

THE ROLE OF SMALL FAMILY TOURISM ENTERPRISES IN ACHIEVING A QUALITY DEVELOPMENT OF TOURISM IN ŠIBENIK-KNIN COUNTY AS A TOURIST DESTINATION - review and research proposals

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SAŽETAK: Poduzetništvo se smatra središnjom snagom ekonomskog razvoja, jer generira rast i usluge koje vode inovacijama i promjenama. Turizam je danas jedna od najvećih industrija s najbržim rastom u kojemu je potreban visok stupanj uključenosti poduzetništva kako bi se diversificirala turistička ponuda i turističke destinacije u skladu sa rastućom potražnjom za novim tipovima turističkih potreba. Zbog činjenice da su mala poduzeća ta koja mogu brzo odgovoriti na nove potražnje i nova tržišta te da su izvor mnogih inovacija važno je istražiti ulogu malih turističkih obiteljskih poduzeća (MTO) u razvoju turizma Šibensko-kninske županije (u nastavku Županije).

Ključne riječi: mala turistička obiteljska poduzeća, turizam, turistička destinacija, razvoj, poduzetništvo

SUMMARY - Entrepreneurship is considered to be the central force of economic development as it generates growth and services that lead to innovation and change. Tourism is now one of the largest industries with the fastest growth in which a high degree of entrepreneurship involvement is needed to diversify tourism offer of tourist destinations in accordance with the growing demand for new types of tourist needs. Due to the fact that small businesses are the ones that can respond quickly to new demands and new markets and are the source of many innovations, it is important to explore the role of small family tourist enterprises (SFTE) in the development of tourism in the Šibenik-Knin county (below The County).

Key words: Small family tourism enterprises, tourism, tourist destination, development, entrepreneurship

1. INTRODUCTION AND OBJECTIVES OF THE PAPER

Over the past 20 years there has been a growing awareness of the importance of entrepreneurship in tourism. According to Schumpeter (Schumpeter, 1934, in Oberman Peterka, 2008.), entrepreneurs are the ones who caused continuous disturbances in market equilibrium. Entrepreneurs are "creative disturbers" who, with their concept, products and ideas, set new standards, and with their innovativeness radically change the tastes and preferences of their customers. Entrepreneurship is a key factor in the evolutionary diversion of tourism products and increasing competitiveness.

Small businesses operating within the certain tourist destination, as several studies have shown, tend to have dominance in the industrial structure of the regions. And as such, they are a key component in determining the development of tourist destinations (Lew et. al., 2004.).

The objectives of this paper are:

- To explain fundamental determinants of the concept of tourist destination. In order to achieve high-quality and long-term development of tourism in the destination, the basic prerequisite is to establish a quality destination management so that all stakeholders in the tourist industry achieve their goals, and consequently

the aims of the destination. In this way the long-term benefits for all stakeholders are achieved - and thus for SFTE as well.

- To explain the importance of small family enterprises and to show the basic parameters for small, medium and large enterprises in the Republic of Croatia, as well as a number of small, medium and large enterprises in industries that are directly or indirectly related to tourism;
- To introduce economic situation in the County and the main features of tourism in the County;
- To give conclusive considerations and proposal for fundamental research areas of small family tourism enterprises in the County based on the documents and literature examined, since the authors of this paper assume that the small family tourism enterprises are key stakeholders in achieving quality tourism development.

In this paper the following documents are used in order to form an opinion about the role of small family-owned tourism enterprises in enhancing long-term development of tourism in the County as a tourist destination:

- Alpeza, Peura, Development and sustainability of family enterprises in Croatia, CEPOR, 2012,
- Development strategies of the Šibenik-Knin County 2011 - 2013,

- Tourism Development Strategy of Croatia until 2020,
- Strategic Plan of the Ministry of Tourism for the period from 2013 to 2015,
- Handbook for dealing with rural tourism, The Croatian Ministry 2011,
- Tomas Summer 2010, Institute of Tourism,
- Business impulse 2013, a program to encourage enterprises and trade, the Ministry of Entrepreneurships and Trade,
- Enterprise Learning Strategy 2012 to 2014, the Ministry of Economy, Labor and Entrepreneurship, the Croatian economy - review of the current situation, the Croatian Chamber of Commerce, 2012

2. FUNDAMENTAL DETERMINANTS OF TOURIST DESTINATION MANAGEMENT CONCEPT

The development of numerous factors, e.g. the easier flow of information, capital, technology and labor, changes in the socio-demographic characteristics of the population of the most important emissive markets (U.S. and Europe), reducing the cost of transport (particularly air transport), has led to the fact that tourism is now one of the world's largest service industry, within which there is a great competitive struggle among tourist destinations. Because of that, tourist destinations must continually improve their products and services in order to maintain and / or improve their market share in relation to other destinations (Dwyer, Kim, 2003.).

