

**ФАБИО КОТИФАВА**

**РЕГИОНАЛНИ ФАКТОРИ ЗА УСТОЙЧИВО ТУРИСТИЧЕСКО  
РАЗВИТИЕ (КАЗУСИ В РЕПУБЛИКА БЪЛГАРИЯ, РЕПУБЛИКА  
МАКЕДОНИЯ И РЕПУБЛИКА СЪРБИЯ)**

***АВТОРЕФЕРАТ***

**на дисертация  
за присъждане на образователна и научна степен  
„ДОКТОР“ по професионално направление  
Науки за земята – География на рекреацията и туризма**

**ДОКТОРАНТ:**  
Фабио Котифава

**НАУЧЕН КОНСУЛТАНТ:**  
проф. дгн Мария Воденска

**СОФИЯ**

**2014**

## INTRODUCTION

The present text includes the following parts:

- *the research*, it explains the main characteristics and concepts related to the present study;
- *literature review*, it shows the main literature sources about the economic dimension of sustainability;
- *research background and methodology*, it shows the main definitions and concepts used by the author for the development of this study as well as the applied methodology;
- *theoretical model*, it shows the suggested measures in order to reach the research aim;
- *field of research*, it describes the studied areas and tourism destinations;
- *findings and analysis*, it shows, explains and analyses the results of the case study as well as it compares the representative situation to the theoretical model;
- *conclusions*, it includes the implications of the research findings and suggestions and recommendations.

## 1. THE RESEARCH

### 1.1 Reasons for choosing this topic

There are at least three motivations which convinced the author to work on this topic:

- **the first** one depends on his absolute conviction that economic development must spread its positive affects on all areas and this result only depends on local small businesses. Economic development and survival of small rural villages as well as the well-being of locals is a goal that doesn't belong to the strategy of big companies and it becomes impossible to be achieved when these are the main actors of national tourism;
- **the second** one depends on the fact that sustainability development is a human need and a duty of everyone. A nature temporal phase is the result of evolution of the phases that have preceded it, according to a dynamic which represents a constant movement. This determines that future will depend also on the current choices regarding the preservation of values and heritage that will be available to future generations. The main and natural protagonists of the territorial preservation are the small local entrepreneurs, hence the future of local communities will depend on the importance attached and the role carried out in managing tourism of small local enterprises. A direct relation between the preservation of local tourist identity and the survival-development of local tourism businesses exist;
- **the third** comes from a personal experience he had in a village near Sarajevo few years ago, which led him to ask some questions: Can this village survive and develop without the public support? What are the economic conditions to make sustainability a true business opportunity?

## 1.2 Research summary

The most reliable definitions for sustainable tourism focus the main goal of sustainability as a way to preserve the natural, social, cultural, etc. resources, in order to ensure their economic exploitation by the future generations. However future generations will be the result of the present ones in terms of survival, development as well as of adopted choices and strategies. For this reason it's necessary to be focused on the problems related to the current generations before the future ones, allowing them the adoption of sustainable strategies according to their social development and economic satisfaction.

The research in question is based essentially on the following deductive reasoning:

*sustainable entrepreneurs have an economic gap with respect to companies operating in traditional tourism, this leads to a reduction in their profitability, which seriously undermines their development and/or survival. If we introduce interventions to eliminate this gap the profit of sustainable companies will increase, and with it their ability to develop and/or survival.*

### Research aims:

- develop a model for sustainable tourism development based on the author's idea that sustainable tourism entrepreneurs are affected by an economic gap;
- hypothesize the natural trend of cooperation and relationships between local actors in order to give suggestions for future public local planning;
- identify and analyse the factors, especially the economic ones that enable the development of regional sustainable tourism;
- solve the lack of information and studies about the economic characteristics and needs of small tourism local enterprises.

### Research hypotheses:

- the studied local tourism entrepreneurs are really subjected to the cited economic gap;
- the studied situations show common points or aspects with the proposed theoretical model;
- the implementation of the data from the questionnaire-survey to the proposed theoretical model has positive effects on the studied entrepreneurs.

### Research objectives:

- to explore the current literature sources in order to discover and understand the main studies about the economic aspects of small local tourism entrepreneurs;
- to propose a theoretical model in order to find the economic assumptions for the implementation of sustainable practices by small local tourism entrepreneurs;
- to use a case study to check on the ground the compatibility between the suggested economic measures and the studied areas, as well as the positive effects on the studied entrepreneurs by these measures;
- to develop a graphical method to show and analyze the relationships between public and

- private subjects, areas and measures;
- to analyze the causes of the existing economic barriers for the implementation of sustainable practices by small local tourism entrepreneurs;
  - to improve the knowledge about the economic characteristics and needs of small local tourism entrepreneurs;
  - to compare the economic characteristics and needs of small local tourism entrepreneurs belonging to three different countries;
  - to use the findings and results to elaborate suggestions and recommendations.

**Research object**, ten tourism destination of Bulgaria, Macedonia (FYROM) and Serbia. Further explanations about the tourism destinations and the countries will be shown in part 5 of this text.

**Research subject**, the analysis of sustainable tourism development of these three countries. In particular this research studies, with particular emphasis the economic aspects, some rural tourism destinations and the most interesting-important local tourism enterprises.

**Research method**. This study due to its complexity is based on both a quantitative approach and the qualitative one. For this reason the author uses a questionnaire-survey (quantitative) and some semi-structured interviews (qualitative). Obtained quantitative and qualitative information was further processed and analysed to outline the characteristics of the studied establishments, the existing relationships among private and public subjects and the public support of local tourism development.

## 2. LITERATURE REVIEW

Literature analysis is focused on the economical aspects related to the topic of this research whose aim is to study the economic assumptions for the development of sustainable tourism, which means to explain the contribution by these documents in the development and/or survival of local small businesses. The Eighties signalled the start of the reporting of the damage caused to the environment by tourism which was considered “smokeless industry” until the Sixties. To oppose the trends of mass tourism, institutions and individual countries started to elaborate programs and documents outlining principles of sustainable development from the mid-Eighties. In 1987, the Brundtland Report was the basis for the WTO's definition of sustainable tourism. Some other definitions of sustainable tourism and a large debate about that originating from most representatives of the scientific community (e.g. Butler, 1998-9 and Sharpley, 2000) and international institutions have characterized the following years. Up to now this debate didn't lead to a widely accepted definition of sustainable tourism (Mowforth and Munt, 2009) and many questions are still opened, especially the economic ones. Among them is the basic question if sustainability is a way to increase profit (Higgins and Desbiolles, 2009) or is it a moral duty (Javis, Simcock and Weeden, 2010).

With the passage of time a multitude of more or less recognized definitions of sustainable tourism

have been suggested by the main authors and academic meetings. In nutshell they outline a concept whose characteristics can be synthesised as follow:

- the economic value for the operators involved
- the duration over time of the economic value
- the safeguarding of the environment
- the guardianship and the responsibility towards the community and of the cultural values of the area

According to this concept strong measures in support to the survival and development of local sustainable entrepreneurs would be obvious. Instead, to date, most of the existing studies are focused on the aspects which regard the local community and the environment preservation. Of course, the present literature introduces some important and interesting items, some of them cited below to the basic principles of the author's idea, but it can be stated that from the economic point of view, their contribution for the survival and development of local businesses has not been sufficient. Local small businesses are considered by many authors the drivers of local development, but their economical needs are mentioned only in a few documents, which, in any case, don't include concrete measures to help sustainable entrepreneurs. Currently there is a great deal of research about socio, cultural and environmental aspects of sustainability and the economic ones are often switched toward the community as a whole without the right attention and care of small local businesses needs which represent the basis of sustainable tourism. Even though sustainable tourism is important for local economy of rural areas, the study of the economical needs and assumptions of local businesses still remains relatively neglected by many researchers. Of course some authors studied this problem and some investigations about that exist, but they are not so deep and detailed like those about the other aspects of sustainability (Dodds and Buther, 2009, Landrum and Edwards, 2009, Robert and Tribe, 2008), etc. Again, most of the literature sources reflect the three main dimensions of sustainability in business: economic, social and environmental (Figge and Hahn, 2006), however the analysis is often limited to the environmental ones (Robert and Tribe, 2008).

The studied articles are divided into two categories:

- **management oriented** which includes the authors who have written about the general aspects of sustainable firms such as management, internal-structure, organization, etc.;
- (Dodds and Joppe, 2005), the implementation of sustainable practices depends on several aspects among them those related to the characteristics and limits of the entrepreneur are very important;
- (Kernel, 2005), sustainability is not a business strategy but a new life-style which of course involves social and ethical aspects and integration in the community;
- (Larson, 2000), sustainable business practices have positive effects on

- management especially when they are fully integrated into the businesses' strategy;
- (Landrum and Edwards, 2009) and (Blackburn, 2007), sustainability has to be considered by persons involved in businesses as the basis of the company process which has to be monitored in the future;
  - (Dewhurst and Thomas, 2003), implementation of sustainable practices is often hindered by the lack of readiness of entrepreneurs and their employees to go through the process of change: personal attitudes represent the most serious barriers to change in business;
  - (La Lopa and Day, 2011), entrepreneurs well know that the introduction of new techniques, including the management, usually takes a lot of time and often leads to great/new problems into the internal organization;
  - (Le and Hollendshrt, 2005), if employees don't understand the benefits of sustainability, the changes tend to work slower;
  - (Butler, 2009), sustainable tourism development requires close coordination with other sectors including taxation, transformation, housing, social development, environmental protection and resource management;
- **profit oriented** which, instead, shows the articles about the economical aspects of these firms, such as costs, investments, revenues, etc. To date, there is a debate, among the main authors, about the reasons for choosing sustainability, which can be divided into:
- *moral-ethical reasons*
    - (Tzschentke 2004) and (Javis, Simcock and Weeden 2010), the implementation of sustainable business practices is dependant on the moral desire to contribute to the well-being of society;
    - (Bansal and Roth 2000), accept the idea that ethical criteria move entrepreneurs toward sustainable practices;
    - (Dewhurst and Thomas 2003), entrepreneurs who apply sustainable practices are often driven by non-economic motives;
  - *economic reasons*
    - (Miller and Twining 2005), have written about the commercial interest related to sustainability;
    - (Figge and Hahn 2006), entrepreneurs contribute to sustainability only if the expenses are lower than the perceived benefits;
    - (Tzschentke 2004), one of the main reasons for sustainable practices implementation is the reduction of costs by increasing operational efficiency;

- (Miller 2001), entrepreneurs don't take responsible initiatives unless it becomes economically beneficial;
- (Landrum and Edwards, 2009), (Hobson and Essex, 2001) and (Hitchcock and Willard, 2009), commercial interest and the benefits of sustainable practices, especially in the accommodation sector, come from a reduction of operating costs;
- (Godfrey 1996 and Tosun 2001), some barriers in the implementation of sustainable practices often depend on the short term objectives both for private and public subjects;
- (Butler and Dodds, 2009), short time attention is focused on the community needs in terms of job creation and development for growth
- (Graci, 2010), short term goals mean fast economic gain;
- (Haaland & Aas 2010), short-term financial reasons lead to choose easy solutions, but in the long run this might work against them;
- (Swarbrooke, 1999 and Bohdanowicz, 2003), high costs of technologies for energy-conservation among the main obstacles in implementation of sustainable practices;
- (Butler 2008), operating costs may be neutral or less expensive than conventional ones;
- (Bohdanowicz and Martinac, 2003, Butler, 2008, La Lopa and Day, 2011), implementation and investments in sustainable business practices are prohibitively expensive;
- (Tilley, 2000), new investments in environmental protection may not provide a financial return;
- (Jarvis, Simcock and Weeden, 2010), energy and water saving etc., doesn't often mean lower prices for a sustainable holiday;
- (Le & Hollenhorst, 2005), sustainability is considered by business an important marketing tool.

