AGRITOURISM AS A FORM OF BUSINESS ACTIVITY IN RURAL AREAS

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Abstract. Entrepreneurship, perceived as the fourth production factor, contributes to the growth and development of economies. In rural areas, business activity can be pursued in many fields, although most are to some extent connected with farming and farmsteads. Agritourism is the type of a non-farm business activity that has been gaining popularity over the recent years. The objective of this paper has been to identify the motivation driving farm owners to become involved in agritourism and the benefits they derive from this business. The considerations are based on information obtained through interviews with owners of agritourism farms in the Province of Warmia and Mazury. Among the reasons for undertaking agritourism, the dominant one was to derive additional income. However, almost 72% of the examined farmers indicated that the extra income from agritourism did not exceed 30% of the farm’s total revenue. Income was also most often indicated (79.84% replies) as a benefit from running an agritourism farm. Besides, many respondents claimed that agritourism contributed to the activation of rural populations (58.06% replies) and helps to spread the spirit of entrepreneurship (44.35% replies).

Key words: agrotourism, rural areas, entrepreneurship

INTRODUCTION

The contemporary theory of entrepreneurship claims that no other activity is as complex and as difficult to describe and explain, or sometimes even to verbalize, as the work of an entrepreneur [Jaremczuk 2012]. In macroeconomics, the role of entrepreneurship regarded as a prerequisite of economic growth [Schmitz 1989] became demonstrably visible during the transformation of the Polish economy.

On the one hand, entrepreneurship involves being able to skillfully adjust to or even take advantage of the existing conditions; on the other hand, it means undertaking activities for the sake of changing the said conditions in a desirable direction. What is vital for the pursuit and execution of any business goal is the human activity, which is manifested...

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by a business-like approach [Kowalski 2006]. Agritourism is the form of business which fulfills an important economic need and creates an opportunity of development for many, especially smaller farms [Marks-Bielska, Babuchowska 2013].

Agritourism as an economic, social, cultural and spatial activity encompasses elements which stimulate the local development. The economic and social effects of the growth of agritourism as an alternative to mass tourism are relatively small but they enable harmonious incorporation of agritourism farms into the economic and social life of a community. Among the agritourism functions and derived benefits, the most commonly implied and most important ones are: additional income earned by agritourism farm owners and other villagers, stimulation of economic initiatives and creation of new jobs, reduction of unemployment, occupational activation of women in the countryside, improvement of the rural technical infrastructure, transfer of capital from cities to villages [Zawadka 2013]. Moreover, agritourism is often treated as a key component in strategies for local development and in programmes for the economic activation and restructuring of rural areas [Ciepiela, Sosnowski 2012].

What stimulates and governs the development of agritourism is the economic need felt by residents of rural areas. On the other hand, the growth of agritourism depends on needs of town residents, which are main beneficiaries of agritourism services [Ciepiela, Sosnowski 2012]. The activation and development of the countryside and agriculture owing to agritourism are perceived mainly as resulting from better opportunities of earning an off-farm income. Agritourism as a form of business activity attracts farm operators because of economic considerations (an additional source of income), organizational and legal reasons (development of agritourism is encouraged by agritourism associations, agricultural advisory centres, favourable legal solutions), social (town residents feel a growing need to spend free time in safe and socially accessible rural environment) and ecological aspects (more and more tourists desire contact with clean and healthy nature in rural areas) [Sikora 2012]. All tourism programmes are important not only for tourists, but are also particularly important for the inhabitants of a given area. They provide jobs, additional sources of income and improved professional skills [Batyk, Smoczyński 2010].

Not so long ago, back in the 1980s, agritourism in Poland could not develop dynamically, mainly because of the poor rural infrastructure, discouraging conditions experienced by farmers such as low revenue and complete lack of help from the state. This changed in the early 1990s, when agritourism gained importance because the political and economic transformations in Poland stimulated the search for new development directions in the Polish countryside and new sources of income, also from off-farm business activity. At present, agritourism is a dynamically developing branch of the tourism industry, which is seen by farmers as a potential chance to partly alter the function of farms [Górecka 2011].

