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**JUSTIFICATION OF FUNDING
RECREATION IN TOURISM****Summary**

The concept of recreation comes from the Latin word 'recreo', 'recreate', where we can distinguish the prefix 're' meaning "again", while 'create' means "to shape, to create, to regenerate." Anthropological meaning of this formulation gives us a coherent definition meaning to restore, to empower, to relax, to revitalize, to regenerate. Tourism is a set of economic and non-economic relationships and developments arising from travel and stay beyond domicile, and consumption of resources typically achieved in the permanent residence place. Tourism in Bosnia and Herzegovina received significant economic and development role through nominating Sarajevo for organization the Winter Olympic Games in 1984. Preparation and organization of the games generated a large number of jobs. Only in the hospitality and tourism industry employment increased by 17.7% in 1984 compared to 1983.

For less than fifty years ago, in the world has registered 25 million foreign tourist arrivals, and in 1970 in international tourism developments were recorded 116 million people. In 1996, according to the World Tourism Organization (UNWTO), in the international tourist traffic were recorded 594 million of tourists, and realized income of foreign currency of US\$ 423 billion. During the last two decades, tourism has shown significant growth and becomes a 'global phenomenon' with expanding share in the global economy. Up to now, UNWTO has published data for 2014 where were registered 1.135 million foreign tourists, and this represents an increase of 4.4% compared to 2013. Also, in 2014, the growth of 3.7% was recorded in the total tourism revenue, and it amounted to US\$ 1.245 billion (euro 937 billion). Adding up the export earnings generated through international passenger transport services, total exports from international tourism were up to US\$ 1.5 trillion, or US\$ 4 billion a day on average in 2014.

The main hypothesis of this paper is that tourism and recreation in tourism can contribute significantly to overall economic development, the standard of living and wellbeing, if the country is positioned as a high-quality and attractive tourist destination.

Key words: *finance, recreation, tourism, active vacation, hospitality*

1. INTRODUCTION

Mitić (2001) tourism is a socio-economic phenomenon that through the sport characterizes life of our civilization at the end of XX century. Most general definition gives Vujaklija (1986, p. 938). "Tourism (French 'tour' – sightseeing, tour, travel) traveling for entertainment, pleasure, interesting corners, treatment, touristic." Tourism is linked solely to the act of traveling.

Even today, a large number of researchers from different areas contiguous with tourism deals with defining the concept of tourism. As a starting point will serve us tourism definition of AIECT, an international association of tourism (according to Marković S. and Z. 1970, p. 10): "Tourism is a set of relationships and developments arising from the travel and visitors stay at a place, if such a stay is don't base permanent residence at the place, and if such a stay is not associated with any other private business."

According Cicvarić (1980, p. 28) "Tourism is a set of economic and non-economic relationships and developments arising from travel and stay beyond domicile, and consumption of resources achieved in the permanent residence place." As it can be seen, here is the main starting point at economic and non-economic phenomena and relations, so the tourism is located in the category of consumption of acquired assets.

In contrast, Alfier (1977, p. 15) considers tourism from the standpoint of improving human qualities. For him, it is: "an activity by which man realizes and promotes its human qualities of humaneness, humanity, whether in relationships, whether in the views and comprehension of individuals, in their relation to the world and towards nature."

Relac (1987, p. 5) bases its definition on humanistic activities among people and between people and nature, which occur during the stay beyond the residence. He concludes: "It follows that tourism is, primarily, humanistic activity where the man hanging out with people, confirms and improves its human qualities. The man confirms that humanization not only towards other people but also towards nature where he carried out his out domicile spare time."

In the context of tourism, a series of subgroups have been developed, depending on the season, geographic or historical sites, age, health situation and so on. So there are: congress, hunting, fishing, rural, nautical, children, health, mountain, winter tourism...

Gnjato et al. (2005) tourism, as the most complex economic activity is in many ways based on valorization of natural potentials, especially those providing the opportunity for an activate vacation or practicing the different sports. Among many functions of tourism, based on valorization of natural potentials, especially climate related ones, as well as hydrologic and generally ecological potential; hereby we stress the function of health improvement and safeguarding.

Hadžikadunić et al. (2002) Tourism in the world and in our country, has developed into an important economic activity, with a notable impact on the overall socio-economic development of the country. In addition to the basic economic functions of tourism, an important role is played by many social functions, such as health, sports, recreational, cultural, educational, social and political functions.

