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TOURISM IN THE CONTEXT OF CONTEMPORARY THEORIES OF REGIONAL DEVELOPMENT

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Abstract: Tourism is a significant segment of development policy at the national level, and it is important in terms of contributing to the Gross domestic product (GDP) diversifying of economy, reducing disparities between regions, fostering development capital, and promoting regional development. Tourism greatly contributes to the sustainable development of a region and a unit of local self-government, in an environment where sometimes there are no other alternatives for achieving that goal. Theories of regional development and tourism have evolved over a similar period after the Second World War. The concept of regional development has undergone a significant transformation through various theories. The paper analyzes the main principles of the theory of endogenous regional development and the possibility of its application for tourism research as a development factor. Tourism development policy is often created by the views of these theories. The purpose of this paper is to indicate, based on the analysis of modern ideas and approaches to regional development, whether they are suitable for the study of tourism and which factors are decisive in achieving its development function. The paper points out certain elements of theories that can individually or together represent the theoretical basis for tourism development planning in regions and local government units.

Keywords: tourism; theories of endogenous regional development; region; regional development

1. Introduction

The last few decades have marked significant progress in the field of developing the theoretical basis of regional development, with most theoreticians trying to define the concepts of region and development as precisely as possible. The term region, which in the traditional understanding represents a clearly defined and coherent spatially organized system, acquired different meanings over time due to the effect of scientific and technological progress and globalization. A region is most often defined as the result of the interconnectedness of individuals, groups, and institutions in different geographical, socio-economic, and other contexts (Golić & Joksimović, 2017; Vujadinović & Šabić, 2017). Regions are affected by the same

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external factors as states, and therefore regional development is a constant search for the all-round progress of the region, and this also applies to theories of regional development (Capelo & Nijkamp, 2011). The theory of regional development deals with the future of regions as potential strong economic actors. The study of regional development has a double goal: to discover the mechanisms of regional well-being (optimal development of the region), that is to answer why certain regions are prosperous and others are not, as well as to define ways or mechanisms (e.g., economic, and political measures) which will lead to the reduction of regional disparities (Eversole, 2017; Nijkamp & Abreu, 2009). Taking into account the complex structure and characteristics of the region, the regional development policy has two main goals: competitiveness and recognition of national economies in the global framework and decreasing regional disparities (Cvetanović et al., 2015).

Along with the change in the concept of the region, the concept of regional development also changed, which has experienced a significant transformation through various theories in terms of evaluating the key factors of regional growth. In addition to the traditional factors of regional development such as natural resources, labor and capital, the factors of post-industrial development (knowledge, innovation, entrepreneurial spirit, and cooperation at different levels) are gaining increasing importance. Transformation of theories of regional growth/development from classical through neoclassical to contemporary (theory of endogenous regional growth, new economic geography, and innovative spatial systems) followed due to the need to adapt national and regional economies to market, technological, and other changes (Puljiz, 2010). There is an increasing focus of theorists on intangible resources as sources of regional competitiveness, which opens up new opportunities for understanding the complexity of regional development (Capello & Nijkamp, 2011).

Until the mid-1990s, development was defined mainly as an economic category: as a process with the aim to increase the productivity and economic competitiveness of a certain territory. The modern concept of regional development, in addition to the economic aspect, also contains other aspects such as social, ecological, cultural, and political. Individual and collective social status, the question of sustainable development, cultural identity and other issues are becoming crucial for the development and sustainability of the region (Pike et al., 2006). As such, the modern concept of regional development combines multiple dimensions (multi-sectoral, spatial and temporal) and enhances cooperation between actors in the control, evaluation, and monitoring of development processes (Preobrazhenskiy & Firsova, 2021; Vujadinović & Šabić, 2017). The process of strengthening the role of local and regional actors, which took place in parallel with the process of globalization, led to gradual changes in the definition of development policies based on different approaches (flexible specialization). This was influenced by: organizational and technological changes, restructuring of the world market and changes in economic management at local, regional, and international levels which implied the transition to a neoliberal economy in many European countries (Hirst & Zeitlin, 1991).