It can be concluded that scientific literature is mainly focused on social and environmental dimension of sustainability, while the economic one is neglected. A simple analysis of the studied approaches seems to outline the well-being of local community disconnected from the development and survival of local small businesses which is quite always forgotten by the suggested measures. Literature and research are rich in environmental, cultural and social dimensions and also the few existing studies about the economical aspect of sustainability are quite always related to these dimensions.

Only a few contributions about economical dimension exist and they are related to the community and not to small local businesses which at the same time most of the authors consider to be the drivers of development of local tourism. Of course this is a contradiction: from one hand they state the importance of this type of subjects for local economy and from the other hand they don't give the right attention towards the economical survival of these subjects. From the economical standpoint, the characteristics of sustainability lead to several problems-limits for small local entrepreneurs, three of them having a large impact on sustainable tourism development:

- *sustainability is a long-term strategy*, sustainability is based on a long-term vision while small local entrepreneur's vision is a short-term one about economical dimensions;
- *sustainability needs high investments, both in assets and in management*, a part of literature publications states that these investments are limits which cannot be exceeded by small entrepreneurs;
- *sustainability is a way to preserve collective heritage*, environmental protection, preservation of local culture etc., cannot be the core business for any type of firm: they can be a form of good management, they can be the basis of the business strategy, but they never can be the main goal.

Regarding these three points, the studied literature doesn't give any solutions: economic aspects are considered a big obstacle in developing sustainable tourism, but no solutions are proposed. However some authors state that these problems related to the first two points exist, while none puts the right attention on the last one which, in my opinion, represents one of the central points of the question. The aim of the present research is to give a contribution in filling this gap and solving these issues, through the analysis of the economical characteristics of these entrepreneurs and the development of an approach which makes sustainable tourism a profitable economical practice.

### **3. RESEARCH BACKGROUND AND METHODOLOGY**

The author based his study on the following theoretical background. In order to achieve a easier explanation, it's divided into the main definitions as well as the document about sustainable tourism and economic theories and concepts.

#### **The first category includes:**

- (1987) World Commission on Environment and Development (WCED) for the Brundtland report;
- (1988) the World Tourism organization (WTO) proposed a more complete definition of sustainable tourism;
- (1992) Agenda 21, Rio de Janeiro summit;
- (1995) Conference on Sustainable tourism of Lanzarote;
- (1966) the WTO paper analyses the basic principles for sustainable development,

- one year after they are brought to light in the famous Berlin Declaration;
- (1977) International conference “Tourism and Sustainable Development in the Mediterranean Basin”
- (1999) the Worldwide Code of Ethics for Tourism;
- (2001) the International Conference of Sustainable Tourism in Rimini;
- (2001) EU publication “A Co-operative Approach for Future of European Tourism”;
- (2001) the VI Community Programme of Action;
- (2002) Johannesburg Environmental Summit.

In nutshell, analysing the definitions proposed, it seems clear that through the concept of sustainable tourism doesn't represent a new form of tourism that can be fitted in alongside the already existing options, but is a rational evolution of the concept of alternative tourism.

**The second category includes:**

- the “*pure profit*” that considers the profit the basic goal for all enterprises, Friedman, (1967) and Carr (1996);
- the “*multi stakeholders*” that makes the preservation of the interest of stakeholders regarding some themes (ecological and social aspects) one of the task of businesses;
- the “*social directing*” that introduces the concept of responsibility, Sciarelli (2005).

Despite these different approaches and the growing importance of social, ethical and environmental aspects in management, everyone agrees that profit is a necessary condition for businesses survival. For this reason some specification about this concept are needed.

**Profit**

In principle, it plays a different role in management between mass tourism and sustainable tourism.

*Mass tourism*

Mass tourism is the form of tourism created in order to transport and manage large volumes of people. Of course, large numbers require greater capital investment. According to universally-accepted business theories, the presupposed base of any form of large companies is the maximisation of profits.

*Sustainable tourism*

Mass tourism, because of its intrinsic characteristics cannot take place in any environment other than that of large commercial enterprise, but sustainable tourism can be orchestrated by small companies, for example family-run businesses or non-profit agencies. The profits therefore assume a less central position in sustainable tourism. In this case we can use the term “normal profit” to indicate the profit which is necessary and sufficient to induce an entrepreneur to start up a business or to continue running it.

### 3.1 Methodology

The following main questions were the guidelines of the present research design:

- From the economic standpoint, what are the main obstacles and problems of private subjects for the development of sustainable tourism?

The answer to this question needed the study and analysis of the economic characteristics of local small tourism entities and their areas as well as the involvement of public subjects in support of local sustainable tourism.

- How can these obstacles and problems be solved or limited?

According to the research hypothesis that small local entrepreneurs are affected by an economic gap, reasonably the solution of the problem has to be focused on the increase the revenues and decrease the costs of the studied establishments.

- What are the indications for the development of sustainable tourism in the future?

The implementation of sustainable practices needs the support by public and private subjects.

#### **The sample**

According to Statistic Science for having a good probability sample is the good knowledge of the population since, without this information, the so called statistical inference is not possible. However, regarding sustainable tourism it's not so easy to determine the population due to the following reasons:

- lack of official data bases and lists of entrepreneurs and private entities which really develop sustainable tourism as their main strategy;
- frequent use of sustainable tourism as a commercial slogan, which makes it difficult to recognize the true sustainable subjects;
- lack of regulations (laws) in sustainable tourism;
- lack or insufficient knowledge about the principles as well as the concept of sustainable tourism by local entrepreneurs.

For this reason, a sample was chosen which, according to both its own characteristics and those of the studied areas as well as its available resources, was able to give the needed information in order to reach the purpose of this research. The choice of the sample was based on the analysis of the needed information and the subjects who reasonably can give them, according to the main concepts and definitions of sustainable tourism. In particular these categories have been studied: restaurants, restaurant + rooms, hotels, guest-houses, associations, ethno-villages and other firms. In all villages the interviewers divided the respondents into standard respondents and key actors in local tourism development (the main stakeholders), according to their organization-assets and role played in the village and for the development of local tourism.

#### **Primary data**

The collection of primary data in the present research is based on direct observations,

questionnaires and interviews, which have been done in the period from August 2011 to December 2012. According to the aims of this study and the earlier concepts, a survey questionnaire was designed in order to find information about:

- 1) general characteristics about the villages-municipalities, such as population, facilities, etc.
- 2) characteristics of local establishments related to tourism, such as tourism services offered, human factor, capital structure, investments and funding, operating costs, etc.
- 3) the existing private and public actions such as the public support, the relationships between public and private subjects, local tourism cooperation and associations, etc.

Its main components are:

- a. the questionnaire of basic information about the village-municipality;
- b. the questionnaire-based survey of local tourism entrepreneurs;
- c. the questionnaire-based survey of key actors in local tourism development (stakeholders) .

### **Secondary data**

The author used these secondary data sources: books of management, businesses administration, tourism and banking sector, websites, official records-publications, academic journals and the annuaire of Sofia University "St. Kliment Ohridsky"– (Geography of Tourism Department).

### **Data control**

- In the design phase
  - choosing questions characterized by
    - low subjective degree;
    - ease of understanding;
    - low needed economic knowledge;
    - the use of certain and available data or information.
  - including specific questions in order to apply the so called cross-checking data
- in the operational phase related to the collection of the data and information
  - comparing the answers of the respondents with the information which are obtained through the visit of the destinations and establishments;
  - comparing the answers of the private respondents with the data which come from the public institutions and local authorities as well as the information from websites, journals, local tourism brochures.

### **Data Processing and Analysis**

Obtained quantitative and qualitative information was further processed and analysed to outline:

- the characteristics of the studied establishments especially those related to their investments, funding, operational costs, as well as their management;
- the existing relationships among private and public subjects;

- the public measures in support of local tourism development.

The current situation of the areas including local entrepreneurs was compared to a hypothetical future trend of the development of relationships between the subjects involved in tourism.

### Data representation

This research has used the followings representation data methods: tables, figures and the so called “The diagram of the circles”, that can be explained as follow. One of the most important and interesting point of this research is the relationships between public and private subjects related to specific areas and measures: the whole idea of the dissertation turns around this concept. The need to represent these relationships has been solved through a method based on figures instead that on tables. This approach uses several circles each of them representing a layer related to specific areas, subjects and measures. Of course there are no limits about the number of the layers and the circles. This method includes three steps: choice of the number of needed circles or layers, loading of the layers with their measures or aspects and translation of the layers one over another in order to show the intersecting areas

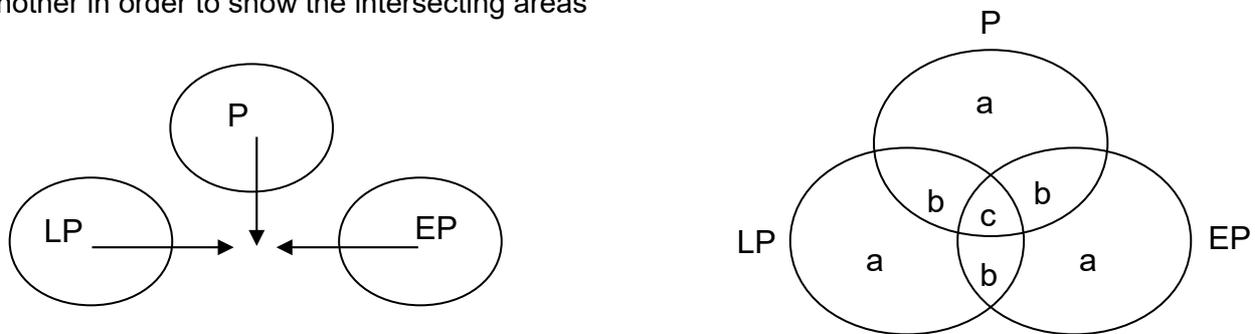


Figure (3-1) Translation of the layers

LP – local public subject, EP – external public subject, P – private subject

The figure gives these interesting information: **areas a** include the measures out of cooperation among private and public subjects, **areas b** include the measures which need cooperation among two subjects (e.g. P and LP or EP and P) and **area c** includes the measures which need all three subjects together.

## 4. THEORETICAL MODEL

Most researchers agree that small and locally owned firms play a great role for initiatives of more environmentally sensitive business (Dewhurt and Thomas, 2003). However, the economic aspect of sustainability is analysed from the macroeconomic standpoint and almost no researcher considers the question as a problem of micro economy. According to the studied literature and reasonably, this context is affected by some contradictions which can be summarized as follow:

- everyone agrees that small tourism entrepreneur is characterized by low financial resources and knowledge both in economic and technical fields. At the same time experience and most literature state that the implementation of sustainable practices needs

high resources, good knowledge, etc.;

- everyone agrees that small tourism entrepreneurs are the drivers of the development of local economy. At the same time the existing studies don't give sufficient data on the economic characteristics and needs of these subjects;
- everyone agrees that the goal of businesses is the profit. At the same time sustainable entrepreneur is mainly focused on the preservation of a public heritage which belongs to the public function.

All this leads to an economic gap-disadvantage for sustainable entrepreneurs. This gap can be overcome only through a coordinated system of relationships between public bodies and private operators, able to both fairly distribute the "cost" of sustainability between some other subjects, also located beyond the studied area, and optimize the use of inputs which are essential to the success of small local businesses. The answer to the following questions helps us to find the economic assumptions for the development of sustainable tourism entrepreneur.

