

Franchising as a strategic solution is a combination of three main, partial strategies like: the strategy of competition, marketing strategy and the investment strategy. They make an integral composition, which creates the system of the connections between some particular partners in a franchising company. Each of the participants uses the achievements of the whole system, based on a reversible connection and the exchange of the information. It is taken from the environment as well as from the internal system (from the outlets and the headquarters of the chain). The individual character of every country provides various conditions for the development of franchising. It is especially significant from the foreign investors' point of view, who were the leaders of franchising in Poland, presently their ratio of the market share has decreased by far. The above presentation shows that the integrated management has become a necessity for well development of a company nowadays, it particularly concerns franchising companies or organizations of a similar organizational structure.

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SYNERGY OF AGRIBUSINESS DEVELOPMENT IN THE PROCESSES OF RURAL AREAS DIVERSIFICATION

Summary: The paper discusses the present European Union policy on rural areas economic diversification as well as development of agribusiness in Poland and in other EU Member States. The role of agribusiness is also discussed as well as its synergy in the processes of diversifying non-agricultural activities, undertaking rural business activities and its impact on the quality of life in the country. Other issues presented in the paper include instruments of development, principles of financing as well as trends and directions of agribusiness development.

Key words: Agritourism, diversification, synergy, rural areas development, development trends.

Agritourism is a new form of rural tourism. It is a form of relax in a functioning farm on which we can live, eat with farmers, participate in certain farm works, observe animals and plant production. People may enjoy home atmosphere and fresh, healthy food.

Living in the country means enjoying space, freedom, fresh air, green areas. Tourists may play winter and summer sports, pick forest fruit, go fishing, make photos of animals. Agritourism is an antidote to the daily troubles of contemporary city inhabitants. It is an alternative to mass and commercialized ways of rest. At the same time, it is an additional source of income for farmers

running agritourism farms and thus a factor supporting the development of local infrastructure and activating local job markets¹.

1. EU and Polish policy on rural development in the years 2007 – 2013

Rural areas undergo constant transitions resulting from global and regional processes. As a sectoral policy, the Common Agricultural Policy is a basis for ensuring food supplies but is also determines the quality of life in the country and environment protection principles.

In the light of the Common Agricultural Policy, the role of rural areas grows in importance, especially after the recent European Union enlargement. Poland, as a country of great agricultural potential plays a crucial role here.

From the perspective of the new financial plan for the years 2007-2013, the Common Agricultural Policy may be considered stable. Expenditures in subsequent years are planned to be constant (financial discipline mechanism) and predictable in mid-term perspective but their relative share in the EU budget constantly decreases. Presently, CAP constitutes (including the expenses on rural areas development) 40% of the Commonwealth budget (it was 65% in the year 1990). In 2013 it is supposed to constitute only 35%.²

In the following budget years agriculture will be influenced by the CAP reform being the effect of globalisation related with reduction of institutional prices, export refund and other preferential regulations replaced by direct payments. Ongoing liberalisation of global food trade may be considered a chance but also a threat to agriculture.

Due to the fact, it is necessary to undertake actions leading to an increase of effectiveness of food supply chain elements production (farms, processing and distributing companies). Their only chance for success in the future is related with competitive advantage and right marketing strategies.

Actions undertaken within the CAP must be correlated with cohesion policy instruments covering rural areas and their inhabitants in order for these areas to be a friendly environment for life and work, facilitating the achievement of high quality of life.

What the above statement means is among others:

- competitive farms and developed system of food processing;
- flourishing entrepreneurship and its effective support system;
- diversified structure of inhabitants (structure of income and profession);
- well organised local societies and efficient network of social security institutions;
- good technical infrastructure (roads, power supplies, water supplies, sewage systems, etc.);

The present EU policy on rural development is defined by the following documents:

- Council Regulation No 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development, adopted in September 2005 r., and
- Council Regulation No 1290/2005 on the financing of the Common Agricultural Policy (direct payments, export subsidies and intervention payments) adopted in June 2005.