The forerunners of today's tourism appeared in ancient times. In ancient Greece, various pre-tourist phenomena were closest to some today's tourist movements. Here is primarily thought of the Olympic Games. For the time of the Olympic Games, among other things, mass travels are occurring. In those days, most Greeks were in Olympia, where, in addition to sports, took place competitions in poetry, drama and comedy, and appropriate

musical events. Expedition trips were more frequent than the individual ones, and were undertaken in war purposes, or more often, for commercial purposes. To this end, ancient Phoenicians, Carthaginians were traveling, as well as the ancient Greeks, who have had their colonies across the Mediterranean Sea - the center of the ancient world.

In recent years, tourism has covered almost all structures of society and the consequences of tourism spread on the widest economic level, which led to treating tourism as a mass phenomenon, and one kind of planetary phenomena. Tourism is a complex socio-economic phenomenon which can significantly contribute to economic growth and development in Bosnia and Herzegovina, and further contribute to improvement of national competitiveness. Tourism is an important segment of economic activity and has a strong influence on almost all the activities into environment where it develops. For better overall results of tourism activities in the country, tourism should be based, and in large part developed on the basis of domestic resources, because on that way achieves a better net foreign exchange effect and reduces import dependency. Functions of tourism can be considered as the primary (economic) and secondary (non-economic) functions. The effects of those function are interconnected and intertwined by complex socio-economic relations.

The most important economic functions of tourism are:

Conversion function, describes the ability of tourism to convert non-economic resources to economic ones. In that way, tourism engages resources which would not realize any economic effects, if tourism hasn't come.

Inductive function, expresses the role that tourism and tourist spending have in increasing of overall production effects, i.e., quantitative and qualitative trends in total production, which are partly encouraged and focused on tourism requirements.

Multiplicative function defines domino effect of tourism activity on the economy of the country, in almost all economic activities. This function is realized through market expansion, growth of total revenue at the end of through the multiplicative effect on the gross domestic product of the country.

The function of accelerator reflects in tourism potential to develop a specific geographical area or economic sector (branch) faster and more comprehensively than other areas or economic sectors.

Balancing commodity-money relation, as an important economic function of tourism, is achieved through the placement of goods and services to tourists and direct influx of cash into the national economy, which is particularly beneficial effect on the balance of commodity-money flows.

Export function of tourism is realized through the payment of foreign citizens for domestic goods and services. On that way, the income generated by tourism activity is called 'invisible exports' or 'exports on the spot'. Benefits of export through tourism are numerous, from smaller transportation costs, lower advertising costs, to the possibility of placement domestic goods which are not otherwise suitable for export.

Facilitating the development of underdeveloped areas is another feature of tourism that should be taken seriously and insist on the realization of its potential. Economically non-

developed areas just have a greater ecological potential that can be put in economic function through the development of eco-tourism, thus enriching the space for new investments.

Employment function is realized through a significant number of new employees in tourism developing areas. Particular importance is that tourism employs a large number of women, low-educated personnel, and gives a possibility of seasonal employment.

The most important non-economic functions are healthcare, entertainment, cultural, social and political function.

The social character of tourism drives people on a journey where they meet their own needs and requirements (rest, recreation, entertainment, etc.) which are not economically motivated. To meet these needs, tourists spend part of their income, i.e. generate tourism spending. The difference between the revenue received from foreign tourists and imports contained in the consumption of foreign tourists represent net financial effect of tourism.

Republika Srpska has respectable resources necessary for mountain tourism development. Several important mountain localities with a plentitude of geo-morphologic, hydro-graphic, bio-climatic and bio-geographic tourism values indicate it. Intensive development of contemporary mountain tourism is followed by development of tourist infrastructure and supra-structure. XIV Winter Olympic Games took place in Sarajevo and surrounding mountains (Jahorina, Trebevic, Igman, Bjelasnica) at the beginning of 1984. That was a turning point in the development of mountain and winter mountain tourism. After the Olympic Games, Jahorina gained a reputation of an attractive tourist destination and was included into the international tourist movements. The most important mountain localities of Republika Srpska are: Jahorina (Olympic ski center), Vlasic (ski center Srebrenik and Knezevo air spa), Javor (ski center Igriste), Kozara (national park), Zelengora-Maglic-Volujak („Sutjeska“ National park), Borje (sports and recreation center), Borike (air spa and recreation center)...