#### **4.1 Why the small tourism entrepreneur has to be supported**

The development of local economy depends on small local entrepreneurs and the implementation of sustainable practices. These entrepreneurs for the implementation of sustainable practices, and probably to survive, have to solve some great problems which depend on both their limitations in management, available resources, etc. and the heavy economic consequences-requirements of sustainability. Without external support it's very difficult that these entrepreneurs will be able to reach this goal. Sustainability aimed at preserving cultural and natural resources extends its effects beyond the territory under consideration: the preservation of a natural park, local traditions and the old architecture can be a valuable new job opportunity and a way for the local development, but also they are a positive experience and a cultural growth for all visitors. Hence it can be stated that sustainability aims at public interests hence its function belongs to the public sphere. From business economy, profit is the main goal for the firm, which is founded to make money and not to preserve local culture and traditions, natural beauties etc., in other words to develop a public function. These considerations lead to the followings conclusions:

- sustainable entrepreneur uses inputs which are not free because they are a part of the protection of higher collective interests;
- sustainable entrepreneur cannot develop its business using the same rules and conditions of the "standard" firms which work in free market;
- sustainability achieves a public interest, hence sustainable entrepreneur develops a public function.

Again, many authors state that the implementation of sustainable practices needs high financial resources for new investments, good knowledge in technical fields and management and these practices often mean high operating costs due to the complexity of the involved techniques.

According to these considerations, from the economic standpoint, sustainability introduces new obstacles and disadvantages in the survival and development of small local businesses as well as limits in the revenues due to the well known loading capacity. Limits in the revenues, higher operating costs due to the complexity in management and the interest rates, the problems related to high investments (bank loans and guarantees), lower flexibility and high business risk lead to this conclusion: sustainability imposes on “sustainable entrepreneurs” an economic gap-disadvantage compared to “standard entrepreneurs”.

#### **4.2 Who have to support the sustainable entrepreneur**

All public and private subjects as well as the entrepreneurs have benefits from the environment protection, the preservation of cultural and local traditions, the development of local economy. In nutshell all private and public subjects must be involved in measures for the support of sustainability. According to the public function of sustainability, all subjects, both internal and external to a specific area, must give their support-helping. Experience shows that sometimes the proposed solutions or suggestions are related to only a part of the problem: often they observe a problem and they limit their suggestions to specific aspects of the question. For this reason, the theoretical model wants to explore these aspects:

- the measures to solve the cited economic gap;
- how to find the needed resources;
- how to obtain the maximum positive effects from the available resources,

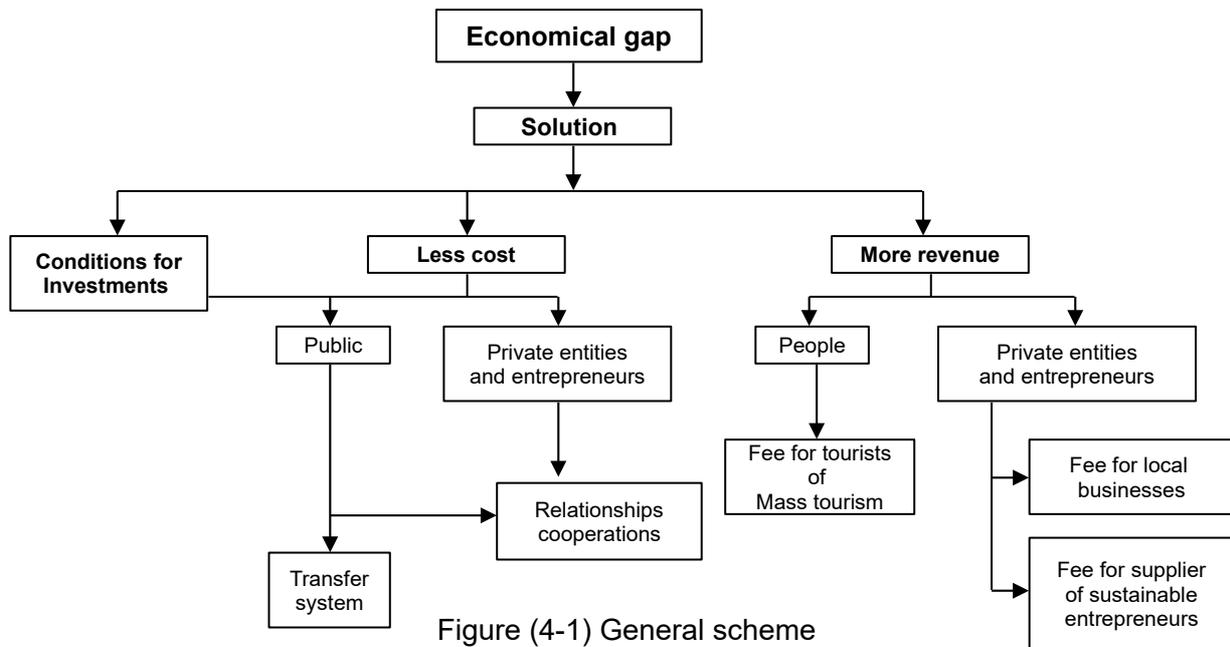
in order to find the economic assumptions for the development of small tourism entrepreneur and the implementation of sustainable practices.

#### **4.3 The measures**

These measures are justified by this consideration: if the sustainable entrepreneur develops a public function, it has to be paid like everyone who does the work of others. For this reason, these are not a simple support, but the just award for tourism businesses which work in favours of the whole society. In order to classify the different actions, these categories can be considered:

- measures to increase the profit of sustainable tourism entrepreneurs through the reduction of their costs and the increase of their revenues;
- measures which allow the development of the necessary investments Experience shows that the implementation of sustainable practices is often rejected by tourism companies due to the lack of own resources (financial and human) and the difficulty in having bank loans.

The public and private measures to be taken in order to reduce this economic gap of sustainable entrepreneurs are shown in the followings general scheme:



#### 4.4 How to find the needed resources

In nutshell the best way to find the needed resources involves several measures mainly based on:

- tourism fee for sustainability;
  - *National fee for tourists/clients of mass tourism.* The involvement of these tourists in support of sustainable entrepreneurs is based on the positive effects produced by sustainability in the area which are an advantage for the whole tourism industry. Even the mass tourism client has a clear benefit by the implementation of local sustainable practices because the travel is not a simple addition of tourism services but it always includes the local heritage such as natural beauties, cultural traditions, etc.
  - *National fee for local businesses and for suppliers of sustainable entrepreneurs.* Local economy receives great benefits from sustainability. Both the local firms directly related to the sustainable entrepreneur and the other ones can have good economic opportunities from the local implementation of sustainability. A small fee related to a part of this advantage can be rightly considered.
- the specific refund of resources by some public subjects (the transfer system);
- the cooperation and relationship between public and private subjects.

#### 4.5 The transfer system

Sustainable principles such as energy and water conservation as well as the architecture and environment protection need high technology investments which cannot be covered by small entrepreneurs: the implementation of sustainable practices needs the support by other subjects,

which take care of the total or partial costs of sustainability. In nutshell the transfer system is a method to return to the sustainable tourism entrepreneur the profit obtained by the public subject through the economic transaction between the sustainable buyer and its supplier. This profit or economic benefit is based on the difference between some positive elements and negative ones and is shown in Figure (4-2). The strength of this method is that it only caters to the public subjects involved in a specific economic transaction. It's based on the principle that the gain achieved by the public entity as a result of sustainable transactions, has to come back to the market and in particular to the sustainable buyer: Public institutions don't have a gain from sustainability.

**The contribution**

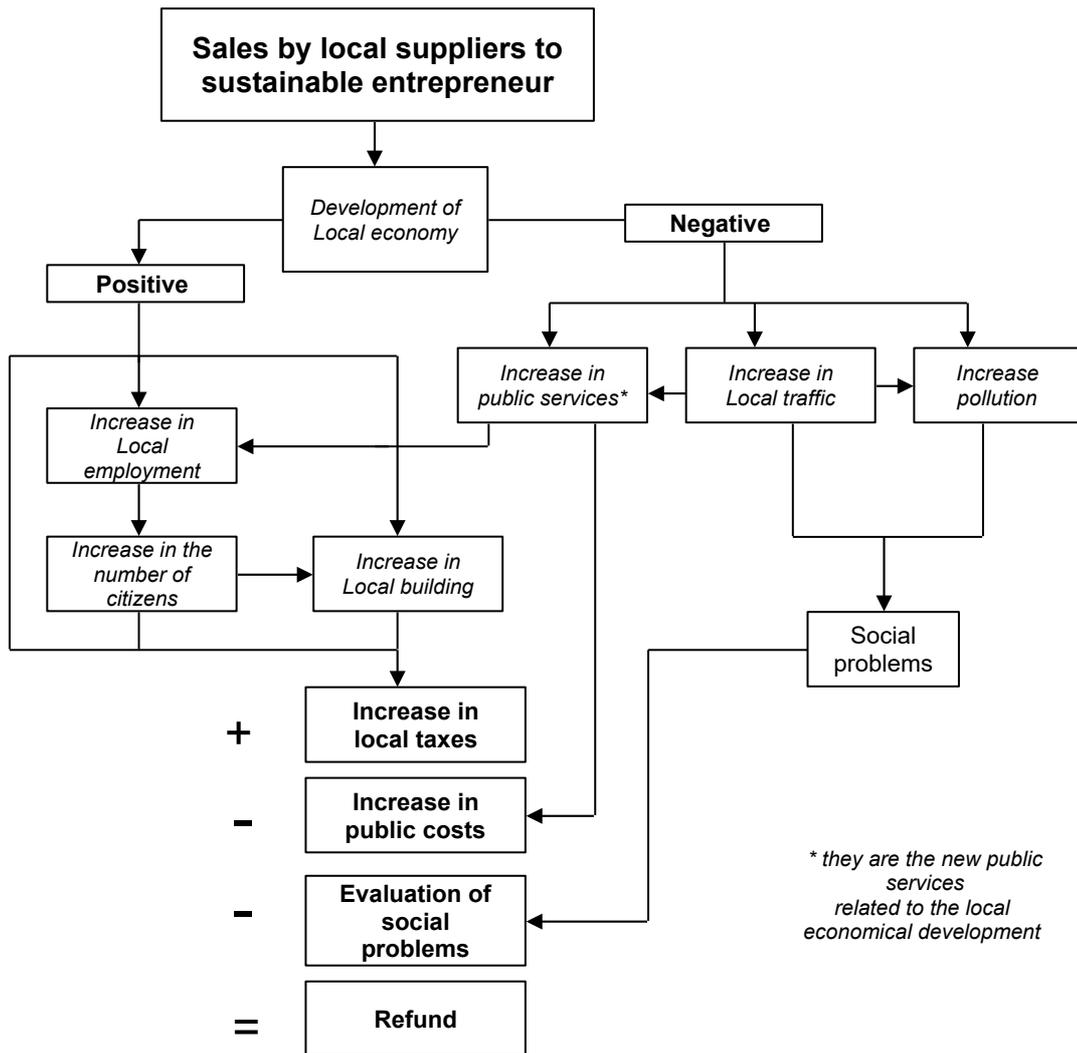


Figure (4-2) The refund

Public subject must refund to the sustainable entrepreneur its plus-value or gain related to a specific economic transaction established in its area. This value comes from the algebraic difference between two series of positive and negative elements which are shown as follow in the earlier Figure (4-2). From the operative standpoint the contribution can be:

- **direct**, the public subject gives the contribution directly to the sustainable entrepreneur;

- **indirect**, the public subject gives the contribution to the supplier, who will apply a lower price on the “sustainable transaction”.

The analysis of the indirect type contribution outlines that it is not a cost for the public subjects, but a temporary use of financial resources. In fact, thanks to the lower prices applied by the supplier, he becomes more competitive, his sales increase as well as his purchases of goods and his bargaining power. The profit increases as well as the local taxes paid by the entrepreneur.

