Sustainability of Tourism in National Parks through the Timesharing Contract Models and "All Inclusive" Services

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Abstract: The paper deals with multidisciplinary (economic, socio-cultural and legal) analysis of tourism sustainability in national parks through the conclusion of the timesharing contract with special (all inclusive) services provided by national parks. National parks might apply the timesharing contract model for achieving tourism sustainability by building tourist objects (villas and apartments) on the outskirts of national parks (areas outside the protected zone) providing timesharing service users with services that national parks offer through their natural resources. Such a timesharing contract with “all inclusive” services should be primarily concluded by means of the right to use system, in which the owner or the proprietor would be a person in charge of the national park management and the user a person who takes advantage of the entire service package once in a year (from the timesharing accommodation to services such as photo-safari, boat excursions, cycling trails, etc.) or sub-leases his own facility and pertaining package of services. In such a process it is very important that the mentioned model pays attention to maintain the number of such guests on the annual level in a national park, while ad hoc guests remain, from the point of view of tourism sustainability, a variable, that is, an unstable factor. In certain situations even the fee simple system of timesharing could be an adequate model of national park management in terms of tourism sustainability. The results of the paper are replies to set working hypotheses from the economic, socio-cultural and legal aspects. The conclusion is that national parks at the global level need a model which will guarantee financial and tourism sustainability, while from the legal point of view, the timesharing contract in interaction with the special all inclusive service model is hypothetically an excellent variant of tourism sustainability in national parks, which is considered in greater detail in the paper.

Keywords: national parks, sustainable tourism, timesharing contract, right to use timesharing system, fee simple timesharing system, all inclusive (package) model.

1. Introduction

National parks have become exceptionally attractive tourist destinations following the development of special forms of tourism in the last fifty years. Nevertheless, they haven’t developed a strategic concept of tourism sustainability to this day. It is necessary to view the particularities of the sustainability of national parks through two crucial aspects: 1) national parks do not have and must not have an explicit tourist function; their organisation must be brought in line with the environmental protection instead and 2) national parks’ financial
activity must be regarded mainly in relation to tourism sustainability as the main source of national parks’ (financial) income.

National parks’ contemporary financial activity has been characterised by a drop in national parks’ revenue in spite of their excellent tourism absorption and due to a number of reasons in the last ten years¹. Such a tendency requires a creation of new ideas related to the development of national parks’ business activities through tourism and financial sustainability. From the theoretical perspective, the development of tourism in national parks should be headed in two crucial directions. The first direction is reflected in the need of constant maintenance of the number of visitors in national parks (in a particular period of the year). The second direction is characterised by the need to improve tourism promotion in national parks, which is impossible to achieve without the modernisation of their business activities and new strategic investments.

The question is whether there is a model of national parks’ management that would be ideal for all national parks in the world? Regarding the difference in types of national parks, geographic and cultural circumstances in particular countries and different legal and economic structures of regulating relationships in particular societies, the reply to the above question is negative. However, hypothetically, the sustainable management of tourism in national parks may be implemented through the interaction of a number of management models such as the timesharing contract and the principle of the all inclusive tourism and such a combination may contain all the elements of achievement of national parks’ development at a global level.

The article deals with the analysis of the two models² of the timesharing contract which in combination with the provision of services following the principle of the all inclusive model represent interesting variations of national park management based on the principle of tourism sustainability and financial stability³. The hypothesis is based on the premises that through the national park’s development as a tourism destination, the area of natural protection of the national park should be protected against building in general and that touristic (timesharing) objects should be located outside national parks’ protected area. In that case the purchasers of the timesharing services would also receive all inclusive services included in the total price and provided by the national park (photo safari, boat excursions, bike trails, etc.).

All this gives rise to a few significant questions: 1. Which model of interaction between the timesharing contract and the all inclusive type of tourism is optimal for a national park? 2. Is this model ideal for the tourism sustainability of national parks? 3. Which are the advantages and disadvantages of such a model of sustainable tourism?

