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Problems of tourism development on rural areas

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Introduction

Until recently, rural development was directly linked to the development of agriculture, which provided employment and generated income for a vast majority of rural population. However, as the agricultural productivity and efficiency of farm employees increased the structure of rural population started to change: the rate of people working and earning their living mainly in agriculture has gradually declined. Nowadays a growing part of farmers' income is generated by various forms of non-agricultural economic activities exploiting available human and material resources, e.g. agritourism.

In the era of industrial food production, traditional and regional products constitute an alternative option and counterweight in relation to the industrially manufactured products, both in global as well as local markets. Food production based on traditional methods is often located in the regions of traditional agriculture, and thus deprived areas. Due to the labor-intensive mode of production, these products generate new jobs and also become an important element in promotion of the place of their origin. They enhance the attractiveness of the region for tourists, but most importantly allow for a substantial increase in profitability in agricultural production and thereby increase the standard of living of rural residents.

This monograph attempts to answer the following questions: how the regional product can be used in the development of non-urbanized areas in Poland? What is the role of national institutions in the promotion of traditional and regional products? What determines the development of the market of high quality products with traditional and regional character? What is the share of traditional and regional products in building the tourism competitive potential? To what extent the promotion of traditional and regional products in Poland in the years 1998-2011 has contributed to their identification? How can the forgotten cultural heritage be adapted for tourism purposes? What is the role of special events in the strategy of tourism promotion? How can the effectiveness of promotional event be measured? What are the opportunities for the development of rural tourism in Ukraine? Do the material and human resources of agricultural holdings form a positive outlook for Ukraine to provide tourist services? Whether and to what extent entrepreneurs cooperate within cross-border tourism clusters?

The monograph outlined two problem areas.

The first part of the paper discusses the conditions for the development of the regional product in non-urbanized areas in Poland, forms of promotion aimed at identification and stimulating the demand for and supply of traditional and regional products and finally the role of institutional support in promotional actions. It is emphasized that “traditional and regional products contribute to differentiating the regions, and their share in building the competitive potential in tourism can be significant”. Finally it discusses the role of events in the strategies of promoting tourism services and methods to measure the effectiveness of such forms of promotion.

The second part of the monograph explores the manifestations of entrepreneurial behavior of people in Ukraine in the field of rural tourism, the opportunities to develop this form of economic activity in rural areas, to implement economic diversification projects, (mainly in the area of recreation and tourism), to create cross-border tourism clusters and finally activate the material and human resources of farms in Ukraine.

The problem areas presented in the publication do not cover all issues relating to tourism development in rural areas, but they constitute a basis for further research exploration. They also point to the need to undertake research of an interdisciplinary nature.

I would like to thank the authors for the effort they put in preparing the papers, the Reviewers for their work put in improving the quality of the papers published in this monograph and the Employees and Doctor Students from the Department of Economics of Education, Communication and Counselling for their time and assistance in preparing this publication.

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CHAPTER I

Regional Food and Products as a Chance for the Development of Non-Urbanized Areas: the case of Poland

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Abstract

The Author presents opportunities for the development of regional products on non-urbanized areas in Poland. The article highlights institutional support rendered to traditional and regional foods at all administrative levels. Initiatives are described which help promote non-agricultural business in the rural areas, by means of regional products, including regional foods.

Key words: traditional and regional foods, non-urbanized areas.

Introduction

Apart from globalization processes, which have been widely observed in the contemporary world economy, there are two other specific processes developing alongside, namely regional integration and internationalization. They result in interesting and – very often – most dynamic changes affecting both the market and its actors (stakeholders). Importantly, globalization and regionalization, while occurring interdependently, have a very big influence on each other and on the shape of economy worldwide as well as at regional, local or national level¹. Thus, apart from observable unification phenomena covering various levels of aggregation, also other regionalism-driven behaviours are identified, which are manifested *inter alia* by ethnocentric behaviour of individuals or populations. 21st century consumers behave, on the one hand, as typical global consumers who are active in modern culture environment, while at the same time at the local level, on the other hand, they protect their traditions and invoke symbols and values characteristic of a given local environment². Consumer preferences in terms of purchasing regional products which are traditional and characteristic of a given place, region, culture, etc. may be a good example of the latter behaviour.

¹ W. Szymański: Globalizacja. Wyzwania i zagrożenia. Wydaw. Diffin, Warszawa 2001, p. 130 et seq.

² E. Kieźel (ed.): Rynkowe zachowania konsumentów. Wydaw. Akademia Ekonomiczna w Katowicach, Katowice 1999, p. 21.

Objective of analysis, source material and methodology

This analysis aims at presenting contemporary dilemmas relating to institutional actions (taken not only at the level of Province Marshall Offices) towards activating the decision makers to make more business-friendly decisions with respect to the producers of traditional and regional quality products on non-urbanized areas of a given region. Moreover, the Author has described the background for the development of regional product market in Poland, with particular focus on its specificity. The analysis is based on essential literature concerning the subject under analysis, including secondary and primary information sources, i.e. reports, expertise, provincial development strategies, information from Rural Areas Network (KSOW), and own research of the Author conducted between 2008-2010 in 16 Province Marshal Offices which are responsible at the provincial level for the formal and legal procedure of placing the product on the List of Traditional Products kept by the Ministry of Agriculture and Rural Areas. The material was collected in the framework of a research project No. N N112 374540, which was completed thanks to the funds from National Science Centre No. 3745/B/H03/2011/40 and based on information collected thanks to Research Support Agreement No. NN 112 057234, funded by the Ministry of Science and Higher Education between 2008-2009. The analysis was performed by means of comparative and descriptive methodology, descriptive statistics and heuristic methods.