Changes in the theoretical approach to regional development were reflected in changes regarding the defining of the goals of regional development strategies and changes in regional development tools. Today, in the globalized world order, regional development is linked to the optimal use of endogenous resources. Contemporary theories increasingly indicate that regional development is an endogenous, cross-sectoral process in which socio-economic relations and knowledge play a dominant role.

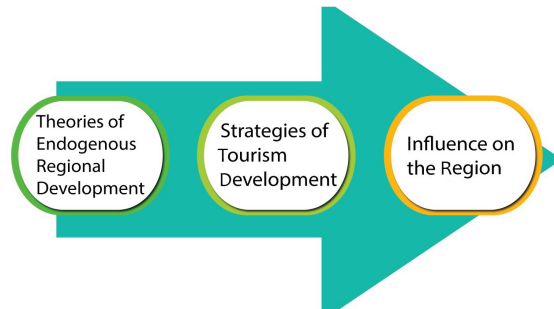


Figure 1. Research model developed by the authors.

Changes in approaches to regional development had an influence on tourism development policies in a range of destinations (Figure 1). Tourism is recognized as an important factor in regional development, especially in European countries (Vuković et al., 2022). In development strategies, tourism is increasingly being imposed as a tool for mitigating the existing interregional development disparities.

In this paper, we reviewed and analyzed the theoretical frameworks of regional development, with the aim of examining the main paradigms, advantages, and limitations of their implementation in the tourism sector. The first objective of the paper is the presentation of the main postulates of the theories of endogenous regional development, which are assumed to have the greatest importance and applicability in tourism in terms of the creation of tourism development policy. The second objective is the consideration of the effects that the approach of endogenous regional development had on the planning and development of tourism at the local and regional level.

2. Literature review

2.1. Evolution of the concept of endogenous regional development

Exogenous regional development is a concept of regional development promoted by governments using external resources with legal controls and technical innovations, all with the aim of rapid industrialization and artificial leveling of the region. The neoclassical exogenous model of development, according to which exogenous elements are catalysts of new economic activities and development, did not lead to the expected results: in the 1970s, many regions recorded slow economic growth and visibly lagged behind the developed regions. The invested resources were not adequately integrated into the existing economic and social systems of those regions, which resulted in growing regional development divergences (Capello, 2011; Eversole, 2017; Pike et al., 2006; Puljiz, 2010). On the other hand, the sudden and rapid economic growth of certain less-developed regions in Italy in the early 1970s could not be explained by the existing paradigms.

At the end of the 1970s, there was a turn in the theory of regional development with the emergence of theories of endogenous regional development that focused on the endogenous dynamics of the region. Among the priorities in these emerging “bottom-up” theories was to use the labor force and natural resources of the region in an efficient and rational way. Under the influence of the results of empirical research from the economic analysis of the region,

geography, sociology, management theory and related fields, theories about endogenous regional development have been modified over time. Empirical research confirms that the internal dynamics of the region itself are strong enough to significantly improve its productivity, innovation, and competitiveness at the national and global levels (Cooke, 2001). The contemporary theory of regional development increasingly emphasizes the importance of an endogenous approach in the creation of development policies and their application. The current theory of regional development recognizes the existence of multiple actors that influence the development trajectories of the region (Eversole, 2017).

There is a wide range of theoretical concepts that basically advocate endogenous development. In the literature, they are often defined as a unique theory of endogenous regional development. Theories of endogenous local/regional development include two groups of theories: neo-Marshallian and neo-Schumpeterian (Molnar, 2013). Due to the large number of theories of regional development that appeared simultaneously and at different times, this classification was adopted for the purposes of this study. Neo-Marshallian theories were developed during the 1970s and 1980s, covering diverse aspects such as industrial district (Becattini, 1979), the concept of bottom-up development (Stöhr, 1978), indigenous potential (Wettmann & Ciciotti, 1981), local context (Johannisson, 1983), and system areas (Garofoli, 1981). Neo-Schumpeterian theories of endogenous development are more recent and include concepts based on innovation: innovative milieu (Camagni, 1991), learning region (Lundvall & Johnson, 1994), and others. The mentioned concepts are collectively known as spatial innovation systems (Capello, 2011; Puljiz, 2010).