Agritourism can be a convenient diversification strategy. It does not call for high investment into the farm’s infrastructure, machinery or labour. Farms which cater for tourists can focus on such activities which rely on the existing resources and do not demand any additional investment [Tew, Barbieri 2012].

By stimulating entrepreneurship among farmer families who possess adequate resources to undertake an effort and convert their farms to host tourists, with some sup-
Agritourism as a form of business activity in rural areas

Agritourism as a form of business activity in rural areas may improve, which in the long run may translate into a stronger growth of rural areas [Górecka 2011].

MATERIAL AND METHODS

As demonstrated by a study of Sikora [2012], the development of agritourism in Poland is determined by both objective factors, related to the demand and supply situation, and subjective conditions, such as the awareness of farm owners and countryside residents, motivated mainly by the supply aspect of agritourism. Agritourism is intrinsically connected to the natural environment and growing demand for high quality values of natural landscapes. Agritourism customers look for peace and quiet, pure water, beautiful landscapes and active recreation in close contact with nature. The natural environment is therefore one of the dominant attributes of agritourism [Ciepiela, Sosnowski 2012].

The purpose of this study has been to discuss the reasons why some farm owners undertake agritourism as a form of business activity in rural areas and how they benefit from this type of entrepreneurship, especially in respect of economic effects. The study was based on a review of relevant references and own research, which covered 124 agritourism farms in the Province of Warmia and Mazury, whose geographical distribution is illustrated in Figure 1. The research was conducted in 2011, but the gathered data referred to the preceding year – 2010. The source material was collected using the direct interview method. A questionnaire addressed to farm owners was used as a research tool.

Fig. 1. Location of agrotourism farms and respondents in the Province of Warmia and Mazury
Source: Author’s elaboration based on surveys and information Warmia and Mazury Agricultural Advisory Centre in Olsztyn.

*number of agrotourism farms registered in the farms database conducted by the the Warmia and Mazury Agricultural Advisory Centre in Olsztyn, website: <http://www.agroturystyka.warmiamazury.net>, information on 01.07.2013.

Oeconomia 13 (3) 2014
The Polish countryside is characterized by the rich nature and beauty of landscapes. However, the tourist assets are not distributed evenly among all regions of the country. According to Drzewiecki [1995], 1,368 Polish communes (covering 66% of the total surface area of Poland) possess conditions suitable for the development of agritourism, with the Province of Warmia and Mazury coming first on the list of attractive destinations. This region is endowed with high quality nature and landscape values – it has numerous lakes, rich wildlife and relatively unpolluted and unspoilt environment. However, some parts of the region are richer in wild nature forms and elements than others [Brodzińska 2012].

Among the principal components of the natural environment which are attractive for tourists, there are: surface waters, vegetation cover, climate and land relief. The highest value is assigned to surface waters, as a spatial analysis of the tourist flow distribution in Poland shows: about 50% of holidaymakers rest near water bodies, about 30% travel to the mountains and 20–30% choose other destinations [Dubel 2002].

As the data in Table 1 show, the highest share of land near lakes or rivers can be found in the districts of Węgorzewo, Giżycko, Mrągowo and Pisz. In turn, the most favourable conditions with respect to the forest cover are in the districts of Szczytno, Pisz and Nidzica. In several districts across the province (Głap, Giżycko, Węgorzewo, Mrągowo), there is a high percentage (over 60%) of legally protected areas with unique nature values. According to Dubiel [2002], villages which comprise some spatial forms of nature protection (national parks, landscape parks, protected landscape areas) are particularly suitable for the development of various forms of tourism, including agritourism.

The above-mentioned data implies which districts which – owing to natural values – are particularly suited to develop agritourism. These are the districts of Giżycko, Mrągowo, Pisz and Węgorzewo.