The concept of tourist destination was introduced in theory in the 1980s as a response to current trends in the way of using leisure time. UNWTO defines tourist destination as an important place visited during the travel and distinguishes three types of destinations: distant destination, main destination and motivating destination.

Although a tourist destination can be a continent (e.g. Europe for Japanese tourists), the entire country, some regions and specific tourist sites including specific locations, such as transport terminals (airport, port, station) (Vukonic, 1995.), the borders of tourism destinations are usually defined by administrative and political boundaries (due to easier organizing).

The main objectives of any tourist destination are to ensure the quality for guests and a long-term existence for local people. Therefore the destinations should not be static, but have to change and develop in accordance to their guests' preferences.

Tourist destination management is a long-term process that should ensure reaching the high quality of life for residents and the preservation of the cultural identity of the entire tourist destination.

Tourist destination management at local level comes down to destination management. Therefore, managing the macro system as a tourist

destination can be defined as the process of forming and maintaining the environment in which profit and non-profit organizations, community groups and consumers (i.e. the various elements and entities), achieve their goals in the optimal way contributing to their own development and the general social welfare (Dulčić, Petrić, 2001.).

According to Mill and Morrison (Mill, Morrison, 1992.), many destinations which have not seriously approached the planning of destination development are suffering from major adverse effects today. Mason (Mason, 2006.) defines the following key stakeholders: tourists, local inhabitants, tourist industry, government agencies (at local, regional, national and international level), non-profit organizations and the media highlighting the importance of the involvement of various stakeholders in tourist planning and management, while Bryson and Crosby (in Bramwell, Lane, 2000.) define the stakeholders in tourist industry as "any person, group or organization regarding the effects of tourism". Only on the basis of their cooperation and partnership can a dialogue be achieved, and a consensus around a commonly acceptable proposal about how tourism should be developed negotiated and reached.

The main challenge for tourist destination management is to establish cooperation and communication among the stakeholders of tourist offer (Mill, Morrison, 1992.) in order to achieve optimization of the effects of tourism and implement strategic goals (to facilitate a long-term progress for the local population, maximize visitors' satisfaction, maximize the multiplier effects and profitability of the entrepreneurs, optimize tourist effects by providing a sustainable balance between economic benefits and social costs of cultural and environmental costs) (Buhalis, 2000.).

3. THE IMPORTANCE OF SMALL FAMILY ENTERPRISES

Based on the examined literature and in order to provide a higher quality explanation for the issues and the importance of small family enterprises, this part of the paper will briefly present research by Mirela Alpeza and Kirsi Peura "The development and sustainability of family enterprises in Croatia" (CEPOR, 2012.):

In public debates, family enterprise presents an enterprise that is owned by a family and provides jobs and income for the family members. It is assumed that 50% of employees in Croatia are working in family enterprises and that most of the micro and small enterprises in Croatia are family enterprises, owned by the first-generation entrepreneurs who are still managing their enterprises.

Alpeza and Peru highlight the following main issues related to family enterprise in Croatia:

- The concept of family enterprises in Croatia is not officially defined, so this fact disables identification and monitoring of the development, as

- much as any projection of the way how family enterprises affect Croatian economy.
- Actual statistical monitoring of economic activity in Croatia (DZZS, FINA) does not allow distinguishing family enterprises from any other legal forms of economic activity.
- The issue of family enterprises is not in the focus of policies and programs aimed at economic development in Croatia, except in the area of specific policies that are focused on family enterprises as the main beneficiaries of policy measures in the field of agriculture, tourism or craft. Policy orientation in these areas is basically driven by the need to respect the existing forms of business organization in these sectors which are based on family as an economic unit, with the aim of facilitating the development of private initiatives in these sectors.
- None of the general laws which define the forms of economic activity mention the concept of family enterprises. The legislative framework in Croatia recognizes family enterprises in agriculture, catering industry and trade as possible legal forms of economic activity in these sectors.
- The issue of generational transfer of ownership and management of family enterprises in Croatia is still a topic about which there is a little or hardly any talk. There are a few examples of good practices of successful transfers in Croatia. There is also inadequate knowledge of how to deal with these problems of enterprises in transition countries in the region, and a lack of educational programs and the experts who would facilitate this process.