European Union defines strategic objectives that are implemented in three levels (Figure 1):

¹ Bome H., Doliński A., Tourism Organisation,

² Ministry of Agriculture and Rural Development, National Rural Development Programme – a draft, Warszawa 27 February 2006, p 4

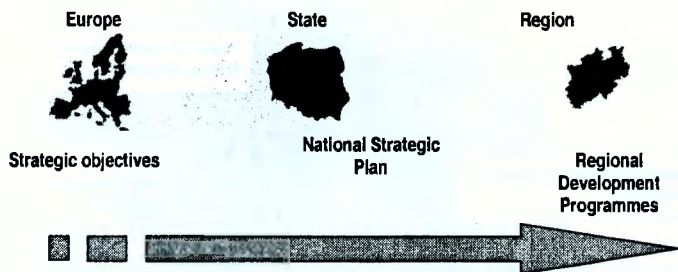


Figure 1 Implementation of EU strategic objectives concerning development of rural areas

Source: own study based on Dieter Schweitzer, Federal Ministry of Consumer Rights, Food and Agriculture ¹

Strategic EU priorities and development programmes for rural areas will be developed around four pillars ²:

- 1 Competitiveness of the food and forestry sectors – stressing their modernisation, knowledge transfer, innovativeness and quality of food chain products,
- 2 Environment protection / land management – stressing bio-diversity, water and climate changes,
- 3 Creating new workplaces thanks to diversification of rural economy and improving quality of life in the country,

Leader - Improvement of management and local development conditions achieved through the bottom-up approach and preference for Local Action Groups

The Polish strategy of rural development in the years 2007 – 2013 ³ adopts the following solutions:

– **Horizontal** approach to goal implementation within particular sectors and among them

– **Synergic** approach to implementation of structural policy objectives, employment and rural development

– **Complementarity** with the goals and actions undertaken within other national and EU policies

– Development of one Operational Programme for Rural Development (OP RD) for the period 2007-2013

The main objectives of the Polish strategy – compatible with the goals of OP RD cover the following issues (Figure 2):

- higher competitiveness of farming and forestry
- better condition of the natural environment
- better quality of life in the country and diversification of business activity
- development of local structures promoting employment and diversification (LEADER)

¹ ibidem

² Ahner D., EU Policy on Rural Development, DG AGRI, October 2005, paper presented on the International Conference on The Future of Rural Areas in Europe, Kraków 29.11 - 1.12.2005

³ Ministry of Agriculture and Rural Development, Polish Strategy of Rural Development, International Conference on The Future of Rural Areas in Europe, Kraków, 30.11 – 1.12.2005

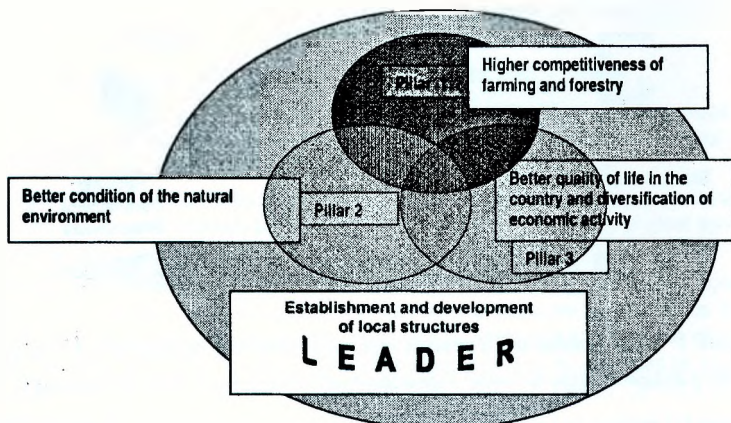


Figure 2 Main objectives of the Polish strategy of rural development

Source: own study based on the material of Ministry of Agriculture and Rural Development „LEADER+ Pilot Programme in Poland”

Priority areas covered by the third pillar (the so called social pillar) prove the importance of economic diversification of rural areas:

- diversification towards non-agricultural activity;
- encouraging new investments in tourist infrastructure;
- basic services for rural economy;
- rural development;
- training and information.

A characteristic feature of the EU and Polish policy and rural development strategies is equivalent approach to the measures aimed at improving the management of the food sector, environment protection and the measures taken to improve the quality of life in the country as well as to achieve its economic diversification. Synergy of all these actions may be an efficient instrument assisting the process of implementing the idea of multidirectional development of agriculture and rural areas.

2. Agritourism in Europe and in Poland

Since the sixties interest has been growing in alternative tourism being a chance for tourism forms other than mass, organised tourism, prevailing so far. Agritourism principles include touring in small groups (or individually), in numerous places, most commonly related with specific features of a particular environment (rural tourism, agritourism, eco-tourism). The widest notion is *rural tourism* as it covers the whole tourism economy in the country. On the other hand, *agritourism* means a situation when farmers organise holidays for tourists on their own farms. *Eco-tourism* principles put stress on ecology and thus eco-tourism may be a constituent of both rural tourism and agritourism².