Regional product – a chance for developing non-urbanized areas in the European Union

EU-27 is one of the world biggest areas of quality food production and consumption. Its market comprises over 0,5 billion consumers resulting in enormous influence in terms of supply and demand, changes in quality and quantity. A huge role in satisfying the variable needs of micro- and macro-enterprises is played by rural areas which are a food warehouse for urbanized areas. Rural areas cover approx. 90% of the EU territory and 93% of the territory of Poland. Over 56% of EU population inhabits rural areas. In Poland rural areas are a home for 38,6% population. Thus, they are extremely important from the point of view of economy, sociology or policy. Rural areas are business environment for millions of business entities, including numerous family farms or processing plants operating in agri-food sector. They are thus a huge reservoir of human resources, capital and natural resources which is not always fully and effectively exploited. Single European Market forced greater competitiveness and more severe fight for clients, at both quantitative and qualitative level. That first stage has already been completed by the Community. Unfortunately, measures such as production subsidies have contributed to broadening rather than closing the income gap between small and big farms. Moreover, discreditable food scare incidents on the common market (e.g. food and mouth disease, BSE, dioxine crisis, etc.) as well as

producers' losses resulting from unfair competition – counterfeiting products of renowned brands, have resulted in a new approach to multifunctional and sustainable rural development via the policy of food safety and quality. The Quality Policy was launched at the beginning of 1990s. This policy serves as an alternative and counterweight to the industrialization of food production characterised by a high-degree of food processing. There are several systems of maintaining quality in the framework of Quality Policy: geographical indications, traditional specialities guaranteed, designations of origin [products manufactured in the most distant EU regions] and organic farming. There is also a separate system intended for alcoholic beverages, but it has not been taken account in this analysis.



FIGURE 1. EU food quality policy
Source: based on the European Commission data, www.ec.europa.eu.

Quality Policy enables the protection of agri-food products which are characteristic for a given region and produced with a specific method (usually a time-consuming method involving manufacture). Moreover, Quality Policy enables farms and producers to modify the way of competing on a saturated EU market of food products and beyond. Cooperation of producers participating in such food quality systems contributes to increased economic power and provides opportunities for diversification of income from non-agricultural activities. Consumers, on the other hand, have easier access to products of a unique flavour, which are subject to strict control and certification which makes them simple to identify on the market by means of protected designation or traditional speciality guaranteed marks.



FIGURE 2. Geographical designations of agricultural and food products used in the European Union within Quality Policy scheme
Source: MARD.

Regional products are a vital element of cultural heritage of particular regions, they have a vital role in the concept of tourism, and they influence multidimensional and sustainable development of rural areas by shaping the diversification of farm and non-farm production. The products provide for alternative and/or additional source of income for local population, they enable to sustain hitherto jobs and create new ones related with direct production, processing, distribution or sale thereof. They help prevent depopulation of rural areas. Thanks to promotion, education and information actions they attractively promote tourism (rural tourism) in the region concerned, especially the LFA regions, and in this way they foster economic development of the whole state. Due to these reasons it is worth paying attention at the exceptional products and highlighting the hitherto benefits of institutional support rendered to their production.

Eurostat data show that regional products account for approx. 10% of the EU agri-food production. However, owing to professionally conducted marketing³ this share might increase to reach 15% in the next few years. In 2008 the sales of products marked with geographical indications exceeded EUR 14,5 billion. The biggest share was that of cheeses, the sales value of which reached EUR 5,6 billion, followed by meat and meat products (approx. EUR 3,7 bl) and beer (EUR 2,3 billion). The share of the sales of those products in the Polish GNP has not yet been estimated, however, production increase has been noticeable year after year, along with the increase in prices and demand for those products.

Since 1992, unquestionable leaders in the field of registered quality products marked with PGI, PDO or TSG marks have included the producers from Italy, France, Spain, Greece and Portugal. Hitherto benefits reaped by these micro- and small producers of traditional and regional products (most often produced on farms), cooperating in producer groups, consortiums or clusters, allow to draw a conclusion that choosing that type of alternative or additional activity shall bring noticeable profits also to Polish producers and other stakeholders (including processors, warehouse operators, retail operators, hotel owners, restaurant owners or other HoReCa establishments) at each level of food chain from 'field to fork'.