The information collected by the Agricultural Advisory Centre in Warmia and Mazury, which keeps a database of agritourism farms, shows that most such farms are run in the districts of Olsztyn (105), Mrągowo (99), Giżycko (93) and Pisz (71) – Figure 1.

The above justifies the conclusion that agritourism in the Province of Warmia and Mazury indeed accumulates in the districts which represent the best conditions for the development of this type of business activity. The only exception is the District of Olsztyn, where numerous agritourism farms may be established because of the proximity to the capital of the province – Olsztyn.

Many farmers treat agritourism as an additional source of income, and the farms they operate specialize in specific production. The structure of the analyzed farms contained a large share of farms with plant and mixed production (20.16%). There were fewer dairy farms (14.52%), farms with permanent plantations (12.90%) and horticultural farms (8.87%). Noteworthy was the number of farms (7.26%) which did not pursue any form of farming. Their main source of income were ill-health or old-age pensions of farmers or their spouses.

Women prevailed (64.52%) among the persons operating the examined agritourism farms. The structure of the respondents was dominated by the age group of over 40 years of age (43.55% were 41–50 years old, 33.06% – 51–60 years old, 12.10% – over 60 years old) and persons with secondary and higher education: 45.97 and 40.32%, respectively.
Table 1. Selected components of the natural environment influencing the tourist attractiveness of districts

<table>
<thead>
<tr>
<th>District</th>
<th>Area (km²)</th>
<th>Share of areas under water</th>
<th>Forest cover</th>
<th>Legally protected areas possessing unique environmental value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bartoszycki</td>
<td>1 307</td>
<td>0.8</td>
<td>23.5%</td>
<td>19.7%</td>
</tr>
<tr>
<td>Braniewski</td>
<td>1 202</td>
<td>6.1</td>
<td>25.6%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Dzialdowski</td>
<td>1 113</td>
<td>1.6</td>
<td>28.7%</td>
<td>38.2%</td>
</tr>
<tr>
<td>Elbląskiego</td>
<td>1 120</td>
<td>13.4</td>
<td>25.8%</td>
<td>69.2%</td>
</tr>
<tr>
<td>Elcki</td>
<td>772</td>
<td>7.5</td>
<td>21.9%</td>
<td>50.3%</td>
</tr>
<tr>
<td>Dziągieni</td>
<td>1 385</td>
<td>13.4</td>
<td>25.8%</td>
<td>69.2%</td>
</tr>
<tr>
<td>Kętrzyński</td>
<td>1 213</td>
<td>16.6</td>
<td>33.0%</td>
<td>54.0%</td>
</tr>
<tr>
<td>Lidzbarski</td>
<td>912</td>
<td>27.3</td>
<td>38.7%</td>
<td>57.9%</td>
</tr>
<tr>
<td>Mrągowski</td>
<td>1 065</td>
<td>12.3</td>
<td>31.4%</td>
<td>60.5%</td>
</tr>
<tr>
<td>Nidzieckie</td>
<td>961</td>
<td>1.6</td>
<td>38.7%</td>
<td>57.9%</td>
</tr>
<tr>
<td>Nowomiejski</td>
<td>694</td>
<td>2.9</td>
<td>21.0%</td>
<td>35.3%</td>
</tr>
<tr>
<td>Olecki</td>
<td>784</td>
<td>3.9</td>
<td>25.9%</td>
<td>40.0%</td>
</tr>
<tr>
<td>Olsztynski</td>
<td>2 837</td>
<td>10.4</td>
<td>48.7%</td>
<td>58.0%</td>
</tr>
<tr>
<td>Ostródzki</td>
<td>1 766</td>
<td>5.7</td>
<td>29.8%</td>
<td>56.0%</td>
</tr>
<tr>
<td>Piski</td>
<td>1 120</td>
<td>13.4</td>
<td>25.8%</td>
<td>69.2%</td>
</tr>
<tr>
<td>Szczyceński</td>
<td>1 933</td>
<td>3.8</td>
<td>49.5%</td>
<td>44.2%</td>
</tr>
<tr>
<td>Wegorzewski</td>
<td>693</td>
<td>13.5</td>
<td>20.4%</td>
<td>65.8%</td>
</tr>
</tbody>
</table>

Source: Author’s elaboration based on data from Turystyka w województwie warmińsko-mazurskim w 2011 r. Urząd Statystyczny Olsztyn 2012.