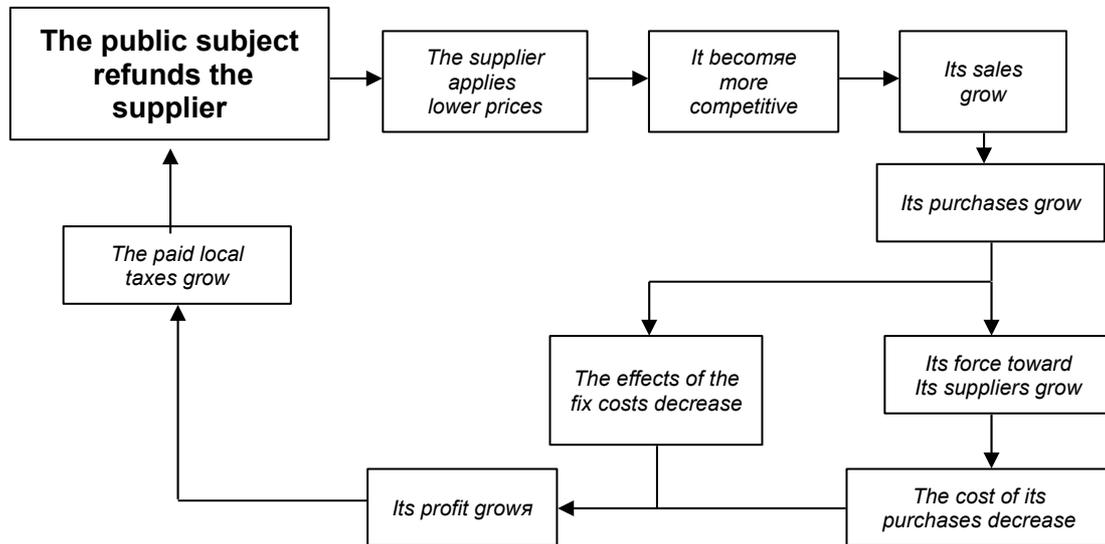


Figure (4-3) The “feed-back”

This trend, which can be called “feed-back”, shows that this method can be considered as a short-term investment for public subject. Of course other benefits have to be included with the high local taxes in the list of the advantages and strengths of the areas rich in competitive firms.

It has to be noted that there are two types of transfer:

- *Vertical transfer* is the transfer of some costs between subjects of different levels until the equation cost = income is reached: for example from local operator (hotels, travel agencies, etc) to the municipality, from municipality to region, etc.;
- *Horizontal transfer* is the transfer of costs between subjects characterized by the same level. Reasonably when the transfer is made by a refund, it involves only public subjects, because cooperatives and relationships are the best way for private subjects to transfer their costs. In nutshell horizontal transfers are based on the administrative and economic differences between the areas.

### **Certification of sustainable tourism**

Sustainability does not possess the intrinsic ability to choose who uses it, therefore there is a risk of this “brand” being utilised by the “wrong entrepreneurs”. The hypothesis of the existence of entrepreneurs who declare themselves “sustainable” solely for personal profit without properly

applying the rules that the philosophy imposes is not an unlikely one. Hence a specific regulation is necessary to allow administration identify entrepreneurs towards which eventual support in the political decisions of the area to be aimed.

#### **4.6 Cooperation and relationship between public and private subjects**

Especially when the available resources are limited, cooperation and relationships between public and private subjects can be the only or the best way to obtain good results in terms of higher revenues and lower costs. Despite the fact that cooperation and partnerships can involve all phases of management, according to the basis of the theoretical model, this research will be focused only on the types of cooperation and partnerships related to the reduction of the costs of the investments in assets, and operating phases such as the purchases of consumer goods and services and the borrowing costs. Business administration defines the firm as a bundle of goods and people organized by the entrepreneur in order to produce goods and/or services which will satisfy human needs. These goods are the precondition for the existence of the firm. Among the several categories of these goods, which are based on their nature, function, use, risk level, etc., assets and consumer goods are the main two.

##### **Assets**

They are the durable structure of the firm and usually are divided into material goods (equipments, furniture, vehicles, buildings, etc.) and intangibles (expenses related to the start up, grants, licenses, research and development, promotion, marketing, training, etc.). The experience and the results of the survey, despite the fact that material goods are quite always more expensive and complex than the intangibles, some psychological and/or economic reasons often make them the favourite investments especially for small entrepreneurs. The cited questionnaire-survey outlines that the studied tourism entrepreneurs are mainly focused on the renovation or the construction of their buildings, while they neglect the investments in intangibles, although they well know that some types of intangibles play a great role in the development and survival of tourism businesses. In author's opinion, the lack of investments in intangibles is one of the main obstacles for the development of sustainable entrepreneurs.

One of the main points in the running of the transfer system is the separation between economic transactions among subjects located inside and outside the studied area. According to the developed concepts, sustainability is a task for all subjects, without geographic limits, but the economic transaction which involves all subjects located in the same municipality, has better effects on the local wealth than the other one which includes suppliers located outside the area. It can be stated that this observation must be taken into great consideration because it's the basic condition to fight the leakage of resources from the area which is another great limitation for the development of local economy. These considerations have a great relation with the localization of the goods and services which the entrepreneur needs. For example, it's reasonable to suppose

that generic goods such as buildings and furniture are made by local producers and their purchase contributes to the growth of local economy: the resources remain inside the area. Unlike, high tech goods and specific ones come from producers located outside the area hence their purchases always mean leakage of local resources. The transfer system considers this assumption as a way to spread the economic benefits over the area as a whole and to improve local economy.

### **Consumer goods and services**

Consumer goods are often called “goods with simple fecundity” because they always need to be replaced after their use. They are directly related to the operating costs.

### **Borrowing costs**

Assets and goods are obtained by the firm through its own capital and/or external financing. Business economy suggests as a good financial balance the rate between investments and financing: 60% by own capital (internal) and 40% by external funds. Especially for small tourism businesses characterized by low available resources, bank loans are often the only chance for the development of new activities and tourism products. Hence the measures in supporting the sustainable entrepreneurs have to deal with this aspect which is a great obstacle for the management of the small business due to the interest rate and the high loan guarantees. The existence of some obstacles of having bank loans is proven by the mentioned questionnaire-survey. It outlines that, due to the borrowing costs/problems, most studied entrepreneurs cover their investments only with their own capital. Only some Bulgarian tourism entrepreneurs cover their investments with bank loans and a few Serbian ones use small bank credits to pay the operating costs. The framework is characterized by entrepreneurs who focus their limited resources only on essential investments, such as buildings and furniture neglecting the intangibles. This wrong choice leads them to be less competitive than foreign competitors. For this reason the increase of the investments in intangibles must be one of the main goals of the public and private measures.

### **4.7 How to obtain the maximum positive effects from the available resources**

In author's opinion this is the most interesting part of this research because through a logical process it shows how to combine the public and private subjects in the same measure in order to obtain the maximum effect on small local businesses.

### **The transfer of activities**

In principle all phases of management can be developed by relationships and cooperation between public and private subjects, however, due to the high complexity of this question based on economic, technical and psychological aspects, the limited available resources produce their best results only following some rules or suggestions. In order to reach the purposes of this study, management is divided into these phases:

- d. **structural**, it's the investments in assets;

- e. **patrimonial**, it's the question related to the borrowing costs and problems;
- f. **operating**, it's the actions related to consumer goods and services.

The main concept developed in this paragraph is the degree of transferability, which can be defined as the aptitude of a specific activity to be developed by several subjects (public and/or private), or to be transferred from one to another which takes care of the cost of sustainability. It depends on several variables, such as the characteristics of the activity, its importance in management, its difficulty, etc. Each phase of management is shown by its points which are related to its specific degree of transferability calculated through a logical process based on the following variables:

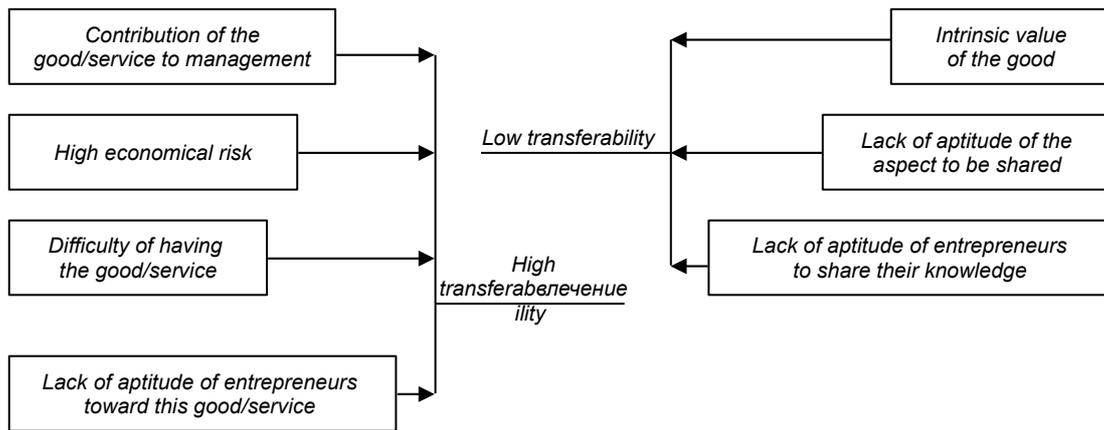


Figure (4-4) Variables of transferability

The determination of the degree of transferability needs an in depth analysis of the several aspects of management and usually it depends on more of these variables. The transferability is internal when the transfer of the costs or the activity is inside the same area (e.g. the local public subject supports the rebuilding of the guest-house of a local sustainable tourism entrepreneur) or external when the involved public and/or private subjects are located outside the area of the sustainable entrepreneur. Both the internal transferability and the external one are evaluated through a degree of transferability based on the following Likert scale:

		Transferability	Transfer
1	null	economic-operational reasons clearly hinder the transfer	impossible
2	low	the transfer is only possible under very specific conditions	improbable
3	medium	there not obstacles and the transfer can lead to some advantages	neutral/advisable
4	high	the circumstances and/or the characteristics of the item suggest the transfer. This leads to sure advantages	appropriate
5	very high	as above, but it leads to a higher level of advantages	needful

Table (4-1) Likert scale of transferability

This part is very important to understand how the levels of internal/external transferability are obtained. For this reason, due to its complexity, some explanations and examples are needed (to

be noted the phrases in brackets are the variables of transferability of the Figure 4-4):

- structural phase
  - investments in intangibles are one of the conditions for the development of business (*high contribution of the good/service to management*), but they often are neglected especially by small local entrepreneurs (*lack of aptitude of entrepreneurs toward this good/service*). Moreover, most of them need high level of skills hence it's difficult to find them in rural area (*difficulty of having this good/service*). These three variables lead to the high level of external transferability: investments have to be supported especially by external subjects;
- operational phase
  - when the sustainable entrepreneur cannot have a specific good or service (*difficulty of having this good/services*), this good or service is neglected by small local tourism entrepreneurs, such as the advertising and training expenses, (*lack of aptitude of entrepreneurs toward this good/service*), and this good/service is important for management (*high contribution of the good/service to management*) = high degree of external transferability;
- patrimonial phase
  - limited financial resources need bank loans which often are the only way for the development of the business, (*high contribution of the good/service to management*). Bank loans mean high interests and need high guarantees which the small entrepreneur often cannot give to the bank, (*difficulty of having this good/service*). This problem can be solved by local public subjects which possess and manage public properties = high degree of internal transferability. Reasonably the bank is located outside the area (where the cited equation is reached), hence the question of the bank interests = high degree of external transferability.

According to the transfer system and the earlier concepts related to the relationships and cooperation between public and private subjects, some specific tables of transferability have been developed. Merging the tables of transferability into a single one, it's possible to obtain a table which allows the comparison of the levels of sustainability of **EPL** (local public subjects = internal transferability), **EPE** (external public subjects = external transferability) and **P** (private subjects) for each item. From these three columns, the average level of transferability of each item is obtained.