On the basis of this research it can be concluded that it is vital to explore the issue of small family tourist enterprises in Sibenik-Knin County because there is a lack of such research and it is therefore very important to conduct it. In this way, it would be possible to obtain information about the number and structure of such enterprises in the County, their impact on the economic development of the County and thus tourism, as well as the problems they face and possible solutions. The ways to encourage the establishment and development of small family tourist enterprises could also be found, as well as many other information and issues.

Below are presented basic indicators and the number of small, medium and large enterprises in the Republic of Croatia (because such data for Sibenik-Knin County are not available). These data are presented in order to create perception about the structure of these enterprises. According to those data it is possible to reach conclusions about their role in the economy.

From Table 1 and 2 it is clear that small enterprises are the most represented ones (98.19%), while highest revenues, expenses and profits are

realized by large enterprises (49.75%, 49.10%, 46.66%). The greatest loss of the period was created by small enterprises (53.16%), and the highest percentage of employees are employed in small enterprises (46.40%).

From Table 3 it is clear that the majority of companies in industries that are directly or indirectly related to tourism belong to small enterprises, which leads to the conclusion about the importance of small enterprises for the economy of Croatia. What shall be further explored is the structure of the enterprises in Sibenik-Knin County, and their share in the economic indicators for the County.

TABLE 1: INDICATORS BY THE SIZE OF ENTERPRISES IN THE REPUBLIC OF CROATIA IN THE YEAR 2011

REPUBLIC OF CROATIA	SMALL	MEDIUM
Number of enterprises	89.539	1.292
Total income	191.232.361.377	111.896.253.997
Total outcome	189.852.489.408	111.468.430.111
Income for the period	12.745.077.551	4.173.329.071
Loss of the period	13.454.181.323	4.416.379.827
Number of employees (at the end of the period)	386.692	159.616
Republic of Croatia	LARGE	TOTAL
Number of enterprises	359	91.190
Total income	300.152.054.544,00	603.280.669.918
Total outcome	290.613.451.242	591.934.370.761
Income for the period	14.799.163.469	31.717.570.091
Loss of the period	7.437.755.374	25.308.316.524
Number of employees (at the end of the period)	287.035	833.343

Source: <http://www.hgk.hr/pokazatelj?category=73>

TABLE 2 HORIZONTAL ANALYSIS OF INDICATORS BY ENTERPRISE SIZE FOR CROATIA IN THE YEAR 2011

REPUBLIC OF CROATIA	SMALL /TOTAL	MEDIUM /TOTAL	LARGE /TOTAL
NUMBER OF ENTERPRISES	98,19%	1,42%	0,39%
TOTAL INCOME	31,70%	18,55%	49,75%
TOTAL OUTCOME	32,07%	18,83%	49,10%
Income for the period	40,18%	13,16%	46,66%
Loss of the period	53,16%	17,45%	29,39%
Number of employees (at the end of period)	46,40%	19,15%	34,44%

Source: <http://www.hgk.hr/pokazatelj?category=73>

TABLE 3 NUMBER OF SMALL, MEDIUM AND LARGE ENTERPRISES IN CROATIA ACCORDING TO THE NATIONAL CLASSIFICATION OF ACTIVITIES IN THE YEAR 2011

Code	Description of activities	SMALL	MEDIUM	LARGE	TOTAL
A	Agriculture, forestry and fishing	1.616	42	10	1.668
F	Construction	11.541	139	32	11.712
G	Wholesale and retail trade; Repair of motor vehicles and motorcycles	25.622	333	86	26.041
H	Transportation and storage	3.149	59	28	3.236
I	Accommodation providers and food service	5.046	81	19	5.146
J	Information and communication	4.095	33	14	4.142
K	Financial and insurance activities	565	4	6	575
L	Real estate	4.431	5	3	4.439
N	Administrative and support service activities	3.676	15	2	3.693
R	Arts, entertainment and recreation	812	14	4	830
S	Other service activities	2.370	5	0	2.375

Source: <http://www.hgk.hr/pokazatelj?category=73>

4. ECONOMIC SITUATION AND MAIN TOURIST FEATURES OF SIBENIK-KNIN COUNTY

Based on the data of Sibenik Chamber of Commerce about the economic situation in Sibenik-Knin County for the first 9 months of 2012, the data about the economic situation in the County will be presented. Following the "Development Strategy for the County 2011 - 2013" the main tourist features for the County will be shown as well as the perspectives of tourist development. For this purpose we will use the data about tourist traffic. (Central Bureau of Statistics).