**THE THEORETICAL FOUNDATIONS OF ENTREPRENEURSHIP**

The subject literature distinguishes three main currents in research on entrepreneurship. The first one, according to which entrepreneurship is associated with the ability to take risk in a market activity, originates from the theory elaborated by F. Knight (the 1920s). Knight believed that a businessman is ready to undertake risky actions aimed at generating profit under the conditions of uncertainty. The risk in business is a consequence of an uncontrollable change. In turn, the change is not initiated by the business process but used by a businessman to achieve his own goals. The earned profit is treated as compensation for uncertainty [Kowalski 2006].

The second current is associated with J. Schumpeter (the 1930s), considered to be the author of the best-known and most complete concept of entrepreneurship, equated with the innovative attitude of an entrepreneur, seen as a creator of an enterprise who contributes to the economic progress. In order to become an entrepreneur, one needs to demonstrate the ability to secure necessary means and capital. The role of an entrepreneur is to use accurately results of the creative work of inventors. According to Schumpeter, the basic functions of a businessman are: introduction of new products and implementation of innovations.
new production methods, development of new markets, formation of new sources of supplies and reorganization of new industrial structures. In this approach, an entrepreneur is above all an innovator. The innovativeness of entrepreneurs is particularly evident when they attain goals no-one has thought of before or when they design novel ways of reaching more obvious aims. Thus, an entrepreneur is anyone who undertakes new activities or transforms certain enterprises into new ones. The work performed by entrepreneurs is the driving power of many outstanding economic events [Grzybek 1998].

The third current is associated with I.M. Kirzner (second half of the XX century), who emphasized the role of an entrepreneur in obtaining and using information, and treated a businessman as an individual who responded to changes on the market. Kirzner [1973] defined entrepreneurship as the readiness to take advantage of chances that had previously gone unnoticed.

As underlined by Kraśnicka [2012], a review of the existing research output of the theories and concepts most firmly rooted in the human cognition justifies the conclusion that entrepreneurship is primarily equated with:

- noticing, uncovering and using chances/opportunities in one’s surroundings, irrespective of the resources one controls;
- performing innovative undertakings, creating new organizations and enterprises which revitalize the organization;
- creating new values.

After some period of concentrating on Schumpeter’s claim that entrepreneurs (for example by being innovative) distort the equilibrium on markets, a time has come to think about entrepreneurs as individuals who can help to maintain balance in an environment struck by chaos and turbulences [Mikulska 2011]. The Polish literature dealing with this subject reveals an interdisciplinary approach to the above problem. Discussions on the nature of entrepreneurship are conducted by sociologists, psychologists, economists and representatives of the management sciences. In the economic approach, entrepreneurship is treated as the fourth production factor, which manifests itself in the field of rationalization and creative application of innovative solutions, resulting in a more effective use of current as well as the creation of new and more perfect resources [Kowalski 2006].

Rural tourism and agritourism in particular are examples of such novel type of activity versus the agricultural production traditionally conducted by farmers. Agrotourism is perceived as a field ensuring many possibilities to diversify the economic situation of rural areas. It can create better opportunities to employ the countryside’s production resources to and improve income of rural populations [Wilkin 2003].

Agritourism is the type of tourism, but it is also an example of off-farm activity in rural areas, which has been undergoing a dynamic growth over two decades. While highlighting the impact of agritourism on the enlivened economic and social life on rural areas, it seems reasonable to undertake complex studies of this branch of tourism [Zawadka 2013].