2. Previous Research Background

2.1 National Park’s Concept

National park represents spacious, predominantly unchanged area of land or sea of exceptional and multiple natural values. It is the area under control of local authorities in order to protect particular environment for the benefit of the whole society. The term was

¹ The most common reasons of drop in national parks' income in the world today are: 1) poor management structure, 2) state or public institution as its inertia, 3) the appearance of new technologies and visual form of tourism, 4) expansion of number of national parks in the world and 5) economic crisis and recession.
² There are two common subtypes of the timesharing contract, that is, two models of conclusion of the contract: 1) right to use timesharing model (system) and 2) fee-simple timesharing model (system).
³ The timesharing contract has grown into a real tourism industry in the last half of a century. Today its revenue amounts to 20 billion $ per year.
used for the first time in 1872 when Yellowstone (USA) was proclaimed as the first national park in the world (Kirk, 1974). The establishment of the first national park in Europe took place in Switzerland in 1914 when Basse-Engadine was proclaimed a first European national park (Richez, 1992).

The national park area represents a single unity that includes a particular degree of protection and achievement of different functions (educative, recreational, touristic, cultural), within the boundaries that guarantee permanent protection of the basic reason on account of which an area was declared a national park. Consequently, the mere concept is based on sustainable use and management of the resource base along with the fulfillment of a protected area’s basic tasks.

Contemporary concepts of national parks were defined by the Decision of the International Commission on National Parks dating from 1963 (Heijnsbergen, 1997) in accordance to which tourism was declared as an activity outside industry and estimated as not harmful for natural resources (Vidaković, 1989).

Typification of national parks implies the existence of national parks of the so called European type, national parks of the so called American type and their combinations. National parks of the combined type are prevalent in the world nowadays. They are the result of the modern way of life imposing the need for recreation and holidays. Therefore, in such a manner determined interaction between use and protection of national parks requires compromise management solutions.

National parks incorporate many functions within their area but the dominant ones are touristic and recreational functions (Hall & Page, 2006). However, the possible perception of national parks as places intended primarily or exclusively for recreation and holidays represents entirely wrong understanding.

National park’s use value is capable of achieving the proper economic valorisation only if it incorporates the principle of tourism and financial sustainability. In such a process all aggregate functions must be met. Tourism itself as a continuous user of natural resources is closely associated with the natural resource base and it represents one of the greatest potential dangers for nature (Eagles & McCool, 2002).

National park as the aggregation of different functions evolving within the protected area requires the creation of the sustainable finance plan for the protected area. Such a need arises from the problem related to the protected area management. Having all this in mind and accepting the sustainability algorithm, it is evident that sustainability is possible only if the protected area is managed through stable financing.

2.2 National Parks and Tourism

If tourism is viewed as a dynamic and heterogeneous phenomenon constantly developing and fulfilling the needs of its participants, global tourism trends impose a new understanding of tourism and its participants, imbuing them with new tasks. Attractive natural and environmental elements of a national park area are complemented by additional activities and the excellence of a tourism destination is measured in terms of achieved experience reflecting

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4 The protected area is used for sightseeing and enjoying the nature and the tourism exploitation must be subordinated to the protection of nature. Therefore, the national park area requires restricted behaviour and ways of life. Such requirements influence the diversification on the tourism market, which leads to the maximisation of benefits.

5 Dominant problems at the global level, which require a systematic approach to planning of national parks include: 1) number and size of national parks, the expectations are not proportional to resource base for their planning, arrangement and management 2) insufficient and inadequate financing of national parks as the main obstacle to quality management.
all elements of tourism offer, in which process national park’s visual resources are very important (Rowe et al., 1983).

The analysis of the state of facts at a global level has indicated that the existing accommodation capacities and elements of a tourism offer related to the accommodation facilities in national parks are inadequate for a rational, profitable and effective exploitation of natural and social resources. The quality of the existing accommodation facilities is not in line with the requirements of chosen segments of the market demand and not in condition to meet the basic tasks of existence of the protected area.