2. METHOD

The research is based on the use of standard methodological principles that are used in economic and humanities research. Relevant data were collected through the application of statistical methods, comparative methods, and through the application of the historical method, deductive and inductive reasoning, synthesizing the analyzed content and brief critical review. Objectified assessment of the achieved level of development of tourism in BiH is applied. The paper is to draw attention to the untapped resources and potentials of tourism, and especially recreational tourism in BiH, which can make a significant contribution to overall economic growth and development, which further contributes to the improvement of competitiveness and living standards. The World Economic Forum data are used in the purpose of proper presentation and analysis of competitiveness in the tourism sector. This data are based on complex statistical and quantitative methods with the application of the benchmark method. Tourism competitiveness indexes for all of 140 surveyed countries were obtained on the basis of 79 indicators, grouped in fourteen pillars of competitiveness. The same metho-

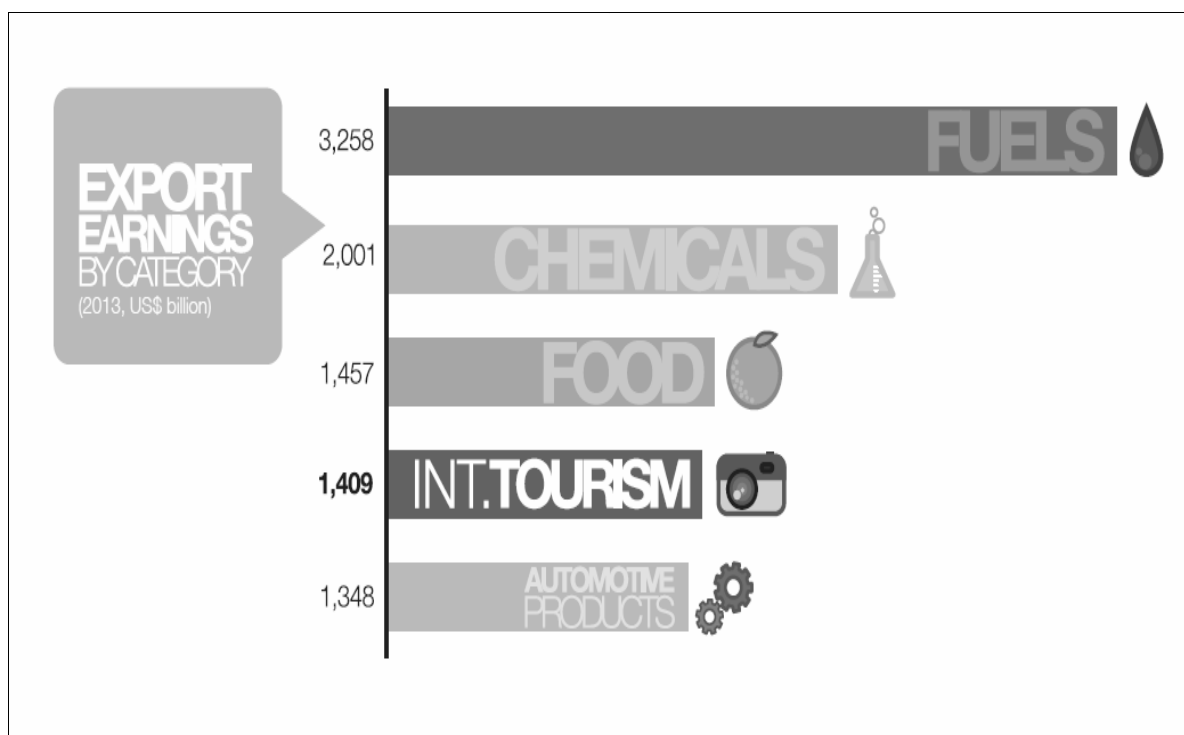
dology is used for each country, thus allowing the comparison of indicators at the global level, as well as tracking the movement of specific countries indicators over time. This paper presents data for Bosnia and Herzegovina, Austria and Greece, then the data were analyzed by comparative method, deduction, induction and synthesis of analyzed content which led to inference of the set hypotheses.

3. RESULTS

As a leading organization in the field of tourism in the world, UNWTO promotes tourism as a driver of economic growth, inclusive development and environmental sustainability, offering support to the tourism sector in advancing knowledge and quality policies worldwide. UNWTO includes 156 member countries and over 400 educational institutions, tourism associations and local tourism authorities.

According to UNWTO data, international tourism accounts for 30% of the world's exports of services and 6% of total exports and contribution is similar for both developed and emerging economies. As an export category, it ranks fourth worldwide, after fuels, chemicals and food, but notably ahead of automotive products (UNWTO 2015). Data on world exports by main export categories of are presented on Graph 1.