2.2. The main postulates of endogenous regional development theories

Convergence and endogenous determinants of regional growth and development are issues that have been the focus of interest of the scientific public for a long time. The concept of endogenous development represents an integrated approach that unites all sectors and their connection. Maintaining a balance between the economy, society, and the environment is an important segment of this concept (Tödtling, 2020; Vázquez-Barquero, 2002). The essence of endogenous development is reflected in the planning of development from the bottom up, where the leading role in that process is played by initiatives initiated by local and regional actors. Endogenous development can be understood on the basis of three principles: 1) territorial, not sectoral approach (adjusted to the specific context and establishing links between sectors and activities); 2) valorization of local resources in the context of global challenges, and 3) strengthening of capacities and perspectives of local actors (Vermeire et al., 2008).

Theories that have come to the fore in the last few decades have given priorities on the interaction between numerous actors from public and private sector (governing subjects, non-governmental organizations, companies, educational and cultural institutions, etc.) within the region. It is characteristic of these theories that they emphasize the importance of intangible factors which define regional growth and prefer the view of the existence of growing development divergences in the region (Despotović & Cvetanović, 2017; Molnar, 2013; Puljiz, 2010).

The main concepts of endogenous regional development indicate that national prosperity is based precisely on regional prosperity, which by its nature it is an endogenous process based on the close connection of sectors and in which investment in science and technological development have a leading role (Eversole, 2017). Some of these theories are often described as network concepts of regional development because of their strong focus

on the role of networks, i.e., complex systems of economic and social relations between entrepreneurs, local and regional authorities, and financial institutions.

Despite certain differences between the concepts, the common thread for all of them is that the competitive advantage of the region is formed through the natural and cultural milieu by which it is recognizable. Another common characteristic of these concepts is the emphasis on the importance of institutions, territorial capital, above all social capital, but also entrepreneurship, innovation, and networks (Capello, 2011; Tödtling, 2020). These concepts recognize the ability of regions to accumulate knowledge (education, training, and skills development), create innovations themselves, and to retain them despite competition at the global level. This is largely an idealistic approach as many regions do not have the capacity to realize their development potential.

As already mentioned, the main goal of these theories is recognizing the key factors of growth in a region that enable the region to prosper on the basis of its own resources and play a dominant role in its development phases. The essence of endogenous development is to keep the realized profit in the region and to reinvest it in its further development. Defining development options is left to local and regional actors (economic and social), and so is the control over the development process (Huggins & Thompson, 2014).

The focus of regional policy is shifting from giving subsidies to underdeveloped regions to factors that stimulate the activation of local development resources (Molnar, 2013). In the concepts of regional development, the point of view about the central role of the government in the creation of development policy at the local and regional levels is abandoned. The top-down approach proved ineffective because it was burdened by bureaucracy and often did not take into account local and regional specificities (Capelo & Nijkamp, 2011). Some countries have continued to use top-down approaches, and many neoliberal governments are now “rediscovering” the benefits of industrial policy and economic planning, such as in the USA Inflation Reduction Act from 2022 (Brashers, 2023). New concepts of regional development emphasize the importance of cooperation at all the levels of decision-making, from national to local, as well as other actors in and outside the region.

The main goal of endogenous development strategies is to rely on one's own resources and increase the degree of economic independence. Regional growth is no longer a product of government interventions, but the activation and improvement of one's own territorial capital, whose economic role and importance is reflected in the increase in efficiency and productivity of local and regional activities (Molnar, 2013).

In addition to production capital, the focus is on several new forms of capital: human, social, creative, and ecological (Despotović & Cvetanović, 2017). All the mentioned segments of territorial capital are crucial for long-term sustainable regional development. Productive capital includes capital and labor. One of the key segments of endogenous development theories is human capital. The quality of human capital is influenced by the basic level/knowledge, enthusiasm for work and progress, and the health status of the population (Luthans et al., 2004). Human capital refers to the quality of the workforce resulting from education, training, and new competencies. One of the limiting factors of development is the unequal spatial and demographic distribution of human capital. Empirical research has confirmed a positive correlation between regional Gross domestic product (GDP) and the quality of human capital. Proponents of the theory of human capital claim that the key to

regional expansion lies in the strengthening of regional resources of highly educated and productive people (Andersson, 1985).