If state is accepted as the guarantor of fulfilment of all national parks’ functions, national parks are ensured the role of the generator of sustainability (Martinić, 2010) by means of high quality system of management. Therefore, it is clear that funding of national parks is a public interest (Muench, 1981). The state participation involves the establishment of a public institution for management and through the creation of a physical plan and management plan the public interest in national park management and operation is promoted as well (Martinić, 2002). However, state funding is predominantly directed towards the protection and maintenance and the rest of financial resources are insufficient for quantitative growth and development of offer and contemporary, more demanding visitors’ needs. Therefore, it is very important to define a stable and permanent source of funding, which must not be in conflict with the organisational sustainability. It is necessary to adjust the relations and measures of environmental protection with tourism valorisation and reduce ultimate contradictions to acceptable measures of tolerance (Backhaus, 2005).

National park area does not have nor must have an explicit touristic purpose (Vidaković, 1989). Therefore, it is not possible to apply any method of estimation of required accommodation capacities used within areas with a dominant touristic function except the method of balance between the protection and tourism demand, which later leads to market differentiation and orientation to market segments of higher quality.

In accordance with all mentioned so far and for the purpose of protecting and preserving the values of the national park area and enhancement of the quality of offer, a number of potential sources of financing6 with existing restrictions7 have been detected. However, they do not achieve financial sustainability and organisational stability.

That is the reason why the concept of management through the conclusion of the timesharing contract supplemented with the particularities of the subject of the contract (provision of services within facilities outside the borders of a national park) is advocated. It would be applied on accommodation and hotel and restaurant capacities as well as the parallel use of the all inclusive services in accordance with natural resources of a national park. Such a combination of timesharing and the all inclusive model is the best alternative since it guarantees financial sustainability and organisational stability.

### 2.3 Timesharing Contract

In contemporary law the timesharing contract (der Timesharing Vertrag, le contrat de timeshare, il contratto di timesharing) is defined as the contract according to which the

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6 Potential sources of national parks’ financing are: 1) classical crediting (entering into the contract with a bank or other financial institutions), 2) foreign or domestic partners' investments and 3) investments from one's own funds.

7 Limitations relate to the following: 1) unfavourable crediting conditions and needed state warranties to enter a contract on credit, 2) loss of independence if the capital comes from foreign investors and 3) insufficient one's own funds for independent investment.
provider of the service (hotel-keeper)\(^8\) or another co-owner\(^9\) is obliged to rent a tourist facility\(^10\) for certain amount of time (time sharing) and maintain it throughout the use and the service beneficiary (guest or co-owner) is obliged to use the entrusted object for a number of years and within a specified period of the year (timeshare)\(^11\) and hand it back after the expiry and pay in advance the total amount of the price (rental or co-ownership buying price)\(^12\).

Principal characteristics of the timesharing contract relate to the fact that it is usually in comparative laws formal, consensual, double binding and payable (Gorenc & Šmid, 1999). It is the subtype of the rental contract and on its provision subsidiarily applying the provisions applied for the regulation of the rental contract.

The timesharing contract is the parallel product of the European and Anglo-American laws (Edmonds, 1991). It started to develop in Germany, Spain and Switzerland and then in the USA and UK in 1960's. As a massive timesharing industry, it appeared for the first time in the Hawaiian resort Kauai Kailani in 1969. The whole timesharing industry experienced almost an annual double rise by the beginning of 1980's (Hart, 1980), in order to drop considerably in 1990's (Lawton et al., 1998) together with the decline of the need to create new forms of timesharing destinations.

The timesharing contract may appear in many forms and different typology. However, there are two main types of timesharing contracts in the legal literature (Bloch & Ingersoll, 1982): 1) „Right to use“ timesharing - a classical form of timesharing with the timesharing right to use the tourist facility and 2) „Fee simple“ timesharing - a form of timesharing with the periodical right to co-own the tourist facility.