By the middle of 2011 the European Commission has registered the total of 1034 food articles as protected agricultural products and foods marked with PGI, PDO or TSG marks. Among these, 1028 originates from EU-27, and 6 from the third countries (coffee from Columbia and 5 products from China). Among these, 512 products function as PDOs, 477 as PGIs and 39 as TSGs. Leaders in the registration of regional and/or traditional products include: Italy (229 protected products), France (183, including 102 as PGI and 81 as PDO), Spain (149 products, of which 79 registered as PDO, 67 as PDI and 3 as TSG), Portugal (116 products) and Greece (90 products). Poland, with its 28 registered products, is a leader

³ D. Goszczyński: Uwarunkowania rozwoju rynków produktów tradycyjnych i regionalnych. „Handel wewnętrzny. Marketing. Rynek. Przedsiębiorstwo” 2006 no. 6, p. 6.

among the New Member States who have been dynamically registering and protecting specific original, endemic regional and traditional products within the EU scheme. On the other hand, Estonia, Bulgaria, Latvia, Lithuania and Malta have not registered any regional product yet.

TABLE 1. Number of products registered in EU-27 (against Member State)

Country	Austria	Belgium	Cyprus	Czech Republic	Denmark	Finland	France	Greece	Spain	Netherlands	Ireland	Lithuania	Luxembourg	Germany	Poland	Portugal	Romania	Slovakia	Slovenia	Sweden	Hungary	UK	Italy
PDO	8	3		6		4	81	66	79	5	1		2	29	6	58			1	3	4		142
PGI	6	5	1	19	3	1	102	24	67	3	3		2	48	14	58	1	7	1	1	4		85
TSG		5		4		3			3	1		1			8			6	3	2		2	2
Total	14	13	1	29	3	8	183	90	149	9	4	1	4	77	28	116	1	13	5	6	8	2	229

Source: materials based on European Commission data, www.ec.europa.eu (24.06.2011).

The biggest number of protected products have been registered in the category of fresh or processed fruit, vegetables and cereals. Of the total number of 272 products of this category, 159 include PGIs (including one from China), and 113 PDOs (tab.). The second biggest category is represented by cheeses (cottage cheeses, ripening cheeses, blue cheeses and cheese-spreads) – there are 199 products registered, the majority of which as PDOs, 27 products as PGIs and 5 as TSGs. Another big group includes meat products, whether fresh meat and meat offal, or cooked meat, as well as oils and fats (butter, margarine, oils, etc.).

Poland has hitherto registered 27 products, including 6 as PDO (Oscypek, Bryndza Podhalańska, Podkarpacki miód spadziowy, Wiśnia nadwiślanka, Redykołka, Karp zatorski), 13 as PGI (Chleb prądnicki, Jabłka łąckie, Śliwka szydłowska, Obwarzanek krakowski, Kielbasa lisiecka, Suska sechłońska, Miód kurpiowski, Fasola korczyńska, Truskawka kaszubska, Andruty kaliskie, Wielkopolski ser smażony, Rogal świętomarciński, Miód wrzosowy z Borów Dolnośląskich) and 8 as TSG (Pierekaczewnik, Olej rydzowy, Dwójniak, Czwórniak, Półtorak, Trójniak, Kielbasa myśliwska, Kielbasa jałowcowa). Ten products are waiting for the registration – 4 as PDO (Śliwka Szydłowska, Fasola Piękny Jaś z Doliny Dunajca, Miód z Sejneńszczyzny/ Łódzieszczyzny, Fasola wrzawska), 5 as PGI (Jabłka grójeckie, Kołocz śląski, Miód drahimski, Jagnięcina podhalańska Ser koryciński swojski) and 1 as TSG (Kabanosy).

Registration is pending with respect to 10 Polish products – 4 as PDOs, 5 as PGIs and 1 as TSG. It is worth mentioning here that a few years before Poland's accession to the EU a Chief Editor of the "Gospodyni" [Woman-Farmer] weekly had initiated a valuable action, namely an 'Our Culinary Heritage' contest. The action aimed i.a. at: identifying exceptional food products, dishes and

beverages characteristic of a given region and featuring traditional methods of production. The contest was supported by: Agrolinia 2000 Cooperation Fund (later ‘Agro Smak 2’ Cooperation Fund), Agricultural Division of Polish Radio Channel 1, and regional agricultural extension centres. From the very beginning the contest covered the entire area of Poland and arose significant interest, which exceeded the expectations of its organizers. The scheme was focused on finding and preserving (by means of making records) Polish regional food products which were deeply established in the Polish tradition and produced with original methods and according to original recipes. It was important to find and preserve national recipes before they are forgotten and substituted by industrial fast foods. Several thousand products have been identified heretofore thanks to the contest, and a lion’s share of them have been recorded on the National List of Traditional Products, which was established in 2005 as an initiative of the Ministry of Agriculture and Rural Development. A dozen products from that List are protected within the EU scheme as PDOs, PGIs and TSGs. The List of Traditional Products, pursuant to the *Act of 17 December 2004 on the registration and protection of names and designations of agricultural products, foodstuffs and traditional products (Journal of Laws of 2005 No. 10 item 68 as amended)* is only a tool for collecting and disseminating information on the production of traditional products. The names of products listed are not, however, protected in any way. Nor their production process is subject to any checks whether the process is compliant with a declared method of original production. Nevertheless, the producers of products listed may apply for derogations from currently binding sanitary and veterinary regulations if the traditional production process so requires. Until today the List has included 862 products, the greatest number of which originates from Śląskiego, Pomorskiego, Podkarpackiego provinces, and 10 products originate from Lubuskie and Zachodniopomorskiego provinces.