Modern economic development is based on education and professional training. At the basis of innovative creativity and entrepreneurship are knowledge and its intraregional and interregional transfer (Capello et al., 2011; Huggins et al., 2012).

The regions richest in human capital are leaders in innovations compared to regions that possess a relatively smaller volume of human capital. Developed areas invest more in the non-production sector, to create an innovative environment, which results in regional development divergence. Passive regions are destined for economic backwardness due to unattractiveness, and lack of educational institutions and jobs. These regions need help in the form of various regional policy interventions with the aim of increasing their innovation capacity (Puljiz, 2010).

For the development of communities, social capital, i.e., the quality of interaction and communication between people, plays a significant role. Social capital defined as the quality of communication and interaction between people is a prerequisite for creating trust and cooperation around common values and goals (Coleman, 1988; Lee et al., 2005; Shucksmith, 2000).

At the local level, social capital can promote cooperation but it is also faced with numerous challenges such as poor integration of the local population, undemocratic atmosphere, nepotism, formal representation of local interests, corruption, etc. (Vujadinović et al., 2010). On the other hand, strong internal group cohesion can be associated with intolerance on the part of other actors. Social capital is most often associated with the concept of networks, which makes it easier for individual firms to find optimal solutions and achieve strategic long-term goals (Beritelli, 2011; Hall & Page, 2009; Novelli et al., 2006).

Creative capital has a fundamental role for the economic dynamics of the region. To reach a high level of economic growth, urban centers and regions must become attractive for highly skilled and highly educated persons (Florida, 2002). Creativity is multiple and multidimensional and includes creativity in the field of economy, technology, culture, and art (Andersson, 1985). High new ecological capital significantly increases the innovative potential of the region, enables entrepreneurship, new ideas, innovative visions, etc.

Newer theoretical concepts based on innovation use an interdisciplinary approach and include a large number of factors of regional growth and development. Many of those factors fall into the intangible category—mutual trust between actors, quality of institutions (research centers of companies, universities, public research centers, and development agencies), etc. (Puljiz, 2010). Innovative development factors have a central place in endogenous regional development, followed by soft, so-called intangible factors (entrepreneurship, creativity, ability to cooperate, trust, reputation), as well as cognitive approach (Molnar, 2013).

2.3. The significance of the concept of endogenous regional development and its limitations

Empirical research has shown that exogenous investment alone is rarely sufficient to turn regional economies around. Endogenous regional development proved to be a concept that provided adequate answers to the problems and limitations of a unilateral top-down approach. For example, in the last couple of decades, many European regions have moved from an exogenous to an endogenous direction of development, where more local non-material factors (so-called “soft factors”) determine the competitiveness of the region,

primarily human capital. The quality of the work of regional institutions promotes the progress of the region or leads to its recession (Amin, 1999).

Theories of endogenous regional development have enriched economic analysis by identifying intangible factors (knowledge, learning, network, and social capital) that combine to form local and regional competitiveness (Capello, 2011). Contemporary approaches to regional development increasingly deal with issues of well-being as a final outcome, which in addition to economic growth, must include other important factors such as the preservation of the environment, historical and cultural heritage, nurturing of human values, and sustainable management of resources.

On the other hand, theories of endogenous development overemphasize the internal strengths of the region, although regional development is a complex process that involves the synergy of both external and internal factors (technology, capital, and knowledge). This limitation of the endogenous approach is particularly evident in modern integration processes (the example of the European Union). Rural areas often show a high degree of reliance on agriculture and low population density. Strategic planning of the development of such areas is difficult because these areas are, as a rule, small markets with modest capital and human resources (Eversole, 2017). In order to overcome these obstacles, border rural areas establish cross-border cooperation in the field of tourism development, trade, transport, and protection of natural resources (Stankov et al., 2021). Natural environment and socio-cultural resources represent the basis of rural tourism development (Marković et al., 2017). Endogenous development at the local level is often based on “big players” who have sufficient capacity to use the existing natural and human resources. If there is no local actors’ activity, local communities are characterized by a lack of initiatives and a low level of participation in decision-making (Shucksmith, 2000).