**Right to use** timesharing denotes only the right of the beneficiary to use a tourist facility for certain amount of time without the acquisition of the proprietary right and it is obliged to pay the total amount of price from the contract in advance. Tourist facility is run by the provider of the service or a person running the company.

**Fee simple** timesharing denotes the contract in which the service beneficiary - interval owner (Ragatz & Crotts, 2000) co-owns a tourist facility for one or more weeks (i.e. 1/52, 3/52 etc.) and has the right to use his proprietary right only within a particular period of the year in accordance with his share in proprietary rights\(^13\).

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\(^8\) The provider of the timesharing service according to the so called *right to use* model of timesharing may only be the hotel-keeper as a person registered to provide hotel and restaurant services.

\(^9\) *Fee simple* model of timesharing includes the use of a facility in accordance with the right to time co-ownership and it is managed by all co-owners together.

\(^10\) The notion of tourist facility includes a room, an apartment or a villa or a real property providing hotel and restaurant activity, for example a separate island or a place on board of a ship. The EU Commission issued a suggestion for the amendment of the existing directive on timesharing (94/47) in August 2009 aiming to regulate the timesharing regarding the place on board of a ship.

\(^11\) Particular time of year (*timeshare*) is a unit of time measured usually in weeks and defining the length of a guest's stay in a tourist facility, which is always used in the same period. Tourist facility is using always at the same calendar period (e.g. from 2nd to 9th August each year) or year period (e.g. every third third Saturday in July). Tourist facility can be changed (*timeshare swap*) only within a chain of timesharing provider company.

\(^12\) The timesharing contract includes 5 essential elements: 1) thing (tourist facility), 2) duration time of the contract (number of years), 3) the precise period of year in which the facility is used (timeshare), 4) return of the facility after the expiry and 5) the price of use.

\(^13\) The concept of “interval (time) co-ownership” is difficult to be understood by a European lawyer. In the real law theory the co-ownership includes ideal parts and not particular periods in a year.
2.4 All Inclusive (Package) Model

In contemporary tourism the guest is provided with more services in one place. This provision of services is known as the principle of the all inclusive package (Swarbrooke & Horner, 1999). The particularity of the all inclusive resort lies in the fact that accommodations, meals, soft drinks, gratuities, recreational activities, entertainment and most alcoholic drinks are included in the daily rate. Many all inclusive resorts also offer a selection of sports and other activities included in the price and are often located in warmer regions.

The all-inclusive tourism model originated in the in the early 1990's (first systematic approach was done by Club Med resort) to respond to a growing demand from consumers for a holiday which was priced to include all food, accommodation and activities, although fragmentary occurrences of that form of tourism existed earlier as well (Nagle, 1999). Some all-inclusive resorts are designed for specific vacation interests (e.g. some resorts cater to adults, even more specialized properties accept couples only and other all-inclusive resorts are geared toward families, like craft centers, game rooms and water parks for kids).

In many countries nowadays there is an increasing trend towards providing all inclusive tourist packages, whereby visitors receive all their meals and refreshments in hotels, and they therefore have little need to use local bars and restaurants (Potter et al., 2008). All-inclusive destinations (so called top performers), tend to be more profitable from non-inclusive destinations and are more interesting for investors (Beech & Chadwick, 2006).

The debates on advantages and disadvantages of the all inclusive model have not ceased since its introduction. Basic criticism in regard to the all inclusive model is that it cannot be as sustainable as mass tourism due to local authorities’ poor involvement as well as the fact that all inclusive resorts do not help the local economy and that they damage the local environment (Weaver, 2001). The advantages of the all inclusive package model relate to the fact that it resorts bring large numbers of visitors to the country, who must travel through local airports and towns to arrive at the resort, provide jobs in areas that are economically impoverished and away from the major centers and insulate the guests from crime and harassment on the streets and beaches (Poon, 2004).