Entrepreneurship has at least two meanings. On the one hand, it is the term corresponding to an economic process, which consists of creating new, typically small and medium businesses. On the other hand, it is also a characteristic of the human nature, which distinguishes people’s attitude and behaviour such as the capability and readiness of taking a risk, the tendency towards innovative actions and the habit of undertaking actions in order to catch chances and opportunities [Sawicka 2000].
RESULTS OF OWN RESEARCH

The surplus of labour in rural areas in Poland compared to other branches of the national economy encourages many farm owners to look for additional sources of income. As a result, they often undertake off-farm business activity in such areas as forestry, fisheries, industry, trade, transport and agritourism. This tendency has become a part of the multi-functional and sustainable development of rural areas, which at present is considered one of the basic categories of policy designed for agriculture and rural areas. As highlighted by Sikorska-Wolak [2010], this model attaches much importance to the tourist function, the development of which is supported by numerous and various benefits achieved by both service providers and whole communities in rural areas.

In the light of the author’s own research, the respondents most often indicated the wish to have an additional source of income as the reason why they were engaged in agritourism (Fig. 2). However, the contribution of income generated by agritourism to the total income on a farm was relatively small, namely less than 10%, on many of the examined farms (32.26%). A slightly larger group of respondents (39.52%) indicated that this income contributed over 10% but less than 30% to the total farm’s revenue. However, there were also farmsteads where the share of income generated by agritourism exceeded 70% of the total revenue. The level of profits derived from agritourism depends on a pricing policy specific for this branch of tourism. Prices at agritourism farms compared to traditional hotels and guest houses are relatively low. This pricing strategy is due to the fact that holidaymakers who choose take agritourism are typically less affluent. Also, a growing number of agritourism farms and competition between them keep prices low, which in turn reduces the profit and questions its importance [Sikora 2012].

![Fig. 2. Reasons of agritourism activity](image-url)

Source: Author’s elaboration based on surveys.
The Province of Warmia and Mazury is rich in values and assets useful for the tourism industry. This aspect is recognized by the owners of the examined farms, over half of which (51.61%) indicated the high tourist appeal and natural assets of the surroundings as a reason for undertaking the agritourism activity. In turn, 26.61% of the farm owners pointed to the growing interest in this form of holiday as a stimulus.

Income is most often chosen as a benefit derived from running a farm open to visitors (79.84% replies) although it is not the only advantage to this type of activity in rural areas (Fig. 3). It is difficult to predict all possible benefits, and some are not material or measurable ones, but translate to better living conditions. Obviously, the development of tourism in the countryside means that local economies become more diverse and less vulnerable to some market instabilities, which is essential in typically agricultural regions [Sikorska-Wolak 2010]. More than half of the farm owners questioned (58.06%) agreed that activation of rural populations is another important benefit derived from agritourism.

Farming is characterized by seasonality, meaning that in some months of the year village residents are less active. Agritourism creates the opportunity to make use of the time free from work on farms, available labour resources and spare living space. Moreover, agritourism develops the sense of entrepreneurship in rural population (the fact noticed by 44.35% of the respondents) and supports local services and food processing (25% of the replies).

Fig. 3. The benefits of the agritourism development
Source: Author’s elaboration based on surveys.

The opportunities to become engaged in agritourism are restrained by a series of obstacles, among which the respondents most often named financial barriers (46.77% answers). Most of the farm owners initially funded their agritourism business with their own money and tried to overcome the shortage of funds by taking bank loans. Some also applied for the European Union’s funds. A high percentage of respondents (35.48%) have
argued that for a region with high tourist appeal the Province of Warmia and Mazury is not sufficiently promoted, as a result of which the number of holidaymakers staying on agritourism farms is much smaller than their capacity. Thus, farm owners must demonstrate a high level of entrepreneurship, creativity and inventiveness to reach potential guests.