4.1. Economic situation of Sibenik - knin county

Based on the data of Sibenik Chamber of Commerce about the economic situation in the Sibenik-Knin County for the first 9 months of the year 2012, the following information will be displayed:

- In the period from January to September 2012 the economy of the county generated 4.253.189.526 kn revenue, which represented a decrease of 9,95% compared to the same period last year. The largest revenue of 1.676.233.890 kn was raised by the manufacturing industry,

which is 9.17% less when compared to the period from January to September 2011, but still comes to 39.41% of the total revenues of the County.

- In the wholesale and retail trade 1.053.263.604 kn income was generated, which is 8.66% less than in the same period of the last year.
- In late September 2012 in the county a total of 7,008 unemployed persons was recorded which, compared to the end of September 2011, presents an increase by 5.21%.
- In the first nine months of 2012, according to data from the County Tourist Board, the County was visited by 663,614 tourists, which is 4.85% more than in the same period last year.
- In the first nine months of 2012 in Sibenik-Knin County a total of 4,365,560 tourist nights was realized.
- Compared to the same period in 2011, the county statistics show an increase in the number of overnight stays by 5.40%.

When it comes to assessing the average consumption of tourists in Croatia, or counties, the most commonly used data are the ones of the Institute for Tourism from Zagreb which every two to three years are doing market research on a sample of approximately five thousand tourists staying at coastal and

island places in Croatia. The last such survey was done two years ago. According to these data, the average daily consumption at the level of the County is 48 Euros. Multiplying that figure with the number of overnight stays we reach rough estimates of direct revenue from tourist consumption for 2010 in the County being around 181.63 million Euros (Institute of Tourism, 2010.).

It is important to note that the data about the income of tourism should be taken with reserve because it is not possible to determine accurate annual earnings from tourism, as well as to answer the question of how much of financial pie refers to a particular region, as tourism is heterogeneous and covers a range of activities which are directly and indirectly involved in the formation of tourist facilities (System of National Accounts).

4.2. *The main tourist characteristics of Sibenik-knin county*

Sibenik-knin County is located in the south of the Republic of Croatia, in the central part of northern Dalmatia. Considering its cultural heritage and it being an attractive location for visitors and doing business, it is equal to most Dalmatian urban centers. The total area of the county is 5.670 km², of which 2.994 km² is the land area, and the rest is the sea. The county has 285 islands, with a total surface of 665 km². The County today includes twenty local government units. According to relief characteristics the County can be divided into two areas: coastal and continental.

The sea is one of the most important resources in terms of traffic, resource basis for fishing and aquaculture, and for tourism. The most indented part of the Croatian Adriatic coast belongs to the Sibenik-Knin County. The beaches are mostly rocky and gravelly, but only occasionally sandy. Special benefits of the coast are numerous hidden coves and secluded beaches.

The County area is characterized by different types of climates, from the Mediterranean and sub-Mediterranean to continental and mountain.

Uniqueness of the county is in its valuable cultural heritage. When it comes to quality, size and variety of its monuments as well as to its association with the Mediterranean and European heritage, historical heritage of the Sibenik-Knin County has a great importance. In the Register of Immovable Cultural Assets of Croatia 290 cultural goods from this territory are registered. Some of them are: St. James Cathedral. Šibenik fortresses, Knin fortress, Burnum in Ivosevci near Knin, Krka monastery, Franciscan monastery on Visovac, Church St. Salvation etc.

According to the census of 2011, Sibenik-Knin County has a population of 109.375 (2.55% of the total number in Croatia), the spatial population density is 36,65 inhabitants/km², as compared to the State average of 75,71 inhabitants/km² it makes

this county poorly populated area. 75% of the population lives in the five County towns and the remaining 25% of the population lives in a quarter of the County municipalities. The educational structure of the population in Sibenik-Knin County is lower than the European average ([HTTP://WWW.DSZ.HR/](http://www.dsz.hr/)).