On the basis of such understanding the most concrete observation is that all inclusive hotels, that offer vacation with all food, beverage, airport transfers, baggage handling, the use of facilities and gratuities all for one price, have been charged with contributing to high leakages, the marginalisation of locals and host alienation (Duval, 2004). From legal aspect “all inclusive model” represents the hotel-keeper's contract with special type of services.

14 All inclusive model critics usually cite the fact that most resorts are located in relatively remote areas away from major local population centre, making it hard for the people staying there to see any local sights or frequent local business, especially since they have after all paid up-front for their food and drink at the resort but would have to pay separately for anything they eat or drink elsewhere. They also say that most resorts are owned and run by large multinational corporations, such as Club Med, Sandals, Beaches or Super Clubs Resorts (which is actually a collection of several resort chains including Hedonism Resorts and Breezes Resorts) thus diverting money away from local companies.

15 Proponents of all-inclusive resorts point also that all inclusive resort popularity can sometimes drive up property values to such a degree that the resort workforce cannot afford to live near their workplace, causing the creation of nearby bedroom communities (this phenomenon is especially prevalent near ski resorts in the USA west and resorts in otherwise impoverished nations - a classic example is Cayo Coco in Cuba, where the hotels are placed on an island 27 km from the mainland and the workers brought onto the islands each day from apartment blocks on the mainland by bus.

16 There are three most usual locations for all inclusive resorts in the world today: 1) distant tourism meccas (Caribbean, Hawaii), 2) super-elite tourist locations (Mallorca, Aspen) and 3) beautiful locations which prefer the standard detachment from mass tourism (Croatia, Greece).
3. Theoretical Problems

Theoretical issues of the working hypothesis include several postulates: 1) there is no previous research analysing the sustainability of tourism in national parks through the interaction of the timesharing and the all inclusive model of management, 2) the model of connection of a tourist resort through the timesharing contract including all inclusive services is unknown, 3) tourism in national parks and the timesharing industry is experiencing a constant fall, while the number of guest in the all inclusive resorts is on the rise, 4) the stability of sources of financing of national parks beyond their environmental protection represents a particular problem, 5) there is the problem of the organisational sustainability of national park management regarding the application of any unusual model of management (concession, timesharing, franchising) and 6) there are different (dis)advantages if the state or a private entity is managing a national park.

Regarding the fact that there is no previous research analysing the sustainability of tourism in national parks through the “timesharing - all inclusive” interaction, especially regarding the use of a national park’s natural resources, the presented concept of tourism sustainability is only a hypothetical suggestion of tourism sustainability in national parks and not analytically or empirically conducted research of tourism sustainability.

There is also no known model of connection of a tourist resort through the timesharing contract including all inclusive services in theory or practice. Such cases are rarely possible since it is a matter of different institutions each of them representing their own independent tourism industry (Upchurch & Lashley, 2006). Such an interaction is possible only within the framework of two separated resources; one of them (tourist facility) will operate via the timesharing model and the other (national park’s natural resources) via the all inclusive principle for all timesharing beneficiaries.

The fact that tourism in national parks and the timesharing industry is experiencing a constant fall, while the number of guest in the all inclusive resorts is on the rise (Swarbrooke & Horner, 2004) contributes to the problem concerning the prediction of such a model of national parks’ management. It is possible that one part of the resources will perform well and the other not so well. Therefore, national parks need to be orientated towards the all inclusive offer of all their natural resources targeting the ad hoc visitors and trying to maintain or increase the number of permanent (timesharing) guests.

The fact that there are national parks conducting not market orientated business speaks in favour of the problem of stability of sources of financing of national parks beyond their environmental protection (public funds and budget are the usual sources of funding). The problem of the organisational sustainability of national park management regarding the application of any other unusual model of management is common when the state or a public institution is in charge of national park management (Martinić, 2010). In such cases it is possible that the state has no access to a particular resource which is in possession of other physical or legal entities (i.e. timesharing beneficiaries).