Graph 1: World exports by main export categories, 2013. (US\$ billions)



Source: UNWTO (2015). p 14. Available at:

http://dtxtg4w60xqpw.cloudfront.net/sites/all/files/pdf/unwto_annual_report_2014.pdf

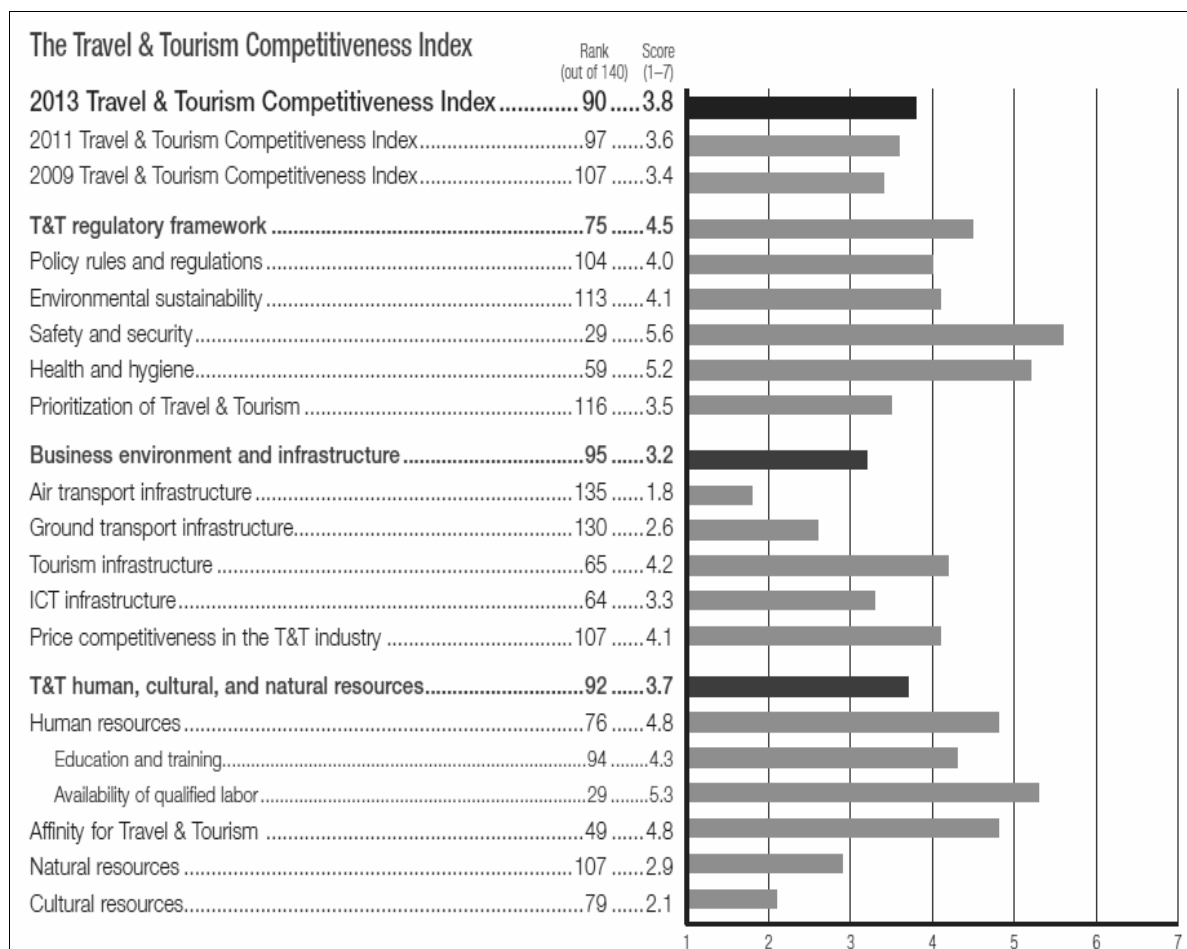
Retrieved: 04.12.2015

Having in mind economic potential of RS and BiH, it appears that we cannot significantly involve in the main world trends by export fuel, while the chemicals are highly questionable. Precisely, food exports and significant tourism development should be commitment and orientation of our economy. Here we come to the question which factors hinder the tourism development in BiH and RS, and why this sectors do not record significant economic effects?