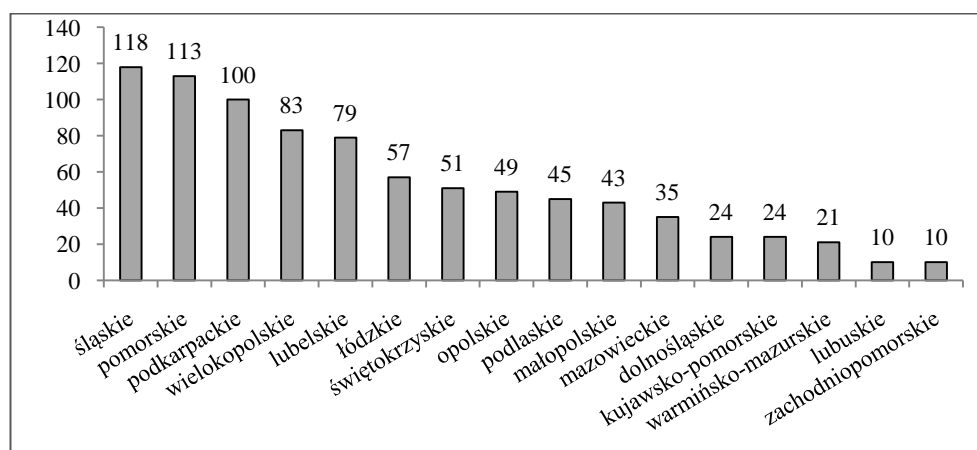


CHART 1: Number of products listed on the National List of Traditional Products against provinces
Source: own studies based on MARD.

The EU scheme protecting quality traditional and regional foods is supreme over any such schemes operated at the national level (sometimes even a few different schemes operate in one Member State). To be registered within the EU protection scheme is regarded as a kind of elevation for a product registered, which contributes to its reputation, and indirectly also to the producer's reputation, as it confirms the uniqueness of such product among millions of agri-food products available on the national, community and world markets.

While discussing food quality schemes one should mention the "Quality Tradition" scheme as the first such scheme, beside the agricultural schemes of organic farming and integrated production, which was launched in 2007. The scheme was developed by the Union of Polish Provinces and by Polish Chamber of Regional and Local Product as a system of protecting quality foods in Poland. By virtue of a decision of 12 June 2007 the Minister of Agriculture and Rural Development acknowledged the "Quality Tradition" system as a national food quality scheme aimed at distinguishing quality products, including traditional products. Such foods are specially marked with a „Quality Tradition” logo. The products which may carry the logo include high quality agricultural products – pursuant to Annex I of the EC Treaty, Annex II to the Regulation 2081/92 as well as foodstuffs – pursuant to Annex I to Commission Regulation 2082/92 and Annex I to Commission Regulation 2081/92 as well as alcoholic beverages – pursuant to Council Regulation 1576/89. What is important, the system is not restricted to the borders of Poland; it welcomes all farmers, producers and processors from Poland as well as from abroad. However, it is quality which is the main criterion for a product to be awarded the "Quality Tradition" logo. The quality may result from e.g. traditional character, or exceptionality, good reputation or other features which distinguish a given product from other products belonging to the same category. It is undoubtedly important that a producer declares that high standards of production or exceptional features of the product concerned are maintained. Moreover, the producer concerned submits to a quality control procedure which obliges him to get a certificate of conformity. Such a control is to serve both a producer and a consumer as its aim is to guarantee that the used method of production is in line with the method which has been declared when joining the scheme. Those interested in getting the logo for their produce must know that raw materials used for production must be natural, i.e. must originate from organic farms or farms employing Good Agricultural Practices and Good Breeding Practices, which means that no GMOs is used on the production site. Moreover, raw materials used for certified production must be traceable and must feature traditional composition or method of production, or specific quality resulting from their traditional character or expressing the traditional character or reputation which distinguishes them from other products of the same category⁴. Products are deemed traditional if their

⁴ General provisions. Quality Mark „Jakość Tradycja”, www.produktyregionalne.pl.

features (composition, traditional method of production, traditional character) have been cherished for at least 50 years (two generations' pedigree). Traditional breeds and varieties are those which were bred and cultivated before 1956.



FIGURE 3. „Jakość Tradycja” [Quality Tradition] logo
Source: Polish Chamber of Regional and Local Product.

Building the market of regional and traditional food products in Poland is still at its initial stage. However dynamic its development, there are numerous constraints to overcome. One such constraint is a lingering stereotype praising individual actions rather than group actions. As it was noticed by M. Duczkowska-Piasecka *„no individual entity is able (either in physical or economic terms or from the point of view of competences) to fulfil all the obligations related with the production of a traditional product, its marketing, promotion, and good establishment on the market and ensuring the durable success of the region...⁵”* These actions are taken care of by various public and private institutions. A very active role in this respect is played by local cultural animators, education centres, NGOs (foundations, associations), producers' organizations, agricultural chambers or circles, agricultural extension centres, officials working in Province Marshall Office, Municipal Office, cultural centres, museums, regional associations, women farmers' associations, unions of e.g. bee-keepers, local tourist organizations, local businessmen, individual farmers, private individuals, scientific institutes, experimental centres, universities as well as local and regional media, etc.