Problems also arise depending on the fact whether there is the state or a private entity in charge of a national park. If it is a matter of state the problems mainly emerge in relation to business inertia, bad market orientation, lack of investments and administrative difficulties. If it is a matter of a private entity the problems are connected to the transformation of the park into a business area, environmental pollution and area devastation.

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17 Such a business activity is characteristic for countries in transition of the former East European block, where the transition to market economy was slow and painful without expected results. In these countries national parks are usually managed by public institutions with no particular strategic financial development and that model of management will have soon to be abandoned.
4. Discussion

The model of national park management through the interaction of the timesharing contract and the all inclusive model of management is not the only or the best way of managing a national park, especially if you consider the variety of parameters of national parks worldwide. Such a model is just one of possible manifestations of national park management. The purpose of the discussion is to clarify the reasons of advocating the mentioned “timesharing - all inclusive” model.

The timesharing system is suitable for achieving quality differentiation and the achievement of progression of the tourism product’s added value resulting in sustainable and effective use of tourism resource base.

The optimal model based on the timesharing system of management, implemented on the basis of the theory of competitiveness, optimises management and implementation processes and the supervision of positioning and management of a tourism product that is tourism offer.

The application of the timesharing contract to facilities beyond the protected area of the national park complemented with the all inclusive offer of all internal resources represents one of inadequately researched fields, which if systematically approached, is capable of generating positive externalities.

Such a model must tend towards the achievement of two global aims: 1) stable source of funding (the manager of the protected area through the timesharing industry achieves added value), 2) organisational sustainability (achieved within the structure of tourist facilities’ ownership, which remains unchanged (right to use model) or implies the relationship of a public-private partnership (fee simple model)).

Such a hypothetical model of national park management enables the specification of the protected area’s level of receptivity, which is attained through the elements (number of guests in the timesharing facilities) of the timesharing contract representing the possibility to control the maximal number of certain area’s beneficiaries and thus preventing the devastation of a national park’s protected area.

Besides differentiation, such a model maximises the satisfaction of beneficiaries’ needs on account of the fact that the timesharing contract represents one of the forms of individualisation of the package arrangement according to individual preferences. The focus in the interaction between the timesharing and the all inclusive concept is laid on quality and long-term partnership, which leads to the achievement of the higher level of profit. The advantage of such a concept lies in the fact that resources might be in use all the year round and not only during the peak season.

Positive effects of this model manifest themselves in the possibility to raise the quality of accommodation in a short period with the maximisation of the use of capacities all year round. Traditional channels of sale expand into the timesharing industry market as well as the all inclusive tourism market, which was not the case with the traditional business before, and the elements of tourism offer, in global terms, are supplemented by the satisfaction of new market needs and demands.

The timesharing concept is not only limited to the territory of a national park. On the contrary, it has positive multiplicative effects on the domicile community so that the application of the concept might be extended to the entire tourist destination.

Through the analysis of the timesharing model and national park management the following chapter brings the review of the two possible models of national park management through the interaction with national park’s all inclusive offer: 1) right to use timesharing model and 2) fee simple timesharing model.
5. Solutions Models

5.1 „Right to Use“ Timesharing Model as a Solution for Sustainable Tourism in National Parks

The right to use timesharing model represents one of the concepts of application of the timesharing contract on the provision of services regarding the use of accommodation facilities. Such a concept defines state as the manager and exclusive investor in building or reconstruction (enhancement of quality) of the already existing accommodation facilities.

The right to use timesharing model in national parks must be characterised by the following premises: 1) construction of facilities, which will be used through timesharing contract, must be outside the area of exclusive protection or outside the borders of the protected area, 2) the inclusion of the protected area resource (boat tours, ZOO's, bike roads) in the price of the timesharing services (all inclusive system) and 3) possibility of using a timeshare swap in all the parks managed by the state or public institutions.

The basic operation of right to use the model is manifested through three options of tourism offer raise: 1. construction of tourist facilities outside the park's protected area, 2. restoration (refunctionalisation) of existing facilities within the borders of the protected area and 3. restoration (refunctionalisation) of existing facilities outside the protected area.