The most important researches in the field of global competitiveness, and competitiveness of tourism conduct the World Economic Forum in Davos (WEF). The most important global report in the tourism field is WEF's "The Travel & Tourism Competitiveness Report" (TTC Report), which includes around 140 countries, ranked by The Travel & Tourism Competitiveness Index (TTCI), which consists of fourteen sub-indexes and 79 different indicators. The Reports are publishing on biannual basis, enabling continuous monitoring and comparison of indicators, thus, on the basis of obtained data, give a quality base for action towards performance improvement in specific country. The latest TTC Report is for 2015, but Bosnia and Herzegovina is excluded from this Report, as well as from The Global Competitiveness Report for that year, because there was a significant discrepancy between data for 2015 and previous five-year trend. Last published report with data available for BiH is the Report for 2013 (WEF 2013), and these data are presented and analyzed in this paper. The TTC Report 2013 does not bring a significant change in the leading countries. Switzerland is best ranked with a score 5.66, followed by Germany and Austria with a score 5.39, after come Spain, the United Kingdom, USA, France and Canada. Greece is the best positioned country in the Balkans at 32nd place, than Croatia at the 35th and Slovenia at the 36th. Bosnia and Herzegovina is ranked at the 90th place out of 140 surveyed countries with a score of 3.8. This is an improvement compared to the 97th place in 2011 and the 107th place in 2009, but it is insufficient progress because BiH is in a worse half of surveyed countries, and at the very bottom of the European countries. Omission from The Report 2015 throws shadow over this relatively positive shift. According to WEF estimates, the tourism sector in BiH realized US\$ 386.4 million, i.e. 2.0% of GDP, while the expanded effect of tourism activity in the economy is estimated at US\$ 1,398 million, i.e. 7.4% of GDP in 2012. BiH registers 391,900 foreign tourists in 2011, according to the WEF.

Graph 2 gives detailed presentation of the main tourism competitiveness indicators in BiH.

Graph 2: Main tourism competitiveness indicators in BiH, WEF, 2013.



Source: WEF 2013, p. 112, Available at: http://www3.weforum.org/docs/WEF_TT_Competitiveness_Report_2013.pdf
Retrieved: 04.12.2015.

Graph 2 gives detailed insight into advantages and disadvantages of the tourism sector in BiH. The worst evaluated indicators include Air transport infrastructure, Ground transport infrastructure, Cultural resources, and ICT infrastructure. The highest-rated indicators are Safety and security, Availability of quality labor, Health and hygiene, Affinity for travel & tourism. These benefits should be guidelines and incentives to better utilization of existing capacity and creating new opportunities on the basis of these comparative advantages. This paper don't go into debate on the strategic objectives and wider context of competitiveness, investment and tourism, and all those determinants in domain of state regulations and medium or long-term macroeconomic developments. This paper aims to point out BiH potentials in the field of tourism, in particular recreational tourism, as a segment which shows dynamic growth and which could achieve significant growth and comprehensive contribution to the economic growth and development.

Table 1 presents indicators of the last three pillars of tourism competitiveness (Affinity for travel & tourism, Natural resources and Cultural resources) where BiH has the best, and the worst ratings. Here, we can find potentials for recreational tourism which could

become a leading tourist branch, generating broad positive effects on economy and competitiveness.

Table 1: Selected indicators of tourism competitiveness in BiH, WEF, 2013.

12th pillar: Affinity for Travel & Tourism		4.8	49
12.01	Tourism openness, % of GDP*	4.5	73
12.02	Attitude of population toward foreign visitors	6.6	8
12.03	Extension of business trips recommended	5.9	28
12.04	Degree of customer orientation.....	4.5	82
13th pillar: Natural resources		2.9	107
13.01	No. of World Heritage natural sites*	0	79
13.02	Quality of the natural environment.....	5.5	20
13.03	Total known species*	378	107
13.04	Terrestrial biome protection (0–17%)*	0.5	134
13.05	Marine protected areas, %*	0.8	47
14th pillar: Cultural resources		2.1	79
14.01	No. of World Heritage cultural sites*	2	88
14.02	Sports stadiums, seats/million pop.*	72,431.1	33
14.03	No. of int'l fairs and exhibitions*	7.0	86
14.04	Creative industries exports, % of world total*	0.0	69

Source: WEF 2013, p. 112, Available at:

http://www3.weforum.org/docs/WEF_TT_Competitiveness_Report_2013.pdf

Retrieved: 04.12.2015.