¹ International Conference on The Future of Rural Areas in Europe, op.cit.,

² Wiatrak A.P., Polish Agritourism and Conditions of its Development, Papers of H. Kołłątaj Agricultural University, Kraków No 402, 2003, p. 9

The key feature of agritourism is space, contact with nature and freedom of movement. Contact with anonymous mass of people is reduced and personal contact with others is facilitated (country inhabitants and tourists).

Agritourism is a new direction of the travel industry. In Europe, one may observe constant increase of the following trends:



- aim at closer contact with nature,
- search for peace and quiet,
- will to meet new people and their traditions,
- will to spend the time actively,
- search for good quality and low prices at the same time.

Due to the fact, there are more and more people willing to rest in the country (agritourists).

European Union Member States treat agritourism extremely seriously. Its development is not only financed by the EU budget but also by particular states and local governments. It is commonly known that the appearance of a network of agritourism farms results in the development of the whole region. In EU Member States over 20% of farmers profit from tourism.

In the EU, agritourism has been developing for 25 years and it is now flourishing. With its 10% market share, it has now won a position on the tourism market. On average, 3-5% of farms offer agritourist facilities¹. Actions undertaken to develop agritourism enjoyed support of state authorities and were granted subsidies from the EU budget.

Agritourism is a good method of increasing income and employment, it is a chance for those who do not have to be farmers to plan their future life in the country. Agritourism is also an element of promotion for many European countries advertising special offers: feasts, shows, traditional cuisine, local wine, beer, dishes. Holidays on a farm are thus more and more popular. Every fourth citizen of the European Union spends his or her holidays on a farm in the country.

Agritourism is a chance to get familiar with the daily work of farmers. Children living in a city love the possibility to take care of animals, ride horses or drink fresh milk. Another asset of agritourism is eco-food.

Those tourists who wish to stay longer are offered guest rooms and individual flats with separate kitchens. In Scandinavia, summer houses situated next to farms are very popular. In Holland tourists use own or rented camping facilities or tents. Some farm owners direct their offer to the youth by ensuring low prices of their services.

Many tourists appreciate simple life and the possibility to spend their holidays away from most facilities. Farm barns equipped only in camp beds and basic sanitary facilities are very popular among the youth in Great Britain.

European tourists like picnics organised on farms and country restaurants serving regional dishes. In France there are many small restaurants situated in rural areas and serving dishes prepared only from fresh products on the basis of traditional recipes. In Germany there is even an association selling goods coming directly from farms.

Farmers of the European Union willing to encourage tourists to come and visit them establish agritourism organisations and develop informational bulletins or publish their offer in the Internet. By doing so, they are able to reach potential customers from other countries. One may find agritourism offers in every travel agency.

¹ Sarzyńska A., EIC Warszawa, bulletin 01/03, based on the paper of Professor Marek Kłodziński: *Rural Entrepreneurship in Poland and in the European Union*, Warszawa: IRWiR PAN, 2002.

Also governmental organisations of the Member States promote agritourism. Tuscany is a widely promoted Italian region as there are many agritourism farms specialising in eco-food. Mountainous regions are promoted in France and Austria.

The beginning of agritourism in Poland dates back to the beginning of the XX century. However, only in the 90s one could observe true development of agritourism. The development was the result of transformations of the Polish economy and policy. People began searching for new forms of activity and income and numerous institutions were established in order to promote holidays on a farm.

Interest in agritourism in Poland is considerable, especially on the part of farmers and organisations dealing with the problems of rural areas and agriculture. Due to the fact, numerous local development plans stress the necessity to develop agritourism.

Agritourism and rural tourism gradually become a source of additional income for farmers and thus a factor reducing the unemployment rate in the country. Agritourism becomes a product offered on the international market. In Poland, the offer covers mostly northern and south – western regions and is primarily directed at German tourists.

One may define two types of factors, encouraging tourists to visit a particular region. The external factors include: attractive landscape and the number of historical monuments – in Poland there are many regions offering unique natural conditions. The internal factors are: the standard of tourist infrastructure and friendliness of farmers. However, the crucial factor is clean natural environment and cultural offer of the particular region: interesting places to see, traditional crafts, regional dialect or dishes, folklore feasts ¹.

Holidays in the country become more and more popular, tourists search for simplicity and tradition. However, they also need to get fuel, buy a newspaper, do some shopping, call home, go to a doctor or a chemist's. They also want to make use of tourist information, get some brochures and guides. Agritourists expect a more and more complex offer. Thus, it is not only roads, water supply or sewage systems that are needed but it is usually the whole village that should be modernised.