The first option, to build new accommodation outside protected areas, must primarily be governed by legal acts and physical plans. Such new accommodation facilities are need to be built in the border zones of the national park and always outside its protected area, in order not to damage the integrity of the beauty of the landscape.

The second possibility, the renewal of existing facilities within the protected areas must be architecturally and urbanistically designed in such a way that it doesn’t violate the park’s natural beauty. Existing facilities, thereby, always remain the property of park's manager and for its location can achieve much higher market price to provide timesharing services.

The third option, renewal of existing facilities outside the protected area and renting them through a timesharing contract, is the necessity if the national parks want to operate on a stable financial basis. This option is ideal if there are already representative structures (the beautiful villas overlooking the sea) that were not long in function.

From a legal aspect, after the capacity has been constructed or reconstructed, the manager of the national park (owner) signs a contract with users of the timesharing contract (guests) for a specified number of years, and paying the timesharing price in advance every customer obtains the right to use freely all the special "all inclusive" services of the national park. It is up to a national park to enrich its offer with numerous special services that will attract visitors and raise the price of timesharing contract with the all inclusive offer.

The advantages of using the right to use timesharing model are multiple. For the manager of the national park they include: a) long-term financial revenues, b) improvement of the tourism offer, c) control over the number of visitors in protected areas, d) reduced cost of advertising, e) entry into new market niches (timesharing and all inclusive), f) extension of the tourist season, g) minimal intervention in the area and prevent its devastation and h) the sustainability of a constant number of visitors. For the timesharing user the advantages are: a) an annual holiday in the reputable area, b) exclusive accommodation, c) savings on additional services, d) the impossibility of overbooking, and e) the use of timeshare swap.

The disadvantages of using right to use timesharing model are: 1) increased costs required to implement the model, 2) the business risk of completing a tourism facilities through the timesharing contract (where user do not acquire ownership rights, and is obliged to pay the use in advance), 3) the necessary funds to (re)build the objects, and 4) non-attractive offer in natural resources of national parks (where such model is not recommended).
5.2 "Fee Simple" Timesharing Model as a Solution for Sustainable Tourism in National Parks

The secondary model of national park management with a view to sustainable tourism may be the so-called fee simple timesharing model. This business model is attractive regardless of the fact whether the manager of the national park is the state or private entity that wants a quick return on invested capital formation in construction or renovation of tourist facilities.

Fee simple timesharing model is based on two related premises as the right to use the system: 1) the construction of tourist facilities that will be sold to users (conclusion of timesharing contract with the transfer of ownership) must be outside the protected area of national park, 2) use of resources from the protected area (boat tours, ZOO's, bike roads) of national park must be included in the price of timesharing services (all inclusive system).

There are three conceptual options to develop tourism through so-called fee simple model: 1. the manager of the national park builds the facilities outside the borders of the protected areas and sells them to the timesharing co-owners with a price that includes the use of all inclusive services, 2. private investor builds tourist facilities and sells them through fee simple timesharing model whose price includes the use of all inclusive service of the national park and 3) reconstruction of the existing facilities outside the borders of the park's protected area.

The first option, according to which the manager builds the facilities outside the borders of the protected zone, is the best solution in case of urgent need for fresh capital. It is generally about one-time capital accumulation that can be used for long-term recovery of natural resources within the national park. In doing so, the national park is within the protected zone already built restaurants, bars and the like selling prices of the time co-ownership can be increased through the long-term use of these resources based on the all inclusive principle.

The second possibility, according to which the private investor (the builder) as a manager's partner builds the objects and sells them on the market in terms of time co-ownership, is an ideal option in partnerships context (public-private or private-private), where a park manager, without investment, accumulates capital through the increased timesharing prices offering its all-inclusive service, which maintains a constant number of guests in the national park.

The third option, sales of existing objects outside protected areas, is the last option, if the manager of the national park does not want to renew worn objects or for this does not have insufficient capital. In this case, the sale of this objects, is stimulating through long-term use of all inclusive service of the national park.