There are certain beliefs deeply rooted in the awareness of many farmers which stop them from being more open in offering their businesses to non-rural populations and in facing the risk it involves. Farmers are also unwilling to gain or improve professional skills in this area of business (for example, by participating in training sessions). It is therefore crucial to change attitudes of farmers, who believe that their subsistence depends on the work at farming and on farmland, which is less productive when turned to other uses than agriculture.

With all positive functions of agritourism, one must not forget some of its negative consequences, called disfunctions. Like any other activity pursued by man, tourism can generate adverse effects, for example conflicts between tourists and local residents, the feeling of being underprivileged and unhappy among rural populations due to the overly manifested behaviour of rich visitors from towns etc. [Dubel 2002].

CONCLUSIONS

Economically speaking, entrepreneurship can be treated as the fourth production factor, which reveals itself in the areas of rationalization and creative use of innovative solutions and leads to a better use of the other three factors. In the rural areas of the Province of Warmia and Mazury, the unique values of the region are taken advantage of in order to develop agritourism. Agritourism, as one of the forms of entrepreneurship undertaken by rural populations, enables them to fully exploit the resources that the countryside is endowed with.

Among the most significant reasons for undertaking a business activity in agritourism the dominant ones are economic considerations, such as the opportunity to earn higher income. This fact was pointed to by the questionnaire respondents as the most important benefit derived from this type of business activity (68.55% replies). Besides, over half of the respondents (51.61%) decided to go into agritourism encouraged by the high tourist appeal of the region and its natural qualities. The Province of Warmia and Mazury comprises numerous lakes, rich plant cover and wildlife, almost untransformed landscapes and unpolluted areas. However, such nature qualities which favour the development of agritourism are not distributed evenly across the whole province. They are more densely concentrated in the districts of Giżycko, Mrągowo, Pisz and Węgorzewo.

Conducting a farm which hosts tourists generates many benefits, both for given farm owner and – more broadly – for a whole local community. The respondents mostly focused on the income-side of this business activity. Nearly 80% of the farmers questioned agreed that the chance to earn an additional profit was advantageous. However, many pointed to other types of benefits, such as the activation of rural populations (58.06%), development of entrepreneurship in the countryside (44.35%), promotion of folk traditions (25.81%). In the context of numerous benefits which the respondents observed, it
can be expected that, despite certain barriers encountered while undertaking or running an agritourism enterprise, this form of business will continue to grow on the rural areas of Warmia and Mazury.

REFERENCES


AGROTURYSTYKA JAKO FORMA DZIAŁALNOŚCI GOSPODARCZEJ NA OBSZARACH WIEJSKICH

Streszczenie. Przedsiębiorczość, uznawana za czwarty czynnik produkcji, przyczynia się do wzrostu i rozwoju gospodarek. Na obszarach wiejskich ta forma aktywności może być podejmowana w wielu dziedzinach bardziej lub mniej związanych z gospodarstwem rolnym. Zyskującą na popularności pozarolniczą formą przedsiębiorczości jest agroturystyka. Celem opracowania było ukazanie przesłanek skłaniających właścicieli gospodarstw rolnych do prowadzenia agroturystyki oraz korzyści wynikających z tej działalności. Podstawą rozważań były dane pierwotne pozyskane metodą wywiadu bezpośredniego przeprowadzonego z właścicielami gospodarstw agroturystycznych z województwa warmińsko-mazurskiego. Wśród przyczyn podjęcia działalności agroturystycznej dominowała chęć uzyskania dodatkowego dochodu. Jednak w prawie 72% badanych gospodarstw udział dochodu z agroturystyki w całkowitych dochodach gospodarstwa nie przekroczył 30%. Aspekt dochodowy wyraźnie przeważał także (79,84% wskazań) wśród korzyści wynikających w prowadzeniu agroturystyki. Ponadto wielu respondentów uznało, że agroturystyka przyczynia się do aktywizacji ludności wiejskiej (58,06% wskazań) oraz rozwija w niej przedsiębiorczość (44,35% wskazań).

Słowa kluczowe: agroturystyka, obszary wiejskie, przedsiębiorczość