An efficient and easily accessible system of information and reservation of offers would increase the interest in Polish rural tourism both among Poles and foreigners. Owners of agritourism farms speaking any foreign language and advertising their offer in the Internet are fully booked throughout the whole season. Due to the fact, there are more and more local associations jointly promoting agritourist offers of a particular region. Presently, there are about 60 such organisations but there are still many regions in which there are no such initiatives.

These tasks should be financed by local self-governments as they necessitate development of infrastructure in order for agritourism to become a source of income not only for individual farmers but also for whole regions². It is estimated that there are several thousand small lodging places in the country (about 25% of these are agritourist lodgings³, situated on farms).

According to research conducted in 2004 there are 4 052 agritourist lodgings for 40 635 people (20,7% of all accommodation facilities). Moreover, there are agritourist lodgings run by non-farmers (759 lodgings with 9 196 places – about 4,7% of all accommodation facilities). The majority are year-round lodgings (69,1% with 72,1% places) ⁴.

Research shows that tourists most frequently choose a **room** – about 65% of respondents, a **flat** - 14% and a **house** to rent -13%.

¹ *ibidem*

² Wiatrak A.P., *op.cit.*, p.10-11

³ Agritourist lodgings are here meant to describe up to 5 rooms for rent on a farm (no common rooms, bathrooms or kitchens are calculated here).

⁴ Wemer Z.T., Werner J., *Accommodation Facilities in Poland in 2004*, Institute of Tourism, Wrocław 2004, pp.10-11

The best years for rural tourism were 1998-2001. In these years tourists were choosing 14-day stays, or less frequently 7-day stays. Situations when guests stayed shorter than 5 days were very rare.

Table 1 presents data on the number of lodgings and places in these in the years 2002–2004.

Table 1. Number of agritourist lodgings and places in these

Years	Number of lodgings	Number of places	Number of places per 10 000 inhabitants
2002	6 546	53 216	13,9
2003	3 323	32 885	8,6
2004 *)	4 052	40 635	10,6

Source: Main Statistical Office and research of the Institute of Tourism for the years 2002 and 2003. *) data according to Werner Z.T., Werner J., *Accommodation Facilities in Poland in 2004*, Institute of Tourism, Wrocław 2004, pp.10-11

However, since 2001 one may observe a decrease in the use of existing objects offering holidays in the country. The fact resulted from a decrease of income of the Polish society¹, as well as from stronger competition on the Polish tourist market – many new objects were created and thus profitability of the business decreased. The situation was worst experienced by the objects situated in less attractive regions. Another aspect limiting national rural tourism were and still are offers of travel agencies promoting foreign travels offered in small prices.

Actions taken within governmental programmes of diversification of rural areas cover tasks that are closely related with the development of rural tourism: further development of technical infrastructure, better quality of tourist services and shaping a positive image on the market (a system of categories similar to regular hotels), environment protection, centres of sports and recreation, as well as actions aimed at preservation of cultural heritage of a particular region.

These instruments may be applied by local authorities in order to reduce instability on tourist market – both home and international.

3. Synergy of agritourism in the process of diversification of rural areas

Programme of economic diversification of rural areas and improving life quality of their inhabitants is one of the principal elements of the EU policy and of the National Strategic Programme² for the years 2007 – 2013.

A new policy of rural development, planned for the years 2007 – 2013 puts greater stress on issues unrelated with production: sustainable development of rural areas, high quality of life, innovativeness in agriculture and modernisation of agriculture and forestry.

The National Strategic Programme is the basis for the Rural Areas Development Programme for the years 2007 – 2013. Support granted by the European Agricultural Fund for Rural Development (EAFRD) is correlated with the national level defined in cooperation with regional and local organisations.

The adopted strategy and its priorities include the following issues:

- possibility to undertake or develop additional business making use of farm resources,
- facilitation of the development of multifunctional and profitable farms,
- facilitation of the search for alternative sources of income,
- promotion of a positive image of country and agriculture,
- natural environment protection,

¹ Laciak J., *Travels of Poles in 2003*, Institute of Tourism, Warszawa 2004, pp. 23-24.

² Ministry of Agriculture and Rural Development, *National Strategic Programme - draft 03/2006*, Warszawa, March 2006.

- easier access to services for farmers and people living in the country,
- increasing farm production.

Better quality of life in the country is an objective that will be implemented synergically¹ with the measures aimed at economic and social development of farms (pillar 1), measures aimed at improving the state of natural environment, social and technical infrastructure (pillar 2) and measures aimed at diversifying agricultural and business activities in rural areas (pillar 3).