3. The research outcomes

3.1. Tourism as an endogenous resources strategy

Contemporary theories of regional development are closely related to development strategies that aim to put theoretical knowledge into practice. Growth and globalization over time have not only modified theoretical approaches to endogenous development, but also regional development strategies, thereby contributing to sustainable development in economic, financial, social, and environmental terms. Under the influence of the theory of endogenous regional development, states have tried to redefine the goals of their development politics. The focus of interest is the top-down approach as well as the responsibility of local entities in planning and realizing development goals.

Tourism has also not remained immune to changes in the paradigm of regional development. This sector is undoubtedly most suitable for the implementation of an endogenous approach to development, considering that the main attractions of tourism are a wide variety of local resources of the region. Unlike other sectors, tourism is able to optimally mobilize these resources (natural beauty, cultural heritage, local culture, accessibility, etc.). In underdeveloped regions, tourism is a chance that these resources do not remain an unused potential.

Approaches based on endogenous development have become central to many tourism development plans and programs around the world. There is a growing realization that at the local and regional level, cooperation, trust, and networking are key factors in successful

tourism development. This includes different alternative types of tourism (Contini et al., 2009; Novelli et al., 2006; Tešin et al., 2020). All the elements of territorial capital are important for the development of tourism. The tourist attractiveness of the region largely depends on the state and quality of the environment. In the case of its degradation, not only is the development of tourism called into question, but also the production of organic food, the possibility of recreation, housing, and more. On the other hand, the success of the tourism sector largely depends on the quality of human resources, the efficiency of the work of the public and private sectors, the ability to attract investments, the application of innovations, etc.

Tourism policy, as a segment of general economic policy, has been shaped in recent times by the postulates of modern theories of endogenous local/regional development. Affirmation of an adequate tourism policy enabled the prosperity of many local communities and regions in terms of economic diversification, increased number of jobs, integral sustainable development, and better quality of life for citizens (Silva et al., 2023). Thanks to the influence of the above-mentioned theories, the role of tourism in the revitalization of many regions in the world has become increasingly emphasized. The focus of development is on:

- strengthening the competitiveness of the region through better management, regulation, and the establishment of cooperation and dialogue with actors in the tourism sector;
- diversification of the primary and secondary tourist offers at the local level;
- ensuring the sustainable development of tourism;
- increasing the quality of tourism products and services;
- stimulation of new production products and innovations;
- improving access to destinations;
- retention of realized income in the region and its reinvestment;
- development of employee competencies and employment in tourism; and
- promotion of local/regional culture and lifestyle, etc.

The theory of endogenous regional development allows local actors to actively participate in the initiation, planning, implementation, and monitoring of tourism development. Tourism development strategies affirm the endogenous approach and important factors of regional development. For example, in the Tourism Development Strategy of the Republic of Serbia (2016) for the period from 2016 to 2025, the following are listed as important segments for the optimal development of tourism:

- entrepreneurial abilities of small and medium-sized enterprises (they make up the largest part of the tourism and hospitality industry) and innovation;
- partnership between the public and private sectors;
- highly professional management of logistics and the offer of quality tourism products and services, traditional but also unconfirmed tourist attractions;
- improving tourism products, services, human resources and the labor market;
- networking with other sectors;
- interregional cooperation; and
- the development of the IT sector and its application in the field of marketing, promotion, etc.

In the Tourism Development Strategy of the Republic of Serbia for the period from 2016 to 2025 (2016), the importance and role of professional and business associations (e.g., Chamber of Commerce, National Association of Tourist Agencies, Business Association of Hotel and Restaurant Industry, Association of Serbian Spas, Ferial Alliance, Association of Tourist Guides of the Republic of Serbia), regional development agencies, citizens'

associations, and associations of family and small businesses in the field of service provision at the national, regional, and local level. Their importance stems from the ability to mobilize different professions and citizens in order to improve tourism (especially activities and products that enrich the tourist offer and contribute to the positive experiences of tourists), as well as in transmitting examples of good practice, popularizing and applying new standards, knowledge, skills, innovations, and technology.

