

## **ECONOMICS OF TOURISM**

**by Dr. Slobodan Unković and Dr. Bojan Zečević**

### **- Summary -**

The book under the title „Economics of Tourism“ by Dr. Slobodan Unković, a full-time professor at the Faculty of Economics of the Belgrade University and at the Faculty of Tourism and Hotel Industry Management in Belgrade and Dr. Bojan Zečević, assistant professor at the Faculty of Economics, University of Belgrade, is a valuable scientific work. It is used as a textbook not only at the mentioned Faculty, but also at other Faculties and Colleges of Economics in the states of the former Yugoslavia as well. The first edition was published in 1974 and twelfth edition in 2000. Every single edition published so far has been a new work in itself due to the incorporated changes, supplements and expansions. In that respect this edition is particularly outstanding.

The aim target of this book containing four parts is to look into the theoretical and methodological foundations of economics and tourism organization, and also to implement them worldwide in the analysis of tourism and tourist policy development in major tourist countries, in the former Yugoslavia and in the State Union Serbia and Montenegro.

The introductory part takes a historic point of view when analysing the tourism evolution and dealing with the definition of tourism as a social and economic phenomenon. It also indicates the scientific areas and disciplines applied in the study of tourism. Finally, it determines the concept of the „economics of tourism“ content.

Part One, subtitled „The Theory of Economics and the Organization of Tourism“ studies the main issues from the economic functions of tourism's point of view as well as the organizational forms important to successful performance of tourist activities. In the first place, there is a definition of the consumer category in tourism and the characteristics of tourism as an economic activity. The economic functions of tourism are dealt with from the standpoint of their direct, indirect and multiplier effects on the economies of tourist countries. This is a good theoretical basis for research into the tourism impact on the economic development of specific countries. Special attention is paid to the research into the impact of tourism on the balance of payments. The closing chapter of this part examines the organization of tourism and tourist policy. It reveals the characteristics of tourist services, transport as an important sector in the tourism and tourist destination organization including various types of services provided, particularly those related to accommodation and catering. It underlines the sphere of travel agencies, particularly tour operators. Horizontal and vertical forms of integration in tourism are significant

factors in the organization of tourism. Finally, the first part provides an explanation of the organization of tourism at various levels; the level of a country, individual regions and tourism destinations, as well as the character and content of tourist policy and the role of international tourist organizations and associations.

Part Two of the book deals with the research into specific characteristics of tourist market and the application of marketing in tourism. In this respect there is a particular examination of the tourist demand and supply characteristics as well as those of tourist requirements and consumption. The segmentation of international and domestic market has been investigated in particular. The second part also analyses research into the tourist market in the sense of its content, level of research and the implementation of quantitative and qualitative research methods. It deals with promotion in tourism with the view to its characteristics, types, principles and bases for successful planning and long-term strategy. It also reveals experience concerning the organization of tourism promotion in the former Yugoslavia.

Parts Three and Four of the book examine the characteristics of the tourism and tourist policy development in the world, in the most important tourist destination countries, in the former Yugoslavia and in the State Union Serbia and Montenegro. Series of statistical data covering the period from 1950 to 2000 were used to elaborate these parts. World tourism development forecasts are given till 2010 and 2020. Special attention is paid to a comparative analysis of the tourism development in Europe and especially in Spain, Italy, Greece, Austria and State Union Serbia and Montenegro. Furthermore, there is an analysis of the following important elements: tourist demand, consumption and supply, price policy, the impact of tourism on the economy and particularly on the balance of payments, and tourist policy measures. This edition contains a separate section that examines the tourism development possibilities in the State Union Serbia and Montenegro from the point of view of resources, organization and anticipated position on the domestic and international tourist market, as well as from the standpoint of their economic significance. Finally, strategic development of tourism of Serbia and Montenegro is given special attention.