Diversification of economic activity in rural areas is a great chance for people living in the country, as these areas are characterised by large human resources and high unemployment rates. The priority is thus to ensure work and income through non-agricultural activity, for example through processing farm goods, stimulating the market of local and regional goods, tourism, trade, consulting, services as well as alternative energy sources. Due to the fact, the burden of employing rural human resources should be taken by non-agricultural activity and business. It is thus extremely important to fully support the process of creating new places of work outside agriculture in the country as well as to facilitate employment of these people in cities and towns.

In the processes of diversifying rural areas there is also space for actions aimed at improving the quality of life through: raising the standard of living and working in the country, improving attractiveness for tourists and investors, cherishing local identity, cultural and natural heritage as well as developing local social and technical infrastructure².

Figure 3 presents instruments assisting in the process of implementing the priorities of pillar no 3 (social) relating to the improvement of life quality and diversification of rural economy with the use of the EAFRD funds.

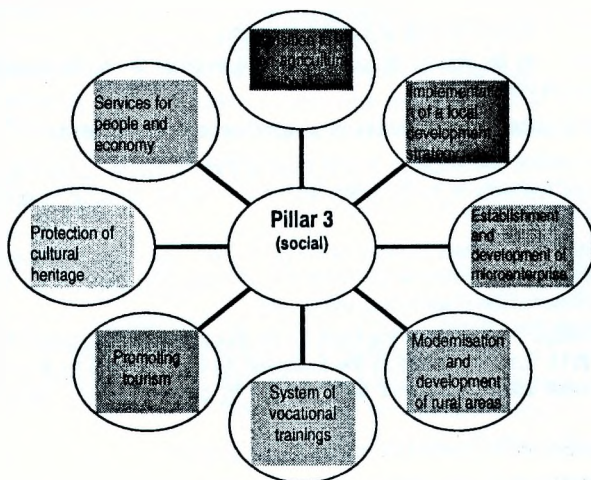


Figure 3 Instruments assisting in the process of improving life quality and diversifying rural economy

Source: Own study based on the Ministry of Agriculture materials; EAFRD 2007-2013

¹ Kopaliński W., Dictionary of Foreign Words and Expressions”, De Agostini Polska, Sp. z o.o., Warszawa synergy - cooperation more efficient than a sum if individual, single actions

² Ministry of Agriculture and Rural Development, National Strategic Programme, op.cit., p.27

These instruments take into consideration the major social and cultural functions of rural areas and are thus factors shaping structural transformation and minimising depopulation by establishing stronger bonds and identity with the region and its traditions.

Development of tourism plays a crucial role in the processes of diversifying rural areas as it is one of the major factors strengthening local business and encouraging people to undertake new initiatives. It is thus a factor contributing to gradual improvement of the material status of people living in the country.

There are numerous definitions of agritourism in the literature of the subject. However, the best seems to be the one presented by M. Drzewiecki: "agritourism is a form of rest in the country; it is based on the lodging and recreation possibilities of a particular farm and its environment (natural, production, service)"¹. The definition stresses the relation between resting tourists and a farm. That relation is the key element differentiating agritourism from other forms of rural tourism.²

Offering tourists the basic lodging and food is an alternative way of applying the potential of a family farm and a source of additional income. Moreover, meeting tourists' demands concerning recreation and free time activities offers further possibilities of employment and income. Examples of such activities may include: guided tours (hiking, cycling or horse riding), sleighing parties, fires, folklore shows or feasts, shows, presentation of regional dishes, food processing, craft.

Apart from the possibility of offering different services enriching the tourist offer of a region, its inhabitants may also enjoy increased demand for non-tourist goods and services. These include for example: cultural objects, restaurants and bars, communication facilities, bank and post offices, pharmacies and doctor practices, petrol stations. All these facilities serve not only tourists but also all inhabitants of a particular area. In result, agritourism development means new places of work and sources of income improving the quality of life in the country.

Natural and cultural qualities attracting tourists are necessary but not sufficient in order for agritourism to develop. Social qualities and friendly atmosphere are very much valued by tourists and it is these factors that most frequently decide on success or failure of a particular business.

There are plenty of agritourism goods and services³ using farm resources to ensure entertainment for tourists. These include: folk art, souvenirs, horse riding, cycling, hiking, fishing, swimming, mushroom picking, museums, monuments, regional cuisine, folklore, sleighing parties, skiing and other possibilities related with a particular region as well as a chance to participate in the daily life of farmers and their work. Other agritourism products are the ones promoting the cultural heritage of a particular region. Hosts may also organise meetings with local craftsmen, artists or poets, concerts of folk bands and contests checking tourists' knowledge on the region. Tourist may also buy souvenirs and presents.