Indicators of the 12th, 13th and 14th pillar of tourism competitiveness show in detail the strengths and weaknesses of BiH tourist potential. BiH has received the best score (6.6) and rank (8) at indicator ‘Attitude of population toward foreign tourists’, then score (5.5) and rank (20) at indicator ‘Quality of the natural environment’, score (5.9) rank (28) for indicator ‘Extension of business trip recommendation’ and score (72,431¹) rank (33) for indicator ‘Sports stadiums, seats/million pop’. The worst evaluated fields include ‘Terrestrial biome protection (%)’ and ‘Total known species’. It is clear that biodiversity cannot be significantly influenced, but in long-term, it is possible to protect existing species, especially through terrestrial biome protection, however, that is not the subject of this paper. Here we want to emphasize existing strengths and significant opportunities that could be opened in the tourism sphere if systematically insisted on the recreational tourism development where we have the greatest potential. Aiming competitiveness increase, we could and should change poor score in ‘No. of international fairs and exhibitions’, and especially in ‘Degree of customer

¹ WEF ratings are typically in the range 1-7, with the exception of real measurable variables, as it is in this indicator, which shows the actual number of available seats in stadiums per million of population.

orientation' where BiH ranks 82nd place, while for example, Austria ranks 3rd place (see Table 2).

Here will be presented indicators of the 12th, 13th and 14th pillar of tourism competitiveness of Austria and Greece as comparator countries, with an approximate civilizational heritage, size and population. Austria has better performance of tourism competitiveness, despite the immense cultural and historical wealth, coastline and favorable climate in Greece. This fact points out importance of strategic setting of tourism and potential of recreation in tourism which Austria maximally exploit, while tourism in Greece has rather character of passive vacation. Recreational tourism exhibits better adaptability to seasonal fluctuations and generate more revenue through equipment rental, instructors and additional services. Thus Austria attracted 23 million foreign tourists in 2011, while Greece remained at 16.4 million. The tourism sector in Austria realized US\$ 20.35 billion in 2012, i.e. 4.8% of GDP, while the expanded effect of tourism activity in the economy is estimated at US\$ 58 billion, i.e. 13.7% of GDP. The tourism sector in Greece realized US\$ 16.96 billion in 2012, i.e. 6.7% of GDP, while the expanded effect of tourism activity in the economy is estimated at US\$ 42.77 billion, i.e. 16.8% of GDP. Table 2 gives detailed display of indicators of the last three pillars of tourism competitiveness (Affinity for travel & tourism, Natural resources and Cultural resources) which are largely responsible for positioning Austria on the 3rd place and Greece on the 32nd place at TTC Report.

Table 2: Selected indicators of tourism competitiveness in Austria and Greece, WEF, 2013.

Austria	Greece
12th pillar: Affinity for Travel & Tourism 5.5..... 12	12th pillar: Affinity for Travel & Tourism 4.8..... 55
12.01 Tourism openness, % of GDP*7.3.....34	12.01 Tourism openness, % of GDP*5.9.....48
12.02 Attitude of population toward foreign visitors6.7.....5	12.02 Attitude of population toward foreign visitors6.5.....37
12.03 Extension of business trips recommended6.4.....3	12.03 Extension of business trips recommended5.7.....45
12.04 Degree of customer orientation.....5.9.....3	12.04 Degree of customer orientation.....4.5.....90
13th pillar: Natural resources..... 4.0..... 49	13th pillar: Natural resources..... 4.2..... 40
13.01 No. of World Heritage natural sites*0.....79	13.01 No. of World Heritage natural sites*2.....25
13.02 Quality of the natural environment.....6.7.....1	13.02 Quality of the natural environment.....5.3.....31
13.03 Total known species*417.....91	13.03 Total known species*475.....78
13.04 Terrestrial biome protection (0-17%)*14.8.....35	13.04 Terrestrial biome protection (0-17%)*16.3.....25
13.05 Marine protected areas, %*n/a.....n/a	13.05 Marine protected areas, %*0.7.....55
14th pillar: Cultural resources 5.9..... 12	14th pillar: Cultural resources 4.3..... 25
14.01 No. of World Heritage cultural sites*9.....29	14.01 No. of World Heritage cultural sites*18.....14
14.02 Sports stadiums, seats/million pop.*71,791.9.....35	14.02 Sports stadiums, seats/million pop.*65,737.9.....38
14.03 No. of int'l fairs and exhibitions*251.7.....12	14.03 No. of int'l fairs and exhibitions*132.7.....28
14.04 Creative industries exports, % of world total*1.3.....19	14.04 Creative industries exports, % of world total*0.2.....42

Source: WEF 2013, Austria p. 97, Greece p. 179, Available at:

http://www3.weforum.org/docs/WEF_TT_Competitiveness_Report_2013.pdf

Retrieved: 04.12.2015.

The analysis of the indicators presented in Table 2 identifies causes of better competitive positioning tourism of Austria in relation to Greece. Austria has a top score (6.7) and rank (1) in indicator '*Quality of the natural environment*', while Greece rank (31) position. What is this about? Firstly, the existing natural wealth in Greece is not properly placed in the function of tourism and secondly, current trends and demands of modern tourists turn to recreational tourism rather than to conventional seasonal (summer) tourism.