	<b>EPL</b>	<b>EPE</b>	<b>P</b>	<b>Average</b>
<b>Material goods</b>				
buildings	3	1	2	2

furnishings	3	1	1	1,7
equipments	2	4	2	2,7
vehicles	1	4	2	2,3
<b>Total material goods</b>	<b>2</b>	<b>2,5</b>	<b>1,8</b>	<b>2,2</b>
<b>Intangibles</b>				
constitution	3	3	1	2
licensing-permissions	4	4	2	3,3
research - development	5	2	5	4
commercial expenses	1	5	4	3,3
advertising	1	5	4	3,3
training	1	5	5	3,7
<b>Total intangibles</b>	<b>2,5</b>	<b>4</b>	<b>3,5</b>	<b>3,3</b>
<b>Borrowing costs-problems</b>				
borrowing costs	1	5	4	3,3
loan guarantees	4	1	4	3
<b>Total borrowing cost-guaran.</b>	<b>2,5</b>	<b>3</b>	<b>4</b>	<b>3,2</b>
<b>Operational costs</b>				
salaries	5	1	2	2,7
maintenance	1	5	4	3,3
administration and services	4	3	4	3,7
purchases of energy	3	3	4	3,3
purchases of goods	4	3	4	3,7
bank interests	1	5	4	3,3
bank charges	1	5	4	3,3
<b>Total operational costs</b>	<b>2,7</b>	<b>3,6</b>	<b>3,7</b>	<b>3,3</b>
<b>Average</b>	<b>2,4</b>	<b>3,3</b>	<b>3,3</b>	

Table (4-2) Levels of transferability

The analysis of the table allows these important considerations to be made:

- low level of transferability of material goods (2,2 on 5). Buildings and furniture are the only ones which are partially transferable to local public subjects (3 on 5), while vehicles and equipments are suitable for external ones (4 on 5);
- low aptitude of material goods to involve the three subjects in the same measures;
- medium level of transferability of the intangibles (3,3 on 5). In particular the parts of management related to the research and development of new local tourism products have the highest average value of transferability – high value (4 on 5) of the adopted Likert scale. It means that production of new local tourism products has to involve both public and private subjects;
- medium aptitude of intangibles to involve the three subjects in the same measures;
- medium level of transferability of the operating costs (3,3 on 5). In author's opinion and according to the Italian experience, the best results can be reached through the

establishment of cooperatives and private consortia for the purchase of goods and services between the local entrepreneurs;

- medium aptitude of operating costs to involve the three subjects in the same measures;
- local public subjects (column ELP) have, if compared to the other two columns, lower average level of transferability (2,4 ELP, while the other two 3,3 on 5);
- external public subjects and private subjects (columns EPE and P) have the same average level of transferability (3,3 on 5). It shows how the support of sustainable tourism has no geographical limits;
- low aptitude of private subjects in developing the measures independently from some other measures which come from public subjects. Analysis of the Table (4-8) outlines that the higher values of column (P) are always related to other high values of columns EPL or EPE and this is a further confirmation of the importance of the cooperation between public and private subjects.

These and earlier considerations can be transferred on a graphic, which can be called “diagram of the circles” with the three studied layouts

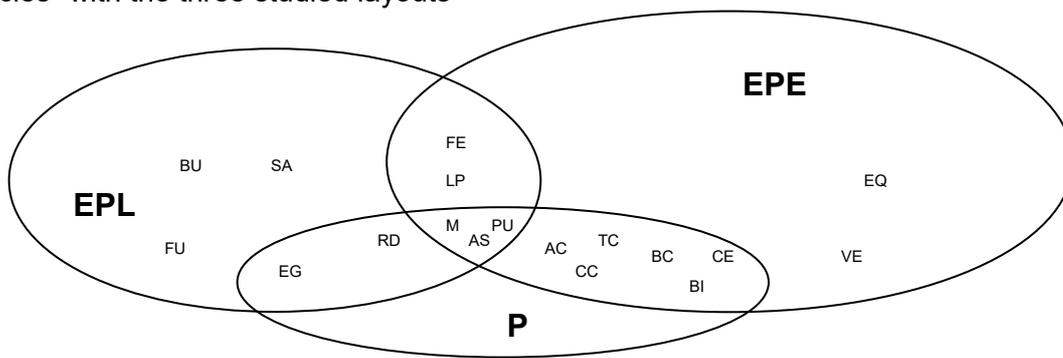


Figure (4-5) Diagram of the circles

Legend

PU	purchase of goods	RD	research - development
M	maintenance	EG	establishment of guarantee
AS	administrative and services	LP	licensing-permissions
AC	advertising costs	FE	constitution expenses
CC	commercial costs	SA	salaries
BI	bank interests	BU	buildings
TC	training	FU	furniture
CE	purchases of energy	VE	vehicles
BC	bank charges	EQ	equipments

Table (4-3) Legend

The purpose of this part of the research is the determination of the most profitable use of the available resources by private and public subjects. The earlier observations outline that, due to the involved economic factors and subjects, the public and private measures in supporting sustainable

local businesses reach their zenith when they follow these suggestions:

- most of the operating costs, especially administration expenses, maintenance and purchase of goods and services, must be included into measures based on the cooperation among the three subjects-areas;
- investments in research and development of new tourism offers have to be supported at local level through the cooperation between local public and private subjects;
- investments and operating costs of promotion and advertising have to be supported by measures which involve private and public subjects located outside the area;
- most of the financial matter must involve private entities and public subjects located outside the area. Local public subjects must focus on the guarantee of bank loans;
- external public subjects have a great role in the development and survival of local sustainable tourism entrepreneurs.

## 5. FIELD OF RESEARCH

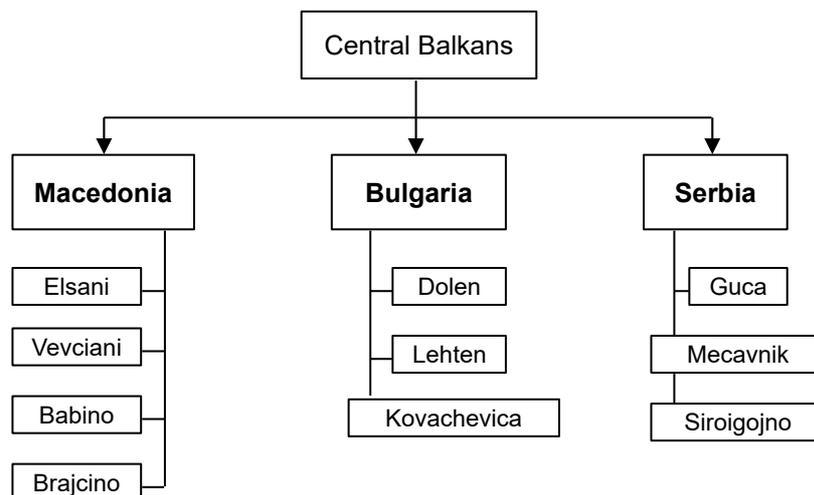


Figure (5-1)

### The Countries

Sustainability aims at the preservations of the present resources such as local culture, natural beauties, folk traditions, local architecture etc., in order to allow their exploitation by future generations. It's clear that this concept requires this basic condition: the areas must have some resources to be protected and to be transferred in the future. In author's opinion, a destination which has lost its own tourist identity and its natural or cultural heritage, due to wrong political choices (not only related to tourism), has very little chances to be involved into a local sustainable project. Lack of this condition makes the solution of the question very difficult or quite impossible. For this reason three countries in the Balkans which are rich in history, culture, folk traditions, local architecture and natural beauties have been chosen. The choice of the countries has been also based on the following considerations and expectations:

- they should be neighboring countries, located in the central part of the Balkans in order to obtain a high degree of comparability among the findings, because reasonably they have many similarities;
- at the same time, significant different characteristics among them related to their political and administrative structure, national tourism, their recent history, their ethical structure, etc., are expected. It's reasonable to suppose that these aspects have probably affected both positively and negatively local tourist destinations as well as local tourism establishments, whose study could give some very interesting indications concerning the aim of this study.

At the end, **Bulgaria, Macedonia** and **Serbia** have been chosen.

In nutshell the findings outlines the following situation.

Bulgaria has the best situation regarding the specific political and institutional factors, ethnic structures and tourist fields which characterizes the three countries. This means that Bulgaria has good conditions for tourism development in this country. This circumstance is partially confirmed by Bulgarian institutional websites through the descriptions of the studied villages. However, at local level, respondents describe an opposite situation. According to the studied aspects and the related data coming from the questionnaire-survey, usually Serbia has the best average score and Bulgaria the worst. Respondents have stated that especially for facilities and infrastructure Serbia has a much better situation than Bulgaria, while about the characteristics of local tourism the three countries show similar scores.

Regarding “local tourism” the author doesn't totally agree with the opinion of the respondents who put the villages more or less at the same level, because in his opinion all Bulgarian villages as well as Brajcino and Babino have the most interesting tourist heritage in terms of originality, local architecture and much more than the others they outline the traditional life-style of mountain people. However, at the same time, they need much more efforts to make local tourism a true economic opportunity for their populations. It has been supposed that the marginal position inside the former Yugoslav Federation of Macedonia can mean a lower level of infrastructure for this country than those of Serbia, that was the leader of the Federation. This prediction seems to be confirmed by the findings. According to the findings and author's opinion, all studied villages have the needed cultural, natural, and architectonic factors to develop a local sustainable tourist supply. Local entrepreneurs can make and offer good tourist products through the combination between these important factors. The author agrees with the main stakeholders who consider cultural, rural and eco the types of tourism with the highest chance of success in their villages. Despite the cited difference among the three countries, in all areas the public infrastructure for environmental protection are well developed and natural beauties are rightly one of the most expressed local factors for the promotion of the destination by institutional websites.

However most studied villages show high obstacles for the development of local tourism. Lack of basic tourist facilities such as health services and banking ones that characterized all Bulgarian villages, Elsani, Babino and Mecavnik is surely a great obstacle for the development of their local tourism. In my opinion it's surprising that the four stars complex of Mecavnik doesn't include a medical center. This consideration is confirmed by most of the main stakeholders of the villages of Dolen, Leshten, Kovachevitsa, Brajcino and Guca who included lack or insufficient tourism facilities and services among the main obstacles for tourism development in their villages. In addition to these problems, the Bulgarian villages of Leshten and Kovachevitsa can be only reached through a road 10-20 km long in a very bad condition. Today the rural areas, where the visitors can see and appreciate the life-style of the locals, defined as "back regions" by Mac Cannell (1973), are growing up. These areas are unique because they are authentic (Taylor, 2001) and this is a very important resource especially for the Bulgarian villages and for some of the Macedonian ones. However it doesn't mean that visitors will waive to good and modern tourist services. Experience teaches that often clients want to live rural experiences with the comfort of the five stars services. Before the ending of the chapter two personal observations concerning the promotion of the villages and their local populations have to be exposed. Bulgaria has the lowest score about signage and tourism information and Serbia the highest one because its villages use all the tourist promotion tools studied in this research such as maps, CD, brochures and flyers. However, it has to be noted that tourist promotion of the villages of Guca, Sirogojno and Mecavnik are mainly focused on the ethno-complex and the trumpet festival. Among Macedonian villages only Vevciani uses tourist promotion tools and among Bulgarian ones, only brochures and flyers of Kovachevitsa exist. Lack or insufficient promotion is underlined by main stakeholders. The author agrees with those respondents who included lack of professionalism and knowledge of foreign language among the main problems for tourism development of their villages. During my visits to the studied areas, in all Bulgarian villages as well as Elsani, Babino and Guca I had very great difficulties in finding people who spoke English.