This is why, in the case of these exceptional products which contribute to regional culinary heritage, various steps have been taken to promote a given speciality or a group of specialities (in the category of traditional regional products) on the market. Many heretofore actions and interesting examples may be followed by those involved in the promotion and development of rural regions in which local and regional traditional products form a part of the development strategy. (tab. 2). Although examples in the table below may be treated as single actions, it is worth considering how to include regional products in an overall tourism policy in a given region, and from this point of view develop hospitality services and other tourism-related services in the region.

⁵ M. Duczkowska-Piasecka: Tradycyjna żywność na obszarach wiejskich. Specyfika budowy rynku. [in:] O produktach tradycyjnych i regionalnych. Możliwości a polskie realia. Ed. M. Gąsiorowski. Wydaw. Fundacja Fundusz Współpracy, Warszawa 2005, pp. 45, 58-59.

TABLE 2. Examples of including regional products in the development strategy of non-urbanized areas in the case of Poland

Examples	Examples of using regional product in the development strategy of non-urbanized areas
Economy	<ul style="list-style-type: none"> • Opening small stores, inns or eating establishments offering local traditional and regional food prepared from organic ingredients; • Establishing and developing direct sale of rare foods on local bazaars; • Opening workshops for manufacturers of pottery, blacksmithing or wicker workers, for professionals and for tourists; • Manufacturing keepsakes (e.g. post-cards, gadgets); • Financial support for agriculture (e.g. for preservation, procreation and development of local breeds, or cultivation of rare fruit varieties, etc.) and food processing as well as for branded food products by means of e.g. micro-loans, subsidies, promotion, advisory services and marketing; • Rendering tourist services, rural tourism; • Cooperation at the production level with producer groups manufacturing the same product, and at the level of distribution and sales with hotels, restaurants and other tourist establishments; • Administrative, legal and organizational support.
Advertisement and promotion	<ul style="list-style-type: none"> • Training, lectures, seminars, courses organized by agricultural extension centres, institutions creating regional network of rural areas (KSOW); • Involving LGD, LOT, PIPriL, NGOs and regional services in region's promotion; • Publishing (e.g. atlases, cook-books, tourist guides, albums, folders, brochures, posters, maps with regional tourist attractions); • Web-sites and services of national coverage with a list of places to purchase regional products • Organizing conferences, seasonal fairs, participation in national and foreign fairs; • Marking sites which offer local, traditional and regional products; • Establishing eco-museums, open-air museums and cottages accommodating local heritage displays; • Developing strategies and/or campaigns to build and promote local brands; • Reinforcing competitiveness of agricultural holdings, e.g. creating vertical and horizontal bonds (e.g. producer groups, etc.); • Preparing tourist attractions with the use of scooters, boats, pedalos, quads, horses, narrow gauge railway, forest routes, architecture, natural monuments, wildlife, etc.; • Cooperating with press, radio and TV.
Social sector	<ul style="list-style-type: none"> • Organizing mass events of culinary character, integrating local population; • Cooking shows conducted by members of various Women Farmers' Circles, renowned cooks, etc.; • Preparing contests for schools in cooking regional dishes; • Organizing displays of costumes, equipment, rites related with traditions and customs, e.g. hunting; • Entertaining: family picnics, festivals, fests, reviews, barbecues; • Events commemorating e.g. end of harvesting season; • Role playing involving a presentation of customs; • Workshops (cooking or handicraft – glass painting, wickerwork, floristry, tapestry) for handicapped people, children, youth, elderly persons 50+; • Seeking a concept of joint (public-business-social) direction of local development which could satisfy the needs of local inhabitants, account taken of rural heritage and rural potential; • Using domestic and foreign partners' competences, skills and experience; • Revitalizing bonds of rural inhabitants; • Cultivating local tradition – rites, customs, regional dialect/language, jobs, handicraft, songs, dances, music, painting, sculpture.

Source: own analyses.