Generally speaking, agritourist product offers include the following:

- a) services and activities organised within a farm
- b) services and activities organised outside a farm but in a rural area

Figure 4 presents the basic constituents of an agritourist offer.

Being an important factor influencing the development of rural areas, agritourism stimulates also social development. Tourists familiarised with the daily life and work on a farm, cultural values of a region, traditions and customs will surely respect those. At the same time, inhabitants of rural areas

¹ Drzewiecki M., Introduction to Agritourism, Wyd. OPC, Bydgoszcz 2001, p. 16

² Mazur M., Sustainable Environment and Economic Aspects of Agritourism. [In:] Sustainable Development of Rural Tourism – Ideas, Measures, Results, conference materials from the VI National Agritourism Symposium, Lubniewice 1998, CDIEWR, Kraków 1998, pp. 35-36

³ Sztucki T., Encyclopedia of Marketing, AWP Placet, Warszawa 1998

... product – anything that may be placed on the market, catch attention, be bought, used or consumed"

build their self-esteem, develop feelings of patriotism, are more interested in protecting the image of a village, local architecture, crafts, cuisine, etc. The presence of tourists on a farm or in a village has a positive impact on order and aesthetics and thus on the quality of life of inhabitants of rural areas¹.

While evaluating the conditions and factors influencing development of agritourism one should take into account its sustainability. Sustainable tourism is based on the idea of eco-development, meaning that its forms and infrastructure reflect care for the present and future state of environment as well as for economic development of local societies and preservation of cultural identity.

Sustainable development (integrated development) should not only be reflected in the balance between the business and social spheres, material and non-material investments, development of services, technology transfer, commercialisation but also in the process of integration and synergy. Constant, sustainable development is only possible through integrated and rational economy management applying modern computer technology.²

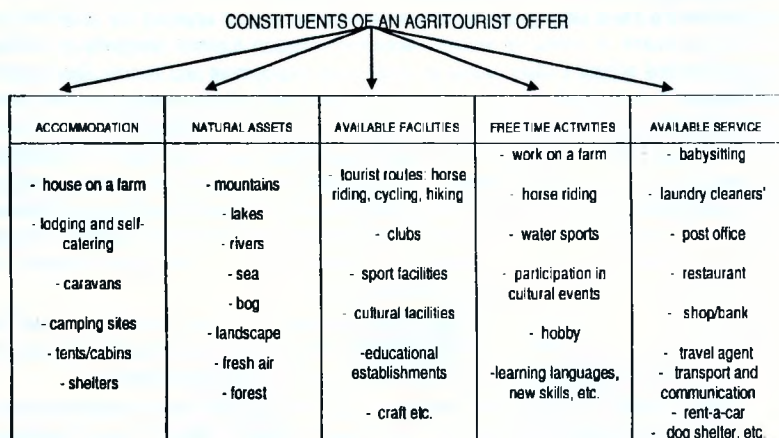


Figure 4 Constituents of an agritourist offer

Source: on the basis of Borkowski K., Agritourism. Training materials, Ministry of Economy, Department of Tourism, Warszawa 2002, p. 87

In conclusion, synergy of agritourism is closely correlated with all actions leading to an improvement of life quality and differentiation of economy in rural areas. There is thus a necessity to correlate all economic, social, infrastructural organisational and even marketing actions undertaken within local development plans in order to use the qualities of a particular area best. It may become the major development factor and a complementary source of income (e.g. local and regional products, bakeries, restaurants, hairdressers, etc.)

4. Instruments supporting agritourism

The European Union Member States take agritourism very seriously. They support its development by a system of subsidies and grants financed not only from the EU budget but also from national and local resources. It is well known that development of a group of agritourist farms results in a

¹www.ppr.pl Strzelbicki L., *Conditions of Agritourism Development in Rural Areas* 19.05.2004

² Słodowa-Helpa M., *Conditions of Tourism Development in Gminas*, AE Poznań

development of the whole region. In the EU Member States over 20% of farmers profit from tourism¹. One form of assistance in Austria is a loan granted for ten years by the Federal Ministry of Agriculture. It may be used to furnish rooms, or improve sanitary conditions of a farm. Farmers offering these services may be also granted EU subsidies. These are generally transferred to agricultural federations and spent not only on direct financing of farm investments but also on trainings for farmers.