The biggest difference in scores and ranks between Austria and Greece is observed in indicator '*Degree of customer orientation*', where Austria is on the 3rd position, and Greece is on the poor 90th position. Difference in ranking of indicators '*Extension of business trip recommendation*', '*Attitude of population toward foreign tourists*' and '*No. of international fairs and exhibitions*' explains how Austria has achieved a tremendous positive difference in the total income of tourism in relation to Greece.

This comparative analysis clearly confirms the hypothesis set at the beginning of this paper that the tourism and recreational tourism significantly contribute to overall economic development, standard of living and welfare, if the country is positioned as a high-quality and attractive tourist destination.

4. DISCUSSION

The tourism potential of Bosnia and Herzegovina has been known since the time of the Austrian occupation in 1878. The former Austro-Hungarians were delighted with natural beauty of BiH, although the Austrian countries had outstanding and diverse nature. Austria covers an area of 83,850 square kilometers (BiH 51,129 square kilometers) with its natural beauties realized large revenues from tourism although it is country. We see on Austria examples how much human factors such as education of the population, culture and work habits, road infrastructure, but also a tendency towards recreating can affect on the tourism activity. This country, though a landlocked, with a markedly developed and diversified tourism offer makes significantly higher revenues of tourism than it make Greece and Croatia in total.

In the professional and scientific literature and in daily practice, 'sports recreation' is widely accepted term, which indicates the specific area of physical education, which has its own program, organizational, material and personnel structure.

Mikalački (2005) word recreation comes from the Latin word '*recreo*' - to re-create, to re-produce, to restore; '*recreatum*' - to renew, to invigorate, to refresh, to strengthen, to encourage; '*recreare*'- to be born again, to refresh, to get yourself; '*recreatio*'- restoring (strength), healing.

Bilic and Bonacin (2007), the concept of recreation comes from the Latin word '*recreo, recreare*', where we can distinguish the prefix "re" meaning 'again' and "creare" meaning 'to shape, to create, to regenerate'. Anthropological sense of this formulation gives us a coherent definition that denotes 'to restore, to equip, to relax, to revitalize and to regenerate'.

Hadzikadunic et all. (2002) the development of modern tourism starts from the middle of the nineteenth century, usually tied with emergence of the first travel agency established by Thomas Cook. He organized the first major, organized tourist travel, a rail transport for a group of 570 tourists, participants of the Congress in 1841. Thomas Cook (born in Melbourne in 1808), was the first man who dedicated himself to serious organization of not only travel but also accommodation, food and guiding services. A few years later, Cook organized the first combined rail and sea travel to Ireland. In 1851, the father of travel agencies has sold 165,000 tickets of the tour for the exhibition in London, also, in 1845, he sold 400,000 tickets for the International Exhibition in Paris to the Belgians, the Dutch, the Swiss and the Australians.

Przulj (2012) theory of sport and recreation, as a scientific discipline, has the object of its study in sports and recreational facilities, as a specific area of physical education. This area is constituted in scientific programming, organizational, material, human resources and marketing framework and specialized for efficient and rational satisfying specific needs and interests of different categories of people. This scientific discipline is basically aimed at the optimization of psychosomatic status of an individual.

Blagajac, M. (1992) implementation of recreational exercise in the process of work and studies on its effects has a long tradition. Back in 1670, Tissot (Switzerland) published a book entitled "The need for movement of intellectual workers". The ancient Greeks was also appreciating importance of physical activity for intellectual work ("The peripatetic are thinking when walking"). The first the cases of recreational exercise during working hours in the industrial production was registered in the wagons factory Pulman (USA) in 1883. In 1904 Russian physiologist, Sechenov, discovered the phenomenon of active vacation. After that, Pavlov and other physiologists of labor thoroughly studied the use and the effects of active vacation.

Gnjato et all. (2005) in tourist offer of Republika Srpska tourism on the lakes has a recognizable place based on the various possibilities of tourist offer of natural and artificial lakes, in accordance with their location in different relief, climatic, biogeographic and ecological conditions. Basically, when it comes to tourism, the lakes are more in a function of recreation and different sports. Lakes allow active recreation, especially mountain and river lakes, while artificial lakes provide good conditions for developing sports on the water: nautical sports, fishing, excursions, tourism in transit and more. For the time being, in tourist offer and tourist turnover of Republika Srpska, artificial lakes are still more important than the natural ones. This goes to its suitable location beside the main road communications, a solid tourist and infrastructure, and multiple possibilities of the lakes valuation in all seasons and parts of the year. Natural lakes, especially the mountain lakes, are away from the main communications, they are not accessible, save to the rambles and mountaineers, adventurers and nature fans, there is no necessary infrastructure there, all important reasons that are not contributing to tourism development of these lakes.