Regional product as an element of tourist product

Contemporary optimum and universal product – mobile in terms of marketing, should satisfy various needs of clients. They include e.g. physical needs (exercise, leisure), intellectual, psychological, family and social needs, health needs, etc. All the enumerated needs are the most frequent motives for setting off for a tourist trip, although other, equally important needs include the need to change environment, retreat from the mundane routine of a work-place and look for new and different experience, as well as cognitive motives – exploring new cultures, traditions and people. Thus, while creating tourist products – and this what building an image of a complex regional product is about – it should also be taken into account that contemporary tourists want to satisfy several needs during one trip, they want to reach several goals and motives at one time. Due to this fact, products which are the most successful from the point of view of marketing are the products, which to the fullest possible extent satisfy the different range of tourist market segments. Not only quality and attractive places is what counts as motivating, but also the ability of a product to fully satisfy various needs. In order to develop an interesting concept of a tourist product, which includes a regional product element (including a food product) one should start from thinking about the product as the whole range of experiences and feelings encountered by a tourist during the trip – from the moment of starting the trip till coming back home. Thus, while creating the product⁶ one must take account of natural and cultural tourist values, goods and services rendered to tourists (transport, accommodation and eating establishments, etc.), road infrastructure necessary to reach the destination and return home, tourist services rendered (tourist guides, events, renting of tourist equipment, etc.). In other words, a tourist product is a composition of various tourist goods and services which are original and have good marketing features, making it possible to identify places, people, time and space and capable of being explored by a tourist during his trip or stay at a given location. Examples to follow already exist; they are based on cultural, natural features of a given region which are unique, original and distinguish the region on the competitive market of tourist services (tab.). Offered tourist products which include a regional and traditional product should be addressed to various market segments, thanks to which they may help building an integrated marketing offer which is deeply rooted in history, ethnic culture, habits and other features of the region. It would be valuable to integrate the region through effective use of its dormant potential and to target a tourist offer to a tourist who has specific tourist preferences: eg. to explorer of cuisine, culture, or to children and youth, or rural tourists. It is worth mentioning that a contemporary tourist is willing to buy a ready package tour designed around one main idea, such as a wine trail, culinary trail, honey trail, etc. Poland, and especially its regions, with rich historical and cultural heritage, interesting nature,

⁶ The concept for tourist products in Sub-Carpathian Province in the framework of tourism development strategy for the Sub-Carpathian Province 2007-2013.

provide for numerous possibilities of creating package tours. This, however, calls for involvement of all tourist market stakeholders: accommodation providers, eating establishments, local services providers (transportation and animators), tourist attraction managers, travel offices, local governments, tourist organizations and associations, etc. It is vital for the development of every region that its population is well identified with the area they inhabit. In the EU regional policy an emphasis is put on cherishing the tradition of one's native region, the so called „heimat". Cultivation of such bonds with a region has become, especially in recent years, a valuable motive of population identity, especially in villages and rural areas. A good example is provided by Local Action Groups which, indirectly through projects implemented within the Leader Axis of RDP 2007-13 activate the indigenous inhabitants, revitalize social bonds, help cultivate tradition, culture and heritage of the region, and through numerous actions of local leaders supported by national and local governments as well as public institutions seek alternative income (diversification of agricultural activity) and support, and often even create new jobs.

Place of territorial institutions in the promotion of traditional and regional products

In building the market for regional products a vital role is played by institutions which share legal and administrative responsibility for the state, and consequently for rural development, i.e. ministries (including the ministry of agriculture or regional development), control bodies (veterinary, sanitary and health inspections), local government bodies of higher and lower levels etc. Because, as underlined by Hayami Y., Ruttan V. (1985), public institutions are the element which provides order, reliability and responsibility in human relations. While agreeing with the opinion, Iwanek M., Wilkin J. (1998) underline that the majority of institutions are created in spontaneous and evolutionary way, but part of them is subject to „from above" creation, especially as a manifestation of an active role of the state. And it is just what happened with the Province Marshal Offices in Poland after Poland's accession to the EU with all the resulting consequences for the implementation of laws and appointing offices and departments responsible for traditional and regional products at the provincial level. Apart from formal and legal actions resulting from obligations stipulated in legislation when applying for a product to be listed on the List of Traditional Products (checking whether the application is correct), they undertake information, education and promotion activities concerning the traditional products of their region, they conduct exhibitions: they initiate organize or otherwise participate in the organization of displays, fairs of traditional products. Between 2004-2009 all the 16 Province Marshal Offices provided financial support for numerous events (np. festivals, days of product, contests, fairs, carnivals, etc.) activating and integrating the environment of those producing traditional food products within the

province as well as beyond its borders. An important event in their calendar of mandatory events to participate in, is the all Polish contest: Our Culinary Heritage – Tastes of the Regions, and Polagra Food/Farma International Fair. A great role of Province Marshal Offices in the promotion of regional products is attached when holding events at provincial level. Marshal Offices of several provinces have a role to play also during international events such as Festambiente Festival (Grosseto, Italy); International Fair in Turin, BioFach International Fair of Organic Food i Nurnberg; Grüne Woche International Agricultural Fair in Berlin; World Food Fair in Moscow; SIAL World Food Fair in Paris; World Food Fair in Kiev; Opendoors-V. 2009 Brussels, Opendays – X 2009 Brussels, Fair in Nitra, or „Wingene” Fair. The Author’s own research prove that each province does its best to financially support quality traditional and regional products which are already associated by consumers with a specific region of Poland. It is difficult to make final estimations as to how much money has been earmarked and spent by Province Marshal Offices for traditional food promoting events in the recent years. Numerous estimates show that this support is quite significant and differs, however, depending on the region. The biggest amounts have been spent in Mazowieckie Province – the total of approx. PLN 1 308 thousand, over PLN 620 thousand in Podkarpackim province i Zachodniopomorskim, and relatively the smallest amount, i.e. approx. PLN 100 thousand – in Świętokrzyskie and Łódzkie provinces. The majority of funds went for technical and organizational support of fairs, contests and festivities gathering regional products producers and consumers, as well as for publications promoting the event. As underlined by institutions subject to analysis, financial aid for quality regional products promotion in a given province has been increasing year after year.