3.2. Endogenous regional development and tourism development: between theory and practice

The tourism sector has an important role in regional development and efficient use of resources. Empirical research has shown that tourism sector can be a crucial component in economic growth and development. Thanks to efficient management resources and promotion of tourism resources and products, adopting new business models and adjustment to global trends, many regions have achieved economic welfare.

The development of tourism is increasingly based on an endogenous approach, whereby regions and local communities independently search for a new, more creative way of engaging local resources and funds without relying too much on transfers from the national level and the allocation of grants. In such circumstances, creators of tourism policy facilitate and encourage cooperation between actors. The responsibility of the authorities at the local and regional levels is reflected in the creation of conditions that lead to an increase in the competitiveness of tourism.

Tourism has recently been advocated as an effective way of promoting the sustainable development of the region, especially economically less developed regions. Tourism mall and medium-sized enterprises (SMEs) in remote and peripheral areas can be competitive thanks to effective networking where trust and commitment are key determinants for the success of inter-organizational relationships. The promotion of social capital, with financial and organizational support from the state (organization of various manifestations, sports, music and cultural events, local markets) has led to greater recognition in the tourism market. Emphasis is placed on the diversification of tourist activities and products, strategic partnerships, preservation and valorization of natural and cultural heritage. The diversification of regional economies goes hand in hand with the diversification of tourism and the growth of its ability to generate alternative tourism products.

Tourism facilitates the use of resources by, among other things, creating employment opportunities for people in the destination, promotes the improvement of the country's infrastructure, facilitates the transfer of new technological and managerial skills to the economy, and achieves positive links with other sectors of the economy (Joksimović, 2022). Cooperation with other local communities and regions is of particular importance for the development of tourism, which is in line with modern theoretical approaches to regional development.

Theories of endogenous regional development more or less refer to the same key factors of development. However, the question remains open as to which are the main determinants which the growth and development of the tourism industry depends on in a specific region. Regions are very different from each other in physical-geographical and socio-economic aspects. Hence, there is no ideal theory or model of regional development that would offer all solutions regarding efficient tourism growth and regional prosperity.

While at the time of classical and neoclassical theories of development, vacation and emphasis on mass tourism dominated tourist motivation, at the time of modern theories of

development, alternative forms of tourism (eco-tourism, rural, adventure, religious tourism) are gaining more and more importance because they encourage sustainable use of internal resources of local administrative units and regions. In rural areas where there are no conditions for mass tourism, the development of alternative forms of tourism gains particular importance. Alternative forms of tourism, as well as mass tourism can lead to the degradation of the environment and serious damage to its tourist attractiveness (Tešin et al., 2020). Many urban areas in the process of transition and recession of industrial production have shifted to the development of alternative forms of tourism (Nedeljković-Knežević et al., 2020).

Experiences have shown that it is possible to create tourism development using the region's own resources (Contini et al., 2009; Richards, 2009). For example, the development of alternative forms of tourism strengthened the regions economically in terms of increasing regional competitiveness, i.e., the capacity of the regional economy. There was an increase in investments by the local population, the development of infrastructure and superstructure, agriculture, industry, and other activities were initiated, and employment opportunities in the region increased. Authors such as Kirca and Özer (2020) indicate that the development of tourism can have an impact on the local population due to the increase in the prices of real estate, land, and services, thereby promoting inflation in the local area.

The public and private sectors' cooperation in tourism is a prerequisite for creating an organizational environment favorable for companies that effectively perform similar but competitive activities. The establishment and development of relations between tourism and other economic activities (agriculture, trade, transport, gastronomy, construction, insurance, etc.) stimulated the dynamism of the region. Tourism made available to the local population various services that the community could not otherwise support (recreational, cultural, hospitality, trade, etc.). Tourism development, based on local/regional culture, environment and heritage, complemented other existing attributes. Improvements in the field of ICT have drastically improved the access of local residents (and tourists) and businesses to better and higher services (banking, hospitality), making many places attractive for living and working.

