation of a skilful workforce that would have better employment opportunities. Globalisation is putting a serious pressure on the education systems all over the world. The kind of knowledge and skill sets that individuals and nations should have in order to survive and retain competitiveness is becoming increasingly complex. Moreover, the entire world is facing the challenge of knowledge obsolescence. One of the basic issues of the education system in Serbia is inadequate programs and education profiles that are not in accordance with the market needs. This paper shows the results of a research about the knowledge acquired during formal education and its usability and usefulness in business organisations. Given that the goal of every economy that strives for development is the creation of a workforce that could support that development, the topic and results of this research are considered very useful and significant.

Key words: formal education, personnel development, knowledge, globalisation, changes

JEL Classification: D83, I20, I21, I28

INTRODUCTION

Complex reality calls for a dynamic education system that can be easily adjusted to new circumstances. New tasks set before the educational institutions refer to the demands of the society to prepare young people for the world of frequent changes and enable them to find their place in such a society.

Knowledge has to be at the service of the society, regional development and economic development, thus enabling a common synergistic effect. A French economist and politician Delors said back in 1996: "Education in the 21st century is not just one of the many instruments of development, but it is also one of its integral parts and one of its most essential goals."

The above implies constant adaptation of the educational system to the permanent diversification of the needs of the economy and society. The high speed of obsolescence of once-acquired knowledge is an important problem in education. The education system should, in fact, produce useful knowledge for the future, because only with the human factor is there a relatively significant time span between the acquisition of knowledge and the later use of that knowledge. Considering the rate of knowledge obsolescence, the professional qualifications of employees must be "changed" during their working life.

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