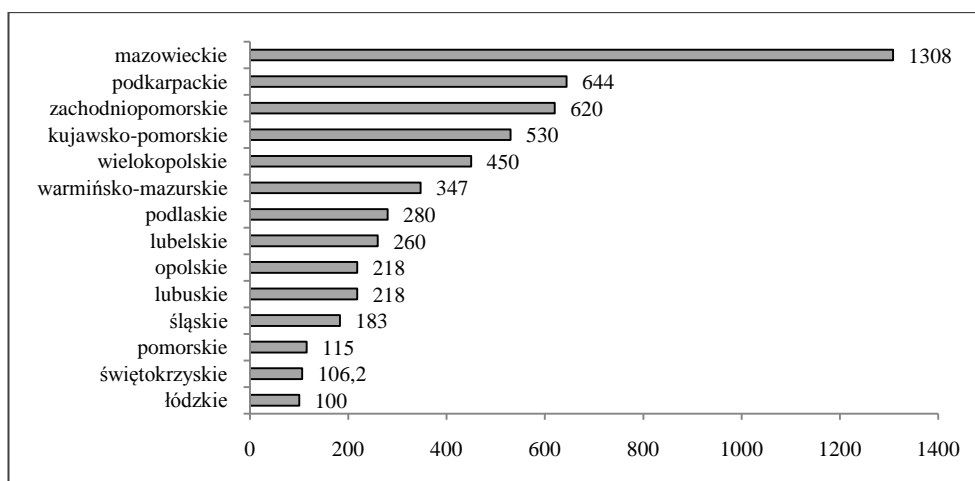


CHART 2. Estimated amounts earmarked between 2004-2008 by Province Marshal Offices for events promoting traditional products (in PLN th.)

Source: own analyses.

Other examples worth mentioning include identification of high quality products on a given area by means of individual, social and public actions. Participants of the action included private individuals, firms, Province Marshal Offices staff and agricultural extension centres, Local Action Groups, various associations, foundations, branch associations, museums, open-air museums, ethnographers, lawyers, university scholars and town-halls, regional bands, Women Farmers' Circles, Chambers of Commerce, etc. Exchange of ideas, experience and concepts of cooperation was possible during numerous training sessions concerning e.g. farming on the protected areas, introduction to rural tourism, certification of food products, promotion of agricultural producer groups, integration of the agri-food market, small business, etc. Moreover, the institutions financed the preparation of education materials, articles and other publications concerning common food quality policy, account taken of traditional and organic foods, rural development through rural tourism or alternative income from non-agricultural activities. It is impossible to list all the actions taken by Province Marshal Offices, but it is worth paying attention to those related with informing on events devoted to the development of quality food market, especially focused on regional and traditional products (press announcements, TV commercials, inserts in regional press, leaflets, brochures, gadgets, web site, visual elements promoting the products, etc.).

Co-operation is invaluable, from both scientific and practical point of view, with high schools and tertiary schools, sectoral institutions and agricultural extension services, and with entities involved in rural development (thematic meeting of experts, advisors, preparation of analyses, etc), in order to seek new solutions to induce rural development, and especially the development of villages and their inhabitants – through activities of local leaders, including women, youth and 50+ generation. Equally valuable is the exchange, among institutions and among producers, of good practices, interesting initiatives and projects promoting information and disseminating knowledge not only about quality products. Also, the value of organizing of domestic and foreign study tours to exchange experience related with promotion of regional and traditional products and organic products, including organization of production and distribution chain, must not be underestimated.

Conditions for development of quality products of regional and traditional character in Poland

Author's research conducted since 2006 shows that the production of traditional and regional products has been growing systematically. Entities interested in such business identify benefits, however this depends on the product. If it is a raw material, namely an agricultural product, its level of production in a given year depends very often on external conditions (e.g. weather during vegetation, temperature changes, pest activity, etc). If it is a processed product –

then all depends on internal factors. Lion's share of products listed on the List of Traditional Products do not belong to mass production. On the contrary, most of these products are difficult to find on the market regularly. These are usually seasonal products prepared on special occasions to be tasted during local holidays, fairs, contests, product's days, festivals, etc. And if such a product is produced/manufactured and sold to consumers, it is usually in small quantities, e.g. by a farm offering rural tourism services, or by a hobbyist bee-keeper, local family bakery or small meat processing establishment which is subject to all legislation in force (sanitary, hygienic or tax regulations). However, should we regard such conditions of sale as a disadvantage of this specific market? Certainly not, because the experiences of other Member States, especially Italy, France, Spain or Portugal show that Polish original specialities are also going to develop according to three different scenarios, as it happens in the leading producers of traditional foods in the EU. Some of them shall be produced in standardized quantities in order to be delivered to inhabitants of huge agglomerations; some of them shall be produced only locally, and some of them shall be available on the market only occasionally.