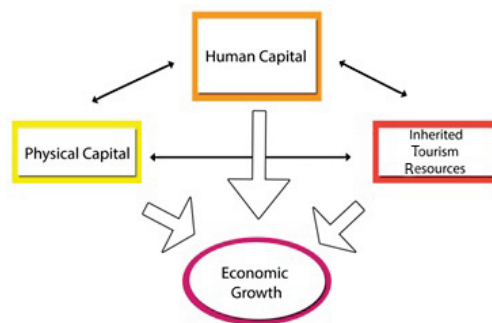


Figure 2. Relationships between the main factors and the position of tourism in economic growth.

Note. Adapted from "Tourism, Competitiveness and Economic Growth: A New Analytical Model," by M.

D. P. Pablo-Romero, P. Gómez-Calero, and J. Sánchez-Rivas, in L. Butowski (Ed.), *Tourism – From Empirical Research Towards Practical Application* (p. 128.), 2016, BoD–Books on Demand (<http://doi.org/10.5772/62276>). CC BY 3.0 DEED.

The prosperity of a tourist destination equally depends on comparative and competitive advantages, on the wealth of natural and anthropogenic tourist values and their effective medium and long-term management. The analysis of competitiveness is not simple, because the competitiveness of the destination has a multidimensional nature (Figure 2). Different comparative and competitive advantages of a tourist destination also impose different measures that the destination implements for efficient management of its resources. Management implies the possession of knowledge, skills and creativity, factors that have an emphasized importance in the concept of endogenous development (Dwyer & Kim, 2003; Pablo-Romero et al., 2016).

In accordance with the theories of endogenous regional development, traditional tourism resources become less important compared to other, so-called intangible factors of tourism competitiveness. Information, i.e., strategic management of information, innovation, and knowledge are the main determinants that give preference to tourism companies (Estevão & Ferreira, 2009). The nature and scope of tourism are undergoing strong changes in terms of demand and supply due to political-economic changes, technological innovations, and socio-cultural transformation. All these changes to a greater or lesser extent represent either opportunities or challenges for the tourism sector.

3.3. Critical review of the endogenous concept of tourism development

One of the most important goals of development policies, from the micro- to macro-regional level is reducing development disparities and achieving balanced regional development (Živanović, 2017). Modern concepts of regional development emphasize the appreciation of the specificity of each region individually. For this reason, there is no universal regional policy applicable to all regions. The experiences of creating and implementing regional development strategies can be borrowed to some extent from the practices of other regions, provided that there are no major natural, institutional, and cultural differences. The success of the tourism sector is greatly influenced by the initial advantages of each region (level of economic development, resources, institution, legislative framework, ethics, and commitment; Šabić & Vujadinović, 2017).

According to the concept of endogenous development, relying on local resources is important for the success of tourism activities. The strength of the region is the sense of community and above all the innovative and entrepreneurial capacity of the population. Emphasizing the resources and capabilities of the region can be the biggest weakness of this concept because resources are not the same everywhere. For certain regions, tourism plays a vital role, while for others, tourism is one of the development factors and a complementary activity. There are also regions where tourism is of marginal importance, and tourist activity is reduced to small urban areas. Only the complete valorization of the region justifies investment in its tourism development. This means that without a detailed analysis of tourist supply and demand, as well as trends in the tourist market and competition, the invested funds would not have the expected economic effect. Often is this analysis missing, so development strategies are unrealistic and with a low level of implementation.

The endogenous development of tourism carries numerous risks with it. One of them is to find an appropriate balance between an endogenous bottom-up approach to tourism and integration into global tourism flows. Cooperation of local communities with large tour operators would enable the connection with a large number of clients. However, there is a big risk that the local community is dominated by "big stakeholders". Due to limited

resources, integration with other sectors can also be ineffective. The huge asymmetry in resources and knowledge between the main players in the tourism industry and the local community is an obstacle to achieving fair cooperation. The support of institutions from the public sector is very important, but at the same time, it increases the number of actors and makes the tourism development process even more complicated. New, original business ideas often remain unrealized due to lack of advice, encouragement and support, insufficient managerial expertise, and aspirations for education and training.