From the legal aspect, after the capacities have been constructed or reconstructed, the manager of the national park (which may not be the owner) signs a contract with customers of the timesharing co-ownership (new owners), and by paying (sale) prices in advance each co-owner acquires the free use right of all special "all inclusive" services in the national park. It is up to the national park to enrich its offer with numerous special services that will attract guests to buy the buildings and raise the price of the sale through all-inclusive offer.

The advantages of using the fee-simple model of timesharing are beneficial for the manager as well as the service users. Benefits for managers include: 1) additional one-time income without major investment or short-term recovery, 2) improvement of tourism offer, 3) operational risk has been transferred to the user, 4) control over the number of users of protected areas, 5) transfer of business risk to the partner constructor of tourist facilities and 6) constant number of guests, regardless of the facility’s resale.

Disadvantages of the fee-simple model can be seen through: a) the increased costs required to implement the model, b) free funds for the construction or renovation of existing facilities, c) use of timesharing facility without using the all inclusive national park service (only in ownership purposes) and d) inability to use timeshare swap (because the time co-ownership applies to one object only).
6. Conclusion

Tourism as a dynamic phenomenon has been constantly developing and global tourism trends impose frequent structural transformations. The reaction to these changes manifests in the product differentiation, degree of education, new organisational relations, the use of technology and innovations and communication between emittive and receptive markets.

The global expansion of travel to destinations with standard tourism products has reached its peak. The Republic of Croatia has been positioned as a low-cost destination where the principal motivation of arrival is mainly related to sun, sea, and passive holidays, while the rest of the tourism resource base has remained insufficiently valorised. This is especially true for the tourism offer of national parks which are in desperate need of new models of management in order to achieve tourism sustainability.

If we take into account protected areas of national parks in the world as areas characterised by an articulated tourism function, whose tourism offer represents a qualitative detachment from the standard tourism offer, we can see the increase of the quality of the tourism offer of the entire destination through the differentiation of the tourism product. In this context the involvement of the timesharing industry in facilities outside national parks through increased price of timesharing which will guarantee the guest the use of special all inclusive services of a national park is an interesting solution.

The article deals with two optimal models of the implementation of the timesharing contract through the application of the all inclusive package of services in national parks. The creation of the optimal model of national park management involves the interaction between the timesharing and the all inclusive concept, achieving a synergy of advantages of both models and a connection between the two contracts (timesharing contract and hotel-keeper's contract) which have not co-existed so far in a unique business relationship.

This model of national park management for the purpose of tourism sustainability results from the defined and legally regulated model of management of protected areas accompanied by sustainable financing of a wider national park area. High quality system of management requires stable sources of financing and the inclusion of the resource base within tourism flows requires compromises within the framework of methods of protection and economic valorisation, which in turn requires additional funds.

Negative consequences of the implementation of one of the two models of timesharing relate to the possibility of the manager’s business activity risk. The problem arises within the structure of the ownership (public or private) over the area and in case of poor planning there is the possibility of the irretrievable space devastation.

The advantages of the utilisation of one of the model (right to use and fee simple) are related to both the manager and the beneficiary. The manager achieves additional revenue, enriches the tourism offer, the risk of conducting business is transferred to the beneficiary, he achieves control over the number of visitors to the protected area, reduces the cost of advertising and penetrates into a new market niche. The timesharing beneficiary makes use of an area with already established reputation, with exclusive accommodation and saves on additional services since he uses only those services that are within the field of his interest.

For the manager of a national park the systematic implementation of one of the timesharing models means a stable financial source of income and organisational sustainability followed by a constant number of visitors using national park’s services. Such a concept (through two management models) doesn’t represent the only possible solution, but depending on the circumstances it represents highly effective and efficient business model based on principles of sustainability. Besides its commercial character the model is orientated towards the preservation of the environment of national parks as a principle resource of their tourism sustainability.
References


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