As a tourist destination, the County has a number of attractions, including its natural beauty (two national parks, parts of two nature parks), indented and attractive archipelago, preserved environment, rich cultural and historical heritage, preserved traditional activities (production of wine, olive oil, dried figs and ham, shellfish, coral, sponge ...). With the improvement of transport infrastructure, i.e. the construction of highways, the County's attractions have become more accessible to Europeans and the wider emissive tourist market. But the problem of waste and inadequate roads which lead from the highway to the majority tourist destinations in the County remains.

In recent decades tourism development in the County (and the State) has largely been spontaneously stimulated, with the vision of developing mass tourism. Tourism infrastructure and facilities are mostly concentrated in coastal areas, where they offer "sun and sea", but a great tourist potential of inner parts of the County is almost completely unused. Accommodation facilities in the County that make up about 7,7% of accommodation of the Republic of Croatia, were stagnating from 2005 to 2009 (development strategy of the County 2011-2013), and a significant increase in the share of accommodation has not been achieved till today. From this it can be concluded that it is necessary to invest in increasing the number of accommodation facilities; primarily in setting up small family hotels (especially in the town), in the conversion of apartments to family-run hotels in the coastal area of the county, and in the development of rural households in the inland.

Since it is of vital importance for the development of small family tourism enterprises to improve the attitude of local authorities, the vision and core strategic objectives for the County are given below. Based on the issued strategy (Development strategy of the county 2011-2013) the vision for the County was made, which reads: "Sibenik-Knin County is a pleasant living area with educated human resources, a dynamic economy and a high level of awareness about conservation and sustainable use of natural and cultural heritage."

Based on the vision, the following strategic objectives have been adopted:

- A competitive economy based on domestic and foreign investment in tourism and related services, traditional agriculture and industry based on innovation and advanced technologies in the economy.
- Faster development of assisted areas.
- Development of public utilities and infrastructure for the balanced economic development

and the preservation and protection of the environment to improve the quality of life.

- The development of competent and employable human resources and social inclusion.

TABLE 4 PRIORITIES AND MEASURES TOWARDS EACH STRATEGIC OBJECTIVE ARE AS FOLLOWS:

Support the development of SME, promotion of export programs and association of business, scientific and public sectors	Support to SME development, promotion of export programs, scientific research and the public sector
	Adoption of new technologies, and developing products and services with higher added value
	Improvement of existing tourist offer, the development of new forms of tourism and sustainable tourism development in protected areas
	Promotion of female entrepreneurship and youth entrepreneurship
The development of agriculture, aquaculture and green entrepreneurship	Improving the production, processing, storage and sale of agricultural products
	Promoting green entrepreneurship
	Supporting the development of aquaculture
	Development and improvement of irrigation systems, perennial crops and vegetable crops
Attracting domestic and foreign investors	Construction and equipping of economic zones and putting into function entrepreneurship of land and buildings owned by the state
	Promotion of the county
	Creating conditions and favorable climate for direct foreign investments and domestic investment

Source: Development strategy of the County 2011 - 2013

Based on the presented strategy it can be clearly concluded that the local authorities have placed tourism as the top strategy, and that supporting the development of SMEs is their priority, so the author of this paper sees this as a starting point for the development of small family-owned tourist enterprises, so that they could become drivers of economic development in the County.

5. PROPOSAL OF RESEARCH INTERESTS AND CONCLUDING REMARKS

Proposal of research interests

First of all it would be important to note that previous studies put the greatest emphasis on analyzing the impact of the effects of manufacturing enterprises, while approach to service companies was secondary (Lerner, Haber, 2001.). Understanding that the effects of enterprise are multidimensional is a concept which has developed only recently (Lumpkin, Dess, 1996.). In previous studies of small enterprises most commonly used measurement effects were those related to the size of the company: revenue and number of employees (Robinskon, Sexton, 1994.), while in technology and manufacturing such measurement effects of indus-

tries are used: volume of revenue, net profit, return on investment (ROI) (Kirchoff, 1977.), the relationship between income and earnings per worker (Miller et. al., 1988), revenue per entrepreneurs. As these performance measures are equally relevant for small enterprises as well as for tourist enterprises (along with the number of arrivals and overnight stays, because these data have effects on income) (Al-Wahab, Al-Din, (1975)), they must be involved in analyzing small family-owned tourist enterprises in order to make conclusions about the quality of the enterprise by observation of trends of these indicators. It is also important to note that the existing knowledge about small tourism enterprises is limited (Page et. al., 1999.).