Limitations of endogenous tourism development include insufficient access to capital (financial sustainability is often a consequence of lack of management skills), limited local and regional markets, etc. On the other hand, practice has shown that the presence of tourist infrastructure a priori does not mean the development of tourism. Many authors suggest that in economically less developed regions tourism can only alleviate negative development tendencies, and that as a sector it does not have a large enough capacity to significantly transform the region economically. If there is no continuity in entrepreneurial initiative, public–private cooperation, young trained personnel and innovation, the tourism sector loses its dynamics. External interventions in the form of grants for financing projects are usually short-lived. If more intensive tourism development occurs, the potential consequences may be the destruction of natural vegetation, increase in land, real estate and service prices, loss of traditional culture, income imbalance, and weak involvement of local actors in the development planning process. Some studies show the adverse effect of tourism demand, such as inflation.

The lack of capital, knowledge, and access to global marketing is solved to a lesser extent by foreign direct investments, which are mainly in the sphere of large hotel chains in more developed regions and large urban centers. Their positive influence is reflected in the acquisition of capital, new technologies, organizational knowledge and skills. High dependence on foreign capital also affects negatively because the local tourism economy is often in an inferior position (Sokhanvar & Jenkins, 2022).

Competition with local production systems often leads to the substitution of local products with imported products. With increasing opportunities in tourism, expectations rise, but this reduces the attractiveness of non-tourism sectors and affects their dynamics (in terms of depleting the youth and entrepreneurial workforce), further increasing dependency. In addition, the adoption of new consumption patterns further increases imports and erodes local production systems. Tourism consumes local resources (mainly land, water and energy) and creates waste. New infrastructure and services improve the attractiveness of destinations, which leads to further growth of tourism, but also endangers natural environment, which is the main advantage for tourism.

4. Conclusion

This paper represents an attempt to find a relationship between theoretical concepts of regional development and tourism practice, which does not necessarily have a causal character. Regional development theories are a rich resource for regional policy, although there is no ideal development paradigm that will be suitable for every region. Earlier, regional development policies that were based on an exogenous approach were replaced by policies based on an endogenous approach. Along with the change in the dominant paradigms of

regional development, the attitude toward tourism also changed in terms of the creation of tourism policy, and therefore the linkage between tourism and regional development.

The applicability of the concept of endogenous development in tourism practice is a very complex field of research. The obtained results in this paper can be applied in the processes of creating tourism development policy at the local and regional level. In developed regions, the basic elements and ideas of endogenous development showed a high degree of applicability in tourism and gave positive results. However, it remains an open question to what extent soft and endogenous factors influence the dynamics of development in less developed national economies and less developed regions. Given that the majority of such regions do not have adequate capacities for development, the authors are of the opinion that a combination of endogenous and exogenous concepts of regional development is necessary. In that case, the improvement of local social capital is a prerequisite for optimal use of external resources and finance for the needs of local dynamics.

The contemporary policy of tourism development in many countries, including Serbia, is in accordance with the main postulates of endogenous regional development theories, which emphasize local resources, knowledge, innovation, entrepreneurship, etc. as important factors of regional growth and development. Compared to earlier periods, the intangible factors of regional growth/development were given significantly greater attention when designing the tourism policy. In such circumstances, the traditional role of the state in regional development fundamentally changes. The state becomes a partner to local levels of government in the creation and implementation of tourism development strategies. The role of local communities in the planning and implementation of the development policy, and within it the development of tourism, is gaining more and more importance, which is in accordance with modern theoretical approaches to regional development.

Strong local and regional leadership, strategic understanding of local and regional attributes, cooperation and intraregional and interregional knowledge transfer, can offer local and regional communities a chance to fundamentally transform the region economically. People in local communities are the best knowledgeable of their environment and their needs and accordingly, they are able to find the most efficient way of using resources, which would be in accordance with the principles of sustainable development.

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