Development of tourism in rural areas is supported by States through tax relief, micro-loans, preferential loans. The Polish Ministry of Agriculture and Rural Development has been supporting agritourism development for years by organising pilot programmes and trainings. Many farmers undertaking agritourist activity use a preferential loan supported by the Agency of Restructuring and Modernisation of Agriculture. That loan is granted to farmers who have completed special courses on managing such business. The money may be spent on:

- adaptation and repair of buildings (if they are or will be used to serve tourists),
- modernisation of buildings, including connection to sewage systems, central heating, water or gas supply,
- creating tented fields including toilets and water supply.

The preferential loan of the Agency of Restructuring and Modernisation of Agriculture is granted for a maximum of 8 years. The loan may not exceed 2 million zloty and it may not be used to finance more than 80% of the total investment cost. Farmers may be granted a grace period of up to 2 years and the annual interest rate is about 7%.

Presently, agritourism is supported from the European Union resources for the years 2004 – 2006 by a structural fund - European Agriculture Guidance and Guarantee Fund - EAGGF, within the Sectoral Operational Programme „Restructuring and modernising the food industry and development of rural areas”, Measure: “Differentiation of agricultural activity aimed at ensuring diversity and alternative sources of income”. Financial assistance takes the form of refunding the money spent by a beneficiary (farmer or farmer family member) to finance the investment. The resources may be spent on the following investments:²

- modernising and adapting existing buildings for the purpose of serving tourists as well as furnishing these (up to 5 guest rooms, common rooms, bathrooms and kitchens);
- creating places of rest, purchase of equipment and animals (therapy, sports and entertainment);
- repairing, adapting or building new buildings;
- purchasing machinery and equipment;
- purchasing means of transport for business purposes;
- managing land for business purposes;
- general costs: initial planning, and technical documentation of the project.

Beneficiaries of the programme of assistance may be natural persons: farmers and farmer family members as well as legal persons whose primary activity is related to agriculture. One beneficiary may not be granted more than 100 000 zloty and the maximum level of public assistance is 50% of the so called qualified costs³.

Within another action of the Sectoral Operational Programme „Restructuring and modernisation of the food sector and development of rural areas” – *Village renewal and cultural heritage protection* beneficiaries may undertake actions concerning the whole area or region:

- improving the quality of life in the country,

¹ www.agroturystyka.pl Agritourism in the European Union

² Ministry of Agriculture and Rural Development, Sectoral Operational Programme „Restructuring and modernisation of the food sector and development of rural areas” in the years 2004 - 2006

³ Wysocki C., Guide for Applicants ... CDR in Brwinow, Poznań 2005

- improving attractiveness of the region,
- meeting social and cultural demands,
- developing the identity of the region and protecting its cultural heritage.

Beneficiaries of the discussed programme may be local self-governments and local cultural centres. The grant may not exceed 450 000 zloty per one beneficiary. The EU assistance covers up to 80% of qualified costs. The remaining 20 % is financed by local self-governments.

On 20 September 2005, the European Council adopted a resolution no 1698/2005 on supporting rural areas by the European Agricultural Fund for Rural Development (EAFRD) in the years 2007 – 2013. A Rural Development Programme was prepared ¹, defining among others the principles of financing actions aimed at diversifying the economy of rural areas and developing agritourism.

In order to implement sustainable development of rural areas the project of the regulation defined a minimum percentage of the share of the resources from the EU budget that must be spent by Member States on particular priority areas. In case of the third priority area it is at least 10% of the total contribution from EAFRD. Table 2 presents the initial (suggested) allocation for particular measures².

Table 2 Initial (suggested) allocation for 3 priority

III PRIORITY				
Measure No	Measure name	Suggested resources in 10 ⁶ EUR		
		Total	EAFRD	PL
3.1	Differentiation towards non-agricultural activity	320,00	240,00	80,00
3.2	Basic services	570,00	427,50	142,50
3.3	Modernisation and development of rural areas	1 200,00	900,00	300,00
3.4	Establishment and development of micro-enterprises	200,00	150,00	50,00
3.5	Training and publicity	30,00	22,50	7,50
	Total	2 320,00	1 567,50	522,50

Source: Ministry of Agriculture and Rural Development "Rural Development Programme for the years 2007 – 2013", draft W-04/III/06

Assistance within measure 3.1 will be granted in the form of refunding the costs of investment financed by a beneficiary. Projects may be implemented in two stages. The maximum level of assistance granted within the measure to one beneficiary and one farm may not exceed 100 000 zloty. A farmer may only be granted a 50% refund of all qualified costs. Projects should meet the requirements defined by the Polish and the EU law, including hygiene standards, food safety, environment protection and work safety regulations. Estimated number of beneficiaries - 20 000 farmers.