Considering the above, as well as the basic objective of this paper (development of quality tourism in the County) it is necessary to make an integrative analysis of the factors that affect development of small family tourist enterprises.

For this purpose the following should be analyzed:

- **Investment Climate (Environmental features / attractiveness of the destination)** - represents the environment in which the entrepreneur operates (Lordkipanidze et. al., 2004.). The important question here is how the city or region recognizes its attractiveness as a tourist destination and how to bring together its resources in order to achieve better business results (Johns, Mattsson, 2005.). This issue includes an entrepreneurial infrastructure that includes the following: utilities and other services, taxes and other regulations that are important for the entrepreneur as well as the support they can get from the public and private sectors (Lordkipanidze et. al., 2004), but tourist services, attractions, marketing and human capital development could also be involved. Therefore, this part will be analyzing the environment in which STFE operate: private sector (which includes access to capital, professional services, business support, labor market) and public sector (which should be divided into government and community sector, and within macro policies, physical infrastructure, research and development, policy and public security should be analyzed) (Lordkipanidze et. al., 2004).

Thus, it can be assumed that the environmental characteristics of tourist areas are very important for business success, theoretically and in practice MTop (Lerner, Haber, 2001.).

- **Human capital that is involved in entrepreneurial activity** - which would include: education, experience, skills, entrepreneurs, entrepreneurial character and entrepreneurial family background (Cooper et. al., 1988.), and work experience (Vesper, 1980). Litzinger (Litzinger, 1965) compared the characteristics of entrepreneurs and managers in the hotel industry in Arizona and observed significant differences between them when it comes to important mana-

gerial decisions: entrepreneurs are more involved in issues related to innovation and risk, while managers are turning more to routine decision making. Regarding the lack of empirical research between these parameters of human capital and enterprise performances in the tourist industry it would be important to examine: the relationship between entrepreneurial characteristics and performance and the relationship between family background of entrepreneurs, experience in tourism, experience in entrepreneurship and managerial skills that affect enterprises (Lerner, Haber, 2001.).

- **Quality of services provided by these companies** - Blakley (Blakely, 1988) showed that the level of services is the main factor in the growth or reduction in most tourist regions. According to that, it can therefore be concluded that it should also be explored (the level of services provided by SFTE and the quality of those services). This could be explored in a way to analyze customers' satisfaction and make conclusions about the quality of services.

Concluding remarks

Based on the readings it can be concluded that tourism offers a number of features for family enterprises, which in turn constitute a very important segment of the tourist industry by increasing its quality and quantity, thereby affecting customers' satisfaction and the development of the destination or the communities in which they operate. What could be pointed out as characteristic of these companies (Getz, Carlsen, 2004.) is that they put personal and family needs and preferences in the first place, rather than growth and profit maximization. In the U.S., these companies generate 46-60% of GDP, the number of employees is less than 20, have a small market share, the annual income is less than \$ 50.000 and they have limited infrastructure and assets (Thomas, 1998.). This is why the tourism industry is ideal for family enterprises because it allows easy access to many business forms, mostly small and micro size, which is exclusively attractive to owners and families. Therefore, having interest in this job often depends on lifestyle, location, and leisure time (Ateljevic, Doorne, 2000.). Thus, micro-enterprises (up to 4 employees) are the ideal form for those who wish to enter tourism industry, and do not have sufficient level of capital, while on the other hand (Buhalis, Cooper, 1998.), these companies dominate tourism industry in peripheral and rural areas and provide a firm tourism offer.

Based on research by the Institute for Tourism (Croatian tourism in figures, 1/2012) it can be concluded that the greatest demand for accommodation facilities were hotels. On the other hand, hotels have very low average utilization (approx. 20%). The reason for this is that demand is concentrated in the 2-3 summer months, while the rest of

the year these facilities are underutilized. Therefore, tourism may not grow steadily in the season, but tourism development strategies should be its spatial and temporal redistribution. This problem might be solved by encouraging the development of rural tourism in order to disperse tourist flows from developed coastal areas into inland counties. This will enable multiple positive effects. Based on the examined documents (listed in the introduction), it can be concluded that the Croatian public sector (national and local) identifies issues of entrepreneurship. However, although it adopted many of the documents, it did not do quality research on entrepreneurship, especially on small family tourist enterprises. It is therefore necessary to do such research so that STFES can act in a stimulating climate and thereby make a maximum impact on the community in which they operate.

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