## **6. FINDINGS AND ANALYSIS**

According to the research objectives shown in the first part of this dissertation, the present part aims to answer-prove the earlier three research hypotheses.

### **6.1 First hypothesis:**

(the studied local tourism entrepreneurs are really subjected to the cited economic gap)

In order to understand this hypothesis a method which explores the causes and the probable effects on the studied small tourism entrepreneurs and the area by this gap, is applied.

The study of the causes and the probable effects has led to these considerations:

- most of the studied establishments are characterized by a human factor with low

- knowledge in tourism, as well as in economic and technical fields. This fact is also confirmed by the local social structure which is mostly agricultural;
- quite always the knowledge of the people working in the establishment comes mainly from their daily experience and is not based on specific studies in management and technical fields. Reasonably, before being involved in tourism, most of the owners and their employees worked in manual tasks which didn't require a specific education.
  - Investments made in the last five years and previous ones have led to a structure of the investments characterized by a great imbalance between material goods and intangible goods which are almost non-existent. There no investments for the development of new products, as well as for new commercial relationships (e.g. for the development of a sales network), staff training and commercial network.
  - buildings are the greatest majority of investments (56% average);
  - Low or lack of focus on intangibles is also confirmed by the available data about the operational costs. The expenses in administration and services, which include advertising, training and commercial (for the development of the sales network), cover only 3% (average) of operational expenses;
  - the findings outline two great contradictions about the purposes and the actions of the studied entrepreneurs:
    - among the main purposes in the future development of their business, 92% and 70% of positive answers are related to the attracting of new clients and the development of loyal clients, but at the same time, the studied entrepreneurs do nothing in order to reach this goal, in terms of promotion, advertising etc.
    - most of the interviewees consider the lack of promotion, lack of professionalism in tourism, lack of professionalism of locals, lack of information, low or lack knowledge of foreign language, etc., the main problems for the tourism development, but at the same time they do nothing to solve it probably due to their chronic diffidence for the investments in intangibles as well as to their low available resources.
  - many respondents were talking about the investments in promotion and advertising as something very important for their business, but they don't spend their resources in these measures because they include them into the aims of the cooperation and partnership between entrepreneurs and the public subject;
  - most of Macedonian and Serbian entrepreneurs show a financial structure totally based on their own capital: all establishments in 7 villages show 100% of capitalization and no entrepreneur in 8 villages uses bank credit for the development of their business, while Bulgaria shows a different situation in fact here the studied entrepreneurs have a more

- balanced financial structure;
- low use of bank credit and the resulting high capitalization of the studied firms depend on variables which come from both the erroneous suspicion in the banking sector by the studied entrepreneurs and the low willingness of the banking system to lend;
  - the results show that small public help has been focused only on buildings, furnishings and training for the village of Kovachevitsa and Dolen. In the other countries, only 20% of Serbian entrepreneurs received a very small public support for advertising expenses and the complex of Mecavnik was helped to be included on the list of UNESCO heritage;
  - the low-lack of public support is not only related to the financial aspect, but it involves the management as a whole;
  - respondents were talking about sustainability as something very important for their business and they conclude that the implementation of sustainable practices is a good chance for the development of local economy, but, at the same time, no one of them is engaged in sustainable practices and the concept of sustainable tourism is often not well known;
  - some entrepreneurs could not estimate the percentage of goods bought outside the area, but most of them stated that the main part of their goods is bought from external suppliers. Of course this fact is among the main obstacles of the development of local economy;
  - from the demographic standpoint most of the villages are characterized by a high level of depopulation which involves especially the young. In author's opinion depopulation is also proved by the low level of unemployment which characterizes all studied areas;
  - agriculture is the main economic source for locals;
  - local economy of all villages is characterized by a low commercial spectrum which forces local entrepreneurs to buy the needed goods and services outside the area;
  - only a very low part of the costs remains in the area leads to a progressive impoverishment of the community as well as to the decrease of the available resources of local businesses;
  - local tourism shows a high degree of seasonality related to some specific events and/or the summer holiday. It seems that the villages, which are famous for some specific events, are only focused on these events and they forget tourism during the rest of the year;
  - the studied establishments offer to their clients basic (standard) facilities, while additional services which would be a part of a sustainable tourism offer, such as the organization of local tours and folklore culinary, are neglected especially by Macedonian and Serbian establishments;
  - in author's opinion the main goal of small local tourism entrepreneurs is the survival and they don't have the needed resources and the will for the development of their business as well as the implementation of sustainable practices;
  - entrepreneurs spend their resources in supplying good accommodation, good services.

Their investments are focused on material goods, while the intangibles, such as the promotion, are considered to be a task of the public subject developed through public and private cooperation and partnerships promoted and led by local authorities;

- public support for the development of local tourism businesses as well as a local tourism planning is missing;
- local entrepreneurs have low profit and often the conditions for their economic survival are missing;
- cooperation and partnership between public and private subjects are missing;
- most studied entrepreneurs are not involved in joint activities with other entrepreneurs and no one is involved in stable joint activities belonging to a local project;
- lack of local cultural and tourism organizations is an obstacle for the development of local relationships. Some entrepreneurs are members of associations located outside the area.

### **The case of Mecavnik**

Mecavnik cannot be considered a tourism offer agreeable to the principles of sustainable tourism. Its characteristics are those of post-modern tourism rather than those of tourism designed by sustainability. Although most of the concepts and the conclusion of this paragraph are valid also for the Serbian village-complex of Mecavnik, this tourism destination is very different from the other ones. This difference comes from its origin. In fact, Mecavnik is not a village, but the name of a tourism invention by Mr. Emil Kusturica who built on the top of a hill a very nice traditional Serbian village to be the set for some of his movies and later it became his residence as well as a famous ethno-complex. From tourism standpoint, it aims to show visitors an old rural Serbian village and the lifestyle of the locals in the past centuries. Visitors attend a kind of “show” inside a four stars complex which offers highest comfort. Talking about local economy it's clear that this complex has both positive and negative effects on the area. Among the positive ones, the high increase of local population in the last 12 years thanks to the establishment and the development of the complex is surely the most important. Thanks to the growth of local employment, local buildings have been enriched with several new single-family homes. Moreover the high quality of the complex is a good chance for the improvement of the professionalism of local workers, both in tourism and the related activities. However during the visit of the place it was found out that the complex is the only sign of the development of local tourism. Both along the national road and the secondary one which leads to the complex, there are no restaurants, shops, small hotels and other firms related to tourism, but only some private guest-houses. This research cannot explain why, from the tourism standpoint, the development has not spread beyond the borders of the complex in these 12 years.

According to reason the negative effects related to the cited gap outline local businesses characterized by economic and financial problems, whose aim is the survival rather than the role of driver of the development of local economy. There are no conditions to achieve a good level of profit for this reason the area is not attractive for new investments and tourism entrepreneurs The

assumptions to reach a profitable profit are missing so the area is not able to attract new entrepreneurs. The economic situation shown by the findings doesn't have the needed assumptions for the implementation of sustainable practices by the studied entrepreneurs.

It can be stated that the first research hypothesis has not been fully proven.

## **6.2 Second hypothesis:**

(Comparing the proposed theoretical model to the studied situation)

It was shown, that the cited theoretical model suggests that the economic assumptions for the development of sustainable tourism are based on the solution of the economic gap which characterizes small local entrepreneurs. This goal can be reached through the transfer of costs related to some phases of management to other subjects. From another point of view, this transfer is the sharing of some aspects-phases of management between different subjects interconnected to one another through the development of relationships and cooperation between public and private subjects. It's possible and reasonable to hypothesize a natural trend of these relationships, which grow with the passage of the time. In author's opinion, this trend is the natural and correct one, because it agrees with the concepts developed by the theoretical method.

In order to understand the second hypothesis the author has compared the situation found from the analysis of the findings shown and explained in the previous paragraph and those related to cooperation and partnership with the following trend.

### **Steps of the development of the relationships and cooperation**

This trend begins from the "primitive" situation characterized by a low level of relationships and joint actions between public and private entities in the area. At the beginning it's reasonable to find a situation characterized by the lack of joint actions between various actors and the only one existing depends on specific administrative law rather than on economic and social matters. Reasonably with the passage of time the system moves towards a "mature" situation where relationships and cooperation between public and private subjects are the focus of local planning. According to concepts developed in the previous part of this chapter and through the comparison between the hypothesized trend and the current situation of the studied areas, conclusions are drawn as shown in the following Figure (6-1).

The analysis of the findings shows that the most representative situation related to most of the studied areas, is located between the start-up phases and the horizontal development one. This is mainly characterized by local entrepreneurs focused on investments in buildings while intangibles are only small investments in the development of their tourism offer. Important intangibles, such as promotion and advertising don't belong to their focus. Public support as well as cooperation and partnerships don't exist or are very limited.

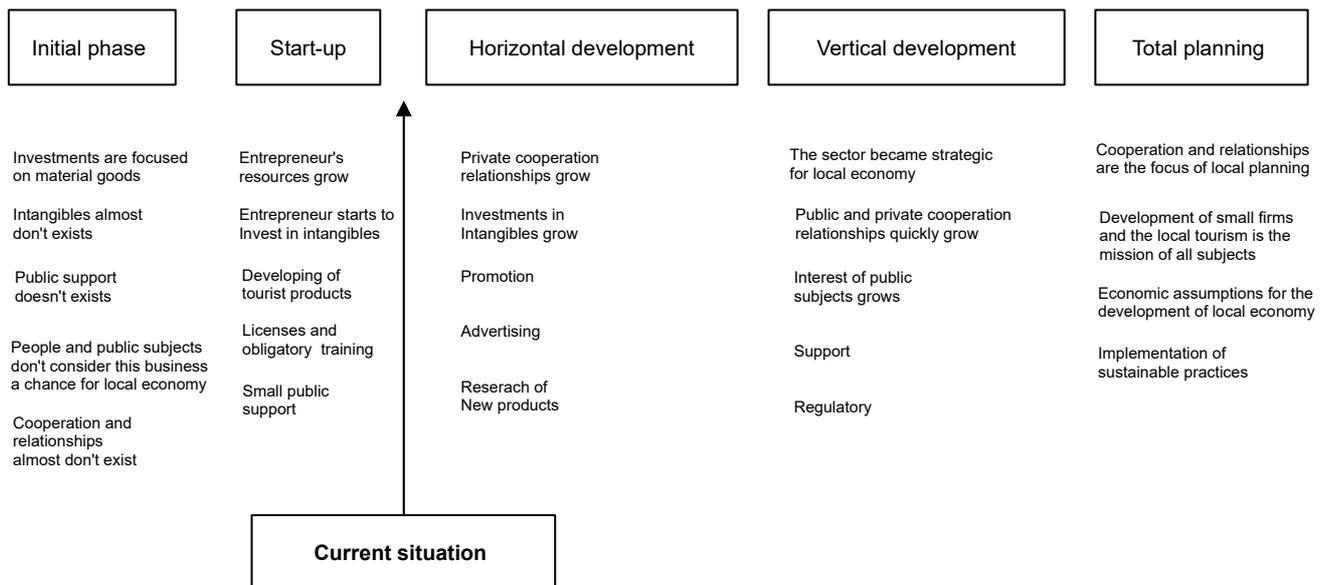


Figure (6-1) The current situation

### 6.3 Third hypothesis:

(Applying the proposed theoretical model to the studied situation)

In order to understand the third hypothesis “the application of the data from the questionnaire-survey to the proposed theoretical model has economic effects on studied entrepreneurs” I have used a method which shows the profit growth of studied entrepreneurs thanks to the application of the economic measures of the earlier theoretical model.

The aim of this paragraph is reached through a simulation which includes a simple example of “transfer system” and some examples of costs reduction coming from cooperation and partnerships applied to the data related to the studied establishments.