Assistance within measure 3.3 will also be granted in the form of refunding the costs of investment financed by a beneficiary – a self government body. The maximum level of assistance granted from EAFRD to one beneficiary is 75%. All beneficiaries have to provide at least 25% of all qualified costs. The grant may not exceed 500 000 zloty per one village or town.

The general scheme of financing investments in the development of rural areas from the EU budget includes a single initial payment made after the programme is adopted, refunding expenses borne by Member States from EAFRD resources (indirect payments, calculated for each measure on

¹ Ministry of Agriculture and Rural Development "Rural Development Programme for the years 2007 – 2013 (PROW 2007-2013), draft W-04/III/06, Warszawa, March 2006.

² *ibidem*

the basis of a co-financing ratio) and a final payment made after the Member State files the last annual report on the programme implementation.

The programme will be co-financed from national public resources:

- resources from the state budget, divided by the Minister of Finance,
- resources from the budgets of territorial self-government bodies,
- other public resources.

Analysing the above discussed instruments one may state that the resources granted so far and planned for the years 2007 – 2013 are considerable but insufficient as far as Poland is concerned. Both individual beneficiaries and self-government bodies have to work hard to meet strict EU agritourism standards and implement actions resulting in a development of agritourism and thus in certain improvement of life quality and economic diversification of rural areas.

5. New trends in agritourism

Experience of other European Union countries (Great Britain, Finland, France) in supporting different forms of business activity (including agritourism) confirms the possibility to increase employment and income of rural area inhabitants. However, it should be stressed that it is necessary for local communities to develop and implement local development plans and skilfully combine own resources with the ones obtained from external sources.

Poland follows the example of Western European associations and sees the necessity of establishing an efficient organisation coordinating and inspiring local agritourism initiatives as well as marketing them. National and local authorities systematically organise National Agritourism Symposia offering a possibility to discuss current trends of agritourism development. Conclusions and resolutions being the result of these meetings define general trends and directions of Polish agritourism. Considerable success in this field may include the establishment of the Polish Rural Tourism Federation "Guest Farms", categorisation of farm lodgings, own web pages of particular farms, a map of Poland for agritourists, a number of brochures, guides for the beginners in the business, participation in international fairs and exhibitions, etc.

The X National Agritourism Symposium¹ participants evaluated the priorities of agritourism development and stated the following:

- Close cooperation of all institutions and organisations concerned is a necessary condition of further development of rural tourism in Poland. On the local level, it is extremely important that rural tourism associations cooperate with local self-governments, their associations and local tourism organisations.
- Another factor determining rural tourism development is efficient cooperation between the Polish Rural Tourism Federation "Guest Farms" with rural tourism associations – both Federation members and individual ones.
- Regional associations should develop tourist products for customers interested in special offers (defined after thorough market analysis),
- Rural tourism promotion should concentrate on the most important markets, including the home market and the German one.
- The crucial issue for agritourism and rural tourism in Poland is the development of legal regulations defining the principles of offering products meeting strict EU standards of food production and trade.
- Development of agritourism requires systematic training and shaping positive attitudes and creativity of present and potential service providers or agritourism associations.

¹ Conclusions from the X National Agritourism Symposium, Kraków, 2003

- Dynamic transformation of the rural tourism market being the result of among others, Poland's accession to the European Union necessitate constant updating of adopted directions and trends and adopting a complex strategy of rural tourism development in Poland.

Research conducted in selected areas representing typical rural regions of Poland ¹ gives a diagnosis of the state of infrastructure, occupation, socio – demographic conditions and psyche of people living there. It stresses the necessity of propagating active attitudes of both individual persons and self-government bodies in the process of creating a vision of complex management of local potential.

Different forms of business activity in rural areas result in a differentiation of rural economy and have to be promoted as alternatives to food production. Multidirectional development means application of existing material, natural, cultural and human resources in order to shape the image of a particular area and find its new, non-agricultural functions. Agritourism is an important element of the presently implemented strategy of rural areas development as it creates advantageous conditions for the process of diversifying the economy of rural areas.

Development of agritourism has a positive impact on the processes of differentiating the economy of rural areas as it influences local societies and decision-making bodies encouraging them to be active and enterprising,

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¹ Kłodziński M., Rosner A., „Economic and Social Conditions of Multidirectional Rural Development in Poland”, Warszawa: SGGW, 1997