Hadzikadunic et all. (2002) surely, tourism represents the largest social phenomenon of this century. Although it has its own traditions, its development experienced remarkable expansion in the XX century. Every day tourism becomes "a product of mass demand". In the range of factors which contributed to rapid tourism development, appears another sociological phenomenon "sport", which, on a broader sense, refers to the area of sports and

recreation that occurs as a necessity of modern man to move as a result of industrialization and urbanization. While classic sports is an incentive to tourism travel in the purpose of observing events, sports recreation is an active human engagement in conducting activities. As such, it becomes more and more an integral part of tourism and its active component. In addition to compensation and correction of the negative consequences of industrialization and urbanization, recreation represents an increasingly important component of modern tourist offer. Through sport recreation, tourist offers become more complete, varied and useful, and sport recreation in tourism obtained special economic significance.

5. CONCLUSION

Tourism is a social and economic phenomenon which together with sport characterized life of our civilization at the end of XX century. A series of selective species are developed in the tourism context - depending on the season, geographic or historical sites, age, health etc. So there are: congress, hunting, fishing, rural, nautical, children, health, mountain, winter...

Word recreation comes from the Latin word '*recreo*'- re-create, re-produce, renew; '*recreatum*' - to renew, to invigorate, to refresh, to strengthen, to encourage; '*recreare*'- to be born again, to refresh, to get yourself; '*recreatio*'- restoring (strength), healing.

Tourism in Bosnia and Herzegovina received significant economic and development role through nominating Sarajevo for organization the Winter Olympic Games in 1984. Preparation and organization of The Games generated a large number of jobs. Only in the hospitality and tourism industry employment increased by 17.7% in 1984 compared to 1983. Republika Srpska has respectable resources necessary for mountain tourism development. Several important mountain localities with a plentitude of geo-morphologic, hydrographic, bio-climatic and bio-geographic tourism values indicate it. Intensive development of contemporary mountain tourism is followed by development of tourist infrastructure and supra-structure. XIV Winter Olympic Games took place in Sarajevo and surrounding mountains (Jahorina, Trebevic, Igman and Bjelasnica) at the beginning of 1984.

During the last two decades, tourism has shown significant growth and becomes a 'global phenomenon' with expanding share in the global economy. Up to now, UNWTO has published data for 2014 where were registered 1.135 million foreign tourists, and this represents an increase of 4.4% compared to 2013. Also, in 2014, the growth of 3.7% was recorded in the total tourism revenue, and it amounted to US\$ 1.245 billion (euro 937 billion). Adding up the export earnings generated through international passenger transport services, total exports from international tourism were up to US\$ 1.5 trillion, or US\$ 4 billion a day on average in 2014.

The most important global report in the tourism field is WEF's "The Travel & Tourism Competitiveness Report". In 2013, Bosnia and Herzegovina is ranked at the 90th place out of 140 surveyed countries with a score of 3.8. The highest-rated indicators are

Safety and security, Availability of quality labor, Health and hygiene, Affinity for travel & tourism. These benefits should be guidelines and incentives to better utilization of existing capacity and creating new opportunities on the basis of these comparative advantages. Looking at individual indicators related to recreation in tourism in BiH, the best score (6.6) and rank (8) has indicator '*Attitude of population toward foreign tourists*', then score (5.5) and rank (20) at indicator '*Quality of the natural environment*', score (5.9) rank (28) for indicator '*Extension of business trip recommendation*' and score (72,431) rank (33) for indicator '*Sports stadiums, seats/million pop*'. The worst evaluated are '*Terrestrial biome protection (%)*' and '*Total known species*'.

Applying a comparative method, we have analyzed appropriate indicators of Austria and Greece, as a countries with an approximate civilizational heritage, size and population. Austria has better performance of tourism competitiveness, despite the immense cultural and historical wealth, coastline and favorable climate in Greece. This fact points out importance of strategic setting of tourism and potential of recreation in tourism which Austria maximally exploit, while tourism in Greece has rather character of passive vacation. This comparative analysis clearly confirms the hypothesis set at the beginning of this paper that the tourism and recreational tourism significantly contribute to overall economic development, standard of living and welfare, if the country is positioned as a high-quality and attractive tourist destination.

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translation into English

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