For this reason, according to the aim of this paragraph, only the cooperation and relationships related to the reduction of the following operating costs, which represent the main costs of the studied establishments, are explained and applied:

- *purchase of goods*. Talking with local entrepreneurs, food is the main part of this category;
- *purchase of energy*. Talking with local entrepreneurs, electric power and gas are the main parts of this category
- *expenses for maintenance*, especially that related to buildings and equipments;
- *expenses for administration and services*.

The simulation shows that the application of the “transfer system” at local level, due to low local

taxes, gives a so low economic support which cannot play a significant role in saving the economic gap of sustainable entrepreneur: considering 5% of local taxation, the profit has only increased from 9,5% to 10,5% (1% in percentage of the costs). This observation confirms the concept which was several times explained in this research: the solution of the cited economic gap cannot be reached by a single measure or subject, but it depends on the involvement of several public and private subjects into a specific project. Instead, through the transfer system and some types of private cooperation and relationships the profit for the entrepreneurs grows to 28% of the costs. Especially during a period of great economic crisis, low available public resources don't allow local public subjects high cash support and the refund of taxes is a significant sacrifice for them. This simple simulation shows that the economic results coming from cooperation and partnerships are totally different from those of the local public support. Through a very simple example using some types of cooperation and partnerships, a significant reduction of operational costs has been reached as well as a very interesting increase of business profit.

In nutshell, this simulation leads to the following conclusions:

1. the "transfer system" can give good results especially at national level;
2. local public subjects have to be focused on the development of cooperation and partnerships;
3. good results and probably the solution of the cited economic gap need measures based on the involvement of all public and private subjects.

According to the results of this brief simulation, it can be stated that the third research hypothesis has been proven.

## **7. CONCLUSIONS**

### **7.1 Implications of research findings**

Analysis of the literature sources outlines that authors are mainly focused on the environmental and social dimensions of sustainability. The economic aspect is analysed from the macroeconomic standpoint and almost no researcher considers the question as a problem of micro economy. This vision is a great contradiction because, at the same time, most researchers agree that small and locally owned firms play a great role for initiatives of more environmentally sensitive businesses (Dewhurt and Thomas, 2003).

It's universally agreed that small businesses are the drivers of sustainable practices implementation, but the presented studies don't give sufficient indications about the solution of the economic limits/obstacles which characterise small local tourism entrepreneurs. Lack or insufficient information about the economic characteristics of these subjects is another consequence of this contradictory vision of many researchers.

Another questionable vision of many authors is related to the reasons for adoption

sustainable business practices by local entrepreneurs. Some authors base the implementation of sustainable practices on moral-ethical reasons, while both small and big entrepreneurs make the profit among the main reasons for their investments and efforts. These considerations lead to the conclusion that studied literature doesn't consider the economic aspect as the centre of the question and doesn't give a concrete contribution to make the basis for the development and survival of sustainable tourism.

The findings outline that most studied areas as well as their local tourism businesses are characterized by a critical situation from the economic and social standpoints. Low resources, low knowledge, problems in management as well as in financial and capital aspects, depopulation, old age structure, lack of public support, negative perceptions about future financial results, etc., are the most frequent concepts shown in the text.

These problems allow the simple survival of most subjects and they don't ensure the needed conditions for the implementation of sustainable practices. Small tourism entrepreneurs cannot have the financial resources, skills, etc. to develop the long-term investment required by sustainability. In addition to these obstacles, the results outline the lack of public support as well as the very low use of bank credit by small local businesses, which could be the only chance for the development of the high investments related to sustainable practices.

It was predicted that sustainable tourism entrepreneurs are affected by an economic gap (first research hypothesis), but due to the lack of sustainable tourism entrepreneurs among the studied ones, the author couldn't prove it. However, the findings clearly outline that small local tourism entrepreneurs are characterized by a very critical economic situation that puts survival as their main business goal. According to these considerations it's very difficult to suppose them to be able to satisfy the implications/needs of sustainability.

For this reason the focus was directed to the solution of this economic situation that the author considers the main obstacle for the implementation of sustainable practices.

According to this purpose, a theoretical model based on the following main considerations was developed:

- sustainable entrepreneurs preserve a collective heritage, hence they develop a public function for which they must be paid by everyone who obtain benefits from sustainability (the payment of sustainable entrepreneur is one of the main aspects of author's vision);
- each measure has to be focused on profit growth of small tourism entrepreneurs;
- the solution cannot be reached by a single measure or subject, but it depends on the involvement of several public and private subjects into a specific project.

According to this concept both public and private subjects must be involved in a coordinated system of measures which includes three parts:

- tourism fees;

- the “transfer system”;
- the development of cooperation and relationships between public and private subjects.

This research is mainly focused on the second and third parts because, it's accepted, the introduction of a new taxation is not a great contribution for the solution of this problem especially in present period of economic crisis. The transfer system and cooperation are the main innovations of the present research in order to outline how to find and where to spend the resources to obtain the maximum results in terms of economic support for small local businesses.

In nutshell the transfer system is based on the principle that the gain achieved by the public entity, as result of sustainable transactions between the sustainable buyer and its supplier, has to return to the sustainable tourism entrepreneur: sustainability represents a collective heritage, hence it cannot be a gain for some public subjects. At the same time, it was shown that the transfer system is not a cost for the public subject, but is a short-term investment and a temporary use of financial resources which will come back to the public subject thanks to the higher local taxes paid by the supplier who became more competitive according to the “feed-back”.

The public levy (public collective contribution) is one of the most used tools by public subjects despite this fact that it can show the following contradiction. Due to the economic transactions between sustainable entrepreneur and its supplier who reasonably belongs to the highly developed areas, most public levy in favour of sustainability will return to the richest areas. In principle, it can be supposed that public levy increases the economic differences among the areas, while the transfer system leads to a higher level of homogeneity among them.

Chapter 6 shows a simulation about the economic effects in terms of costs reduction on the studied establishments, by the “transfer system” and some types of cooperation and partnerships. These simple examples outline that the “transfer system” gives a very low economic support, if it used at local level, due to the low local taxes. Instead it can play a significant role in helping sustainable entrepreneurs when it includes national taxation.

The development of cooperation and relationships between public and private subjects is another central point of the proposed theoretical model. According to the outcomes, cooperation and relationships have given the best economic results in terms of costs reduction for small local businesses.

In principle, coordination between government bodies and other sectors are stated by several authors such as Lickorish (1991), Singh (1999) and Butler (2009), however their considerations mainly belong to macro-economy. This research, instead, is focused on micro-economy level. Cooperation and partnerships are analyzed and studied in order to find their objects and contents as well as the roles played by public and private subjects involved in the same specific measures. This matter is analyzed through a graphic tool, called “diagram of the

circles”, giving several interesting indications about the characteristics of private and public cooperation. Considering the following three categories, local public subjects, external public subjects and private subjects, these suggestions are obtained:

- most operational costs must be included into measures based on cooperation among the three cited subjects;
- production and development of new tourism offers have to include local public subjects and private ones;
- promotion and advertising of tourism offers have to include private subjects and public subjects located outside the area;
- financial matter must involve private entities and public subjects located outside the area, while local public subjects must be focused on the guarantee of bank loans;
- external public subjects play a great role in local sustainable tourism entrepreneurs survival and development.

This last point leads to this important-obvious consideration: sustainability is not a local matter, but involves private and public subjects located everywhere.

The cited simulation has shown that some simple types of cooperation and partnerships, thanks to their positive effects on costs reduction, lead the profit of the sustainable entrepreneur up to 28% of the costs that surely represents a good level in tourism field. Of course, it cannot be stated that these measures are sufficient for the implementation of sustainable practices however they are a good increase of the profit and the first important step for the solution of the question.

The great role played by cooperation for survival and development of small businesses has been proved by the findings which have given an important indication. The respondents consider cooperation a very important tool for their management as well as for the intangible investments such as promotion and advertising, but, at the same time, they have indicated public subjects as the leader of the cooperation and partnerships between local subjects. These two considerations lead to this conclusion: small local entrepreneurs consider intangibles a very important part of management, but, probably due to their limited resources, they consider these investments a task-duty of joint actions between public and private subjects which must be lead by the local public subject. However, despite these considerations, the findings include only a few examples of joint actions between the studied entrepreneurs: only a few entrepreneurs have been involved in some local joint actions with other subjects, related to specific events for very short periods. These are occasional cooperation and don't belong to the central part of their business strategy.

The theoretical model includes among its main parts the development of joint actions between public and private subjects. For this reason the author has proposed a hypothesis about the trend of cooperation and partnerships with the passage of time. This trend includes five phases

which represent different levels of cooperation development between public and private subjects. According to the findings the studied areas have aspects in common only with the first phases of this trend (the so called “representative situation” is between the second and third phase), hence they don't show the most interesting characteristics hypothesized/suggested by the cited theoretical model, which instead are in the next phases to the third.

The study of the economic characteristics and needs of small tourism entrepreneurs has been another aim of this research. Through the findings analysis it was found out that often the hypothesized conditions at national level are not confirmed at local level.

Bulgaria is an interesting example. Thanks to its architectural-historical heritage, policy, etc., this country has the best conditions for local tourism development. Bulgarian villages as well as local tourism entrepreneurs instead show the worse conditions in terms of infrastructures, tourist facilities and services among the studied ones. The advantages at national levels are neutralized at local level and this fact probably depends on the lack of good policy aimed to make these advantages as a local strength.

Serbia shows the opposite situation to Bulgaria. At national level it's characterized by several potential problems and limits for tourism development, most of them coming from its recent international events, while its destinations have the best conditions for local tourism development. It has to be noted, however, that most Serbian destinations are too focused on specific events or tourist attractions which often don't transfer their positive effects to the other local tourist businesses. Mecavnik represents the best example. In fact, despite its great role played in development of the area, such as local demographic growth and buildings development, up to now this tourist complex has not been able to stimulate the establishment and development of other local tourism businesses.

In nutshell the main concepts and results of the present research can be summarized by the following table:

<b>Theory</b>
Most literature sources study the economic aspects of small sustainable entrepreneurs mainly at macroeconomic level
In order to obtain concrete indications, this matter has to be dealt at microeconomic level
This matter has to involve both public and private subjects as well as several measures in support of sustainability
Sustainable entrepreneur has to be paid for its public function
No public subjects have to obtain a gain from sustainability
Public levy can become a support for the richest areas
The transfer system is not a cost for the public subject, but it's a tool of leverage
The transfer system gives significant results only at national taxation level
Cooperation and partnerships can give a concrete support for small sustainable entrepreneurs
The support of small sustainable businesses is not a local question, but it also involves subjects outside the area
The support of small sustainable entrepreneurs has also to come from mass tourism

Certification of sustainable tourism is one of the main conditions for the implementation of sustainable practices
It's reasonable to suppose that cooperation and partnerships will grow with the passage of the time
The diagram of the circles is both a presentation and analysis method
<b>Findings</b>
<b>Establishments</b>
Most local tourism entrepreneurs have low financial resources
Most local tourism entrepreneurs have low knowledge both in economic and technical fields
Small local tourism entrepreneurs have great obstacles for having bank loans
Except of Bulgarian small local tourism entrepreneurs, the other ones only use their own capital
Public support is missing
Small local tourism entrepreneurs are only focused on investments in material goods
Small local tourism entrepreneurs reject the investments in intangibles
Investments in intangibles are the object of public and private cooperation and partnerships
Small local tourism entrepreneurs show great contradictions in their management between their purposes and actions
Only a few small local tourism entrepreneurs were involved in joint actions, but for a very short period, with other subjects
Small local tourism entrepreneurs consider the public subject as the leader of local cooperation and partnerships
No studied local tourism entrepreneurs implement sustainable practices
Most respondents suppose negative trend of their future profit
<b>Tourism destinations</b>
Bulgaria has the best conditions for tourism development at national level
Bulgarian villages and entrepreneurs show the lowest conditions, in terms of infrastructure and tourism facilities and services, for local tourism development
Serbian villages and entrepreneurs show the best conditions for local tourism development
Serbian villages are focused on specific events or local attractions hence the effects on local tourist entrepreneurs are not so significant.
Serbian villages have a very low level of foreign diverse clientele, probably due to its international problems-tensions
All studied destinations can be potential actors in sustainable projects thanks to their cultural and natural heritage
Except of the villages of Brajcino and Mecavnik, all studied areas are characterized by depopulation
Public subjects are involved in environment protection
All villages are characterized by a low local commercial spectrum
Agriculture is the main economic field
Most local benefits coming from tourism leave the areas
Mecavnik doesn't show the characteristics needed by sustainable tourism and it's both a good and a negative example of tourism effects on rural areas

Table (7-1)

### 7.3 Suggestions and recommendations

Overall the research showed that the studied areas as well as their local businesses are characterized by a critical situation and lack of conditions for the implementation of sustainable practices by local tourism entrepreneurs. Many problems and obstacles must be solved in order to develop sustainability which is rightly considered the best chance of economic growth for most of rural areas. In author's opinion, sustainability development cannot be reached through single projects, but it must come from a great planning process involving all public and private subjects. It's a task-duty of everyone who has benefits from sustainability. For this reason, suggestions and

recommendations have to be proposed both for public and private subjects.

### **7.3.1 Public subject**

#### *Develop a sustainable planning between all public and private subjects*

Local sustainability is a task-matter of local public planning which must involve all public and private actors. Implementation of sustainable practices by some private enterprises when it doesn't belong to a local sustainable public planning cannot lead to significant results. Public subject must be the driver of the development of local sustainable project.

#### *Develop awareness campaigns of sustainability*

Sustainability is a life-style that ensures the well-being both of the present and future generations. Its achievement needs great efforts in communication by public institutions and measures aimed to the whole population.

#### *Develop specific local training for sustainable entrepreneurs*

It was found out that lack of knowledge is one of the main obstacles for businesses development as well as for the implementation of sustainable practices. The establishment of local training as well as life-long learning can be the way to solve the lack of knowledge in economic and technical fields which characterized small local tourism entrepreneurs. The organization of local meetings between entrepreneurs and experts is surely another interesting growth opportunity for local businesses. Trainings about the categories with disabilities and the basic medical care cannot be forgotten.

#### *Establish a public advisor in economic and technical matters for local sustainable local entrepreneurs*

Experience shows that especially old people often have many difficulties in attending professional courses. This problem can be solved through a free economic and technical consulting service provided by local public institutions (e.g. also involving local schools and/or professional associations). In order to save time and money the use of internet is recommended.

#### *Include in school programs sustainability concepts*

Primary and secondary education must include the teaching of sustainability principles. Sustainability is not a choice but a duty of everyone and school is surely the best context to learn these principles.

*Use public properties as guarantees for bank loans for sustainable local entrepreneur*

The guarantees required by bank loans are quite always a great obstacle for small enterprises characterized by low resources. At the same time local public institutions have often some properties which can be used as a guarantee for social projects. This measure must be a part of a brave planning which, in accordance with law, aims to develop a new long-term relationship between public and private local actors.

*Encourage the development of specific agreements-conditions between sustainable entrepreneurs and banks*

Public subjects must develop the conditions for the access to bank credit by small local businesses. Thanks to their bargaining power and institutional role, they can play a basic role for the reduction of borrowing costs for local sustainable businesses.

*Encourage the development of local cooperation and partnerships*

According to the findings, local cooperation and partnerships must be established and lead by public subjects. The development of stable forms of cooperation must be the main goal, but, in the author's opinion, it's difficult to be achieved by small local tourism enterprises without public support-help. The public subject shows a too limited vision of his role in tourism development. It pays much attention to some important general aspects, but it totally forgets the cooperation and the relationships between public and private subjects so required by most of the tourism entrepreneurs in the area.

*Encourage the establishment of cooperatives of services and guarantee as well as purchasing groups*

Western experience shows that the cooperatives of guarantees give to their members significant support for their business financing, especially for having lower interest rates and the needed guarantees. Considering the high difficulties of small tourism entrepreneurs for having the needed financial resources, cooperative of guarantees can be a significant support for the solution of the economic problems of local businesses.

*Encourage the increase of local commercial spectrum*

Lack of local suppliers forces local entrepreneurs to buy the needed goods and services outside the area. Hence only a very low part of the costs remains in the area and this fact leads to a progressive impoverishment of the area and community.

*Encourage the establishment of local tourism associations*

Tourism associations are often the first step for the implementation of joint actions between local entrepreneurs and they give several advantages to their members. Among them the comparison

and cooperation with other members are the most significant.

*Encourage the development of certification of sustainable tourism*

“Sustainable” has to become an official trademark for the true sustainable actors. Tourists should be able to identify and separate those initiatives that use sustainability only for commercial ends, from those that, instead, truly represent the spirit of the philosophy.

*Encourage the development of the transfer system at national level*

It was shown that the transfer system can lead to economic local growth and in the short time it's not a cost for public subject thanks to its leverage effect. According to this statement, higher administrative and operational cost coming from the use of this method is the only disadvantage for the public subject. However, in order to achieve a concrete financial support for sustainable entrepreneurs, it has to be applied at national level.

*Develop public supports for the investments in intangibles of local small businesses*

Experience as well as the findings show that small local entrepreneurs have many difficulties to investment in intangibles, despite the fact that these assets are very important conditions for business success. According to the earlier concepts, the public subject has to focus on the support of the aspects-parts of management representing an obstacle for small businesses. Especially when available resources are very low, it makes little sense to support aspects of management which will be made by the entrepreneur in any case.

*Be focused on economic problems-needs of local businesses*

Local businesses are one of the main actors for the development of local economy hence local economic conditions for their survival are needed. Public planning often forgets that small local tourism entrepreneurs can survive and develop only when the rules of business profit are satisfied. Regarding the achievement of these conditions the public subject plays a basic role.

### **7.3.2 Entrepreneurs**

*Investments in intangibles especially in professional, promotion, advertising, training, etc.*

Small entrepreneurs have to change their business vision based on material aspects, which must be considered a simple tool for their management and never their business goal. Today professionalism is the basic condition for business success and often small enterprises owned by old persons don't grow because their owners consider their experience enough for the development of their business and for the solution of daily difficulties. When I was teaching I often used to say this principle: “a firm is like a plant, when it doesn't grow, means that it's dying”.

### *Be business-oriented*

Findings outline that most establishments are not managed according to basic economic rules probably due to the lack of business vision of their owners. When survival is their main goal and business profit is only a small part of family revenues, the conditions for business development are missing: the enterprise doesn't grow and the decreasing of the profit will lead to the end of the business.

### *Have a long term vision in business*

In the author's opinion the short-term business vision that usually characterizes small entrepreneurs is one of the main obstacles for the implementation of sustainable practices and a risk for survival of their own firm. In principle each firm needs a short-term project belonging to a long-term planning.

### *Consider the implementation of sustainable practices their own best growth opportunity*

Most studied destinations outline a stagnant economy that leads to depopulation of the villages: hence changes are needed. It was found out that sustainability cannot be achieved by small local tourism entrepreneurs without the support from other subjects, but at the same time it's the best opportunity for local economy development. For this reason small local tourism entrepreneurs have to be focused on the achievement of the economic and operational conditions for the implementation of sustainable practices.

### *Make cooperation and partnerships the central part of own business strategy*

Cooperation and partnerships cannot be a marginal aspects of management and a tool to be used only during a few days a year. Experience shows that an entrepreneur only focused on the protection of his garden cannot go far.

### *Establish local joint actions with other subjects*

As above.

### *Use bank loans in the business*

Talking with some local small entrepreneurs it was found out that often they don't use bank loans due to the lack of the economic conditions (e.g. for high interest rate) and their great diffidence for the banking sector. However, according to the results of the present study, bank loans are a very important management tool and often the only opportunity for the economic development of many studied enterprises. The achievement of the economic and operational conditions for having bank credit must be a main point of their management.

### *Develop tourism offers and services for categories with disabilities*

Talking about tourists with disabilities, often small entrepreneurs only think about persons with great disabilities such as people in wheelchairs, blind etc. This is a great mistake because also older people often have needs which depend on small disabilities: architectural barriers, special bathrooms, lifts, specific foods as well as the diapers for the elderly and basic medical care such as the control of blood pressure are some examples. According to the fact that in future older tourists will become a large part of tourism demand, these aspects will have to be present in the establishment.

### **7.3.3 People**

#### *Consider sustainability as a duty*

Sustainability is not a choice but a duty for the present generation in order to ensure the economic development of future generations. In accordance with this principle, the cited question-declaration of Lorenzo de Medici "Who would rather be happy tomorrow if it is not certain?" cannot be accepted. It was said that everyone has to support sustainable development and this leads to sacrifices in terms of new tourism fees and changes in own tourist habits. Sustainable development depends on public institutions, entrepreneurs and people each of them has to do his/her own duty.

#### *Develop the sustainable tourism demand*

In the author's opinion this is one of the most important assumptions for sustainable development. Business economics teaches that quite always tourism offers depend on demand whose characteristics conditions tourism products as well as management of tourism enterprises. Until the sustainable tourism demand remains at very low levels, sustainable tourism development will depend only on the futuristic vision of a few entrepreneurs. A significant growth of sustainable tourism demand will be the best condition to start up both the political and management process needed to make sustainability the central part of local economy development.

## **7.4 Research contributions**

The present research contributes to the literature about the economic aspects of small local tourism businesses and the implementation of sustainable business practices and proposes a model for sustainable tourism development.

In nutshell the main research contributions can be summarized as following:

- a. to theory:
  1. a model of sustainable tourism development whose strengths are
    - the spread of the support of sustainability on all public and private subjects;
    - the leverage effect obtained;

- the achievement of the best economic effects from the available resources;
  - 2. a trend that, showing the reasonable and best phases of the development of cooperation and partnerships with the passage of time, gives important indications to the public planner concerning the future local planning;
  - 3. a new vision about the role played for collective heritages protection by sustainable tourism entrepreneurs.
- b. to methodology:
- 1. a graphic method used both for representation and analysis;
  - 2. indications related the solution of the operational issues of the present study for further research.
- c. to research:
- 1. study the economic characteristics and needs of small local tourism businesses;
  - 2. study the tourist situation of small rural tourism destinations in the Balkans;
  - 3. comparison between the economic characteristics of small rural tourism destinations as well as local tourism businesses located in three Balkans countries.

### **Publications related to the dissertation**

- Cotifava F. (2012) **BALKANS**, A.B.A.T. Balkania - association of Balkan Alternative Tourim, Skopje, p. 116
- Cotifava F. (2013) **Economic Assumptions to Development of Sustainable Tourism**, International Journal of Responsible Tourism, Volume 2 Issue 2/2013, pp. 64-87
- Cotifava F. (2013) **Public Support for Sustainable Tourism**, Annuaire of SU, FGG, Volume 2 – Geography, t.105
- Cotifava F. (2014) **Field Research of Sustainable Tourism: Investments and Funding of Local Tourism Entrepreneurs and Public Role in Tourism Development of Balkan Destinations**, Annuaire of SU, FGG, Volume 2 – Geography, t.106, in print

### **DECLARATION**

*I declare that this dissertation is my own original work. I have not included any material or data from other authors or sources which are not acknowledged and identified in the prescribed manner.*

*I have read and understood the university rules concerning the writing of the dissertation.*