Experts have noticed that the purpose of marketing high quality food was to engage the available resources (often underused) in multifunctional rural development by creating conditions for new jobs in non-agricultural production and services sector. Traditional or regional product itself does not, however, have so heavy an impact on market demand, unless it is a part of a complex and multidimensional tourist product. And such a concept is considered by the majority of Polish producers and provinces which perceive an opportunity in such actions, which shall distinguish them from other regions and let them become more competitive in attracting tourists with something more than only picturesque landscape and culture.

Due to the fact that the Polish market of quality products has only been in its initial stage of development, there are many issues to be solved, related with the products themselves as well as characteristic of their producers, consumers, other market institutions. The problems concern legal, administrative, psychological and financial domains. A long list of constraints in particular provinces which hinder the development of traditional products may be drawn up. The biggest constraints still relate to lack of concerted actions of producers of the same product, lack of sufficient funds for marketing and promotion, lack of organization capacity to initiate market production, lack of efficient logistics, lack of motivation, and often unwillingness to establish producer groups, associations, etc. ignorance of law and sanitary requirements, lack of knowledge and experience, lack of sufficient awareness among consumers, lack of broad ranged promotion of traditional foods, etc. However, apart from all those issues which shall be resolved gradually in the nearest future, there are also some strengths. The biggest strength is educating actions, namely organization of numerous contests, festivals, publications, conferences, seminars, courses and training. They all contribute to raising

awareness concerning the idea of Quality Policy, and indirectly they teach tolerance and friendly coexistence of local population involved in the development of their heimat.

Conclusions

The accession of Poland to the EU has initiated the operation of a quality food system within the framework of Quality Policy. For several years business entities have been making efforts to form a market for quality traditional and regional products; this is, however, only an initial stage thereof. Unfortunately, the economic situation of local producers involved in the production, processing, distribution and sale of these exceptional specialities improves rather slowly. Regional and traditional products, both the ones awarded EU marks as well as those listed on the List of Traditional Products and marked with “Quality Tradition” logos, are perceived as an opportunity for cherishing rural cultural heritage, which contributes greatly to the increase of attractiveness of rural areas, to the development of rural tourism, and the protection of environment, animal species and plant varieties. The products listed and marked as regional specialities participate in the creation of a positive image of a given region, which is reinforced by numerous promotion and education actions undertaken by local governments and NGOs.

Analysis of literature and empirical material allows for formulating a few basic comments concerning the concept of regional product as an opportunity for the development of non-urbanised rural areas in Poland:

- 1) a regional product alone has no chance for a wide promotion without a support of producers through the actions of public institutions, especially at local and regional levels;
- 2) joint action of local producers associated in groups, e.g. producer groups, facilitates not only the product’s promotion, but first of all its permanent presence on the market;
- 3) if it hadn’t been for joint actions of numerous local enthusiasts, who effectively use a traditional product for promoting culinary heritage and regional culture, it would have been impossible to create a complex tourist product and it would be impossible to breathe economic life into the “heimats”.

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CHAPTER II

Promotion of regional and traditional products in Poland over the years 1998-2011

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Abstract

This study shows current and passed status of the promotion regional and traditional products on the Polish market. The analysis covered two main periods: before the Polish accession to the EU and the post-accession period. Actions were presented to identify these products including Polish producers and consumers and to promote them. Pointed out the possibility of protecting the names of those products, and promotion within the European Community. Included actions of the central and regional government in campaigns to promote local and traditional products and also other subjects: agricultural advisory centers, local action groups, producer groups.

Key word: promotion, regional and traditional products.

Introduction

In the era of industrial food production, traditional and regional products are a specific alternative and counterbalance in relation to products produced using industrial methods in both the global and local. Production using traditional methods usually applies to regions with a predominance of traditional farming, and therefore poor areas. Because on labor-intensive method of production, these products generate new workplaces, are also an important element in the promotion of their production, contributing to increase the attractiveness of regions, but what is most important allow on a significant increase profitability of agricultural production and thereby increase the standard of living of the rural population and land rural areas. In many of these farms, have survived food processing traditions by the natural methods known for generations. The introduction of this food on the market and its promotion in media, at trade fairs, at gastronomic restaurants, shops (including chain stores) is now seeing as an opportunity for small and medium-sized processing plants. But in an era food falsification by dishonest producer, European policy protecting original products, their quality, reputation and the brand introduced system of registration and protection of traditional names of

agricultural products and grocery components. These products are in fact treated in the EU as a special good and unique cultural heritage of the whole continent. The award of regional signs not only enhances the competitiveness of products but it helps to contribute to the image of the area from which they come, its promotion and encouragement to visit the region, contributing to the development of tourism, especially agrotourism. But to make it happen, products must be identified and placed on the market, and there should win the competition with other products and find buyers. It is not easy, because in Poland still lacks market for these products. Many manufacturers do not realize the uniqueness of these products, except that frightens them a long and complicated period of registration at both national and EU level.

The aim of the cognitive analysis was to answer on question, as in Poland in the years 1998-2011 has resulted promotion of traditional and regional products, having to identify them, stimulating the demand and supply of these products.

Regional products in the literature




According to the definition as local products¹ means products whose production is limited to a specific area. However, as traditional products², means goods produced anywhere, but with the method known from ages. According to national and Community legislation, regional products are these products, which have sign granted by the European Commission, ie the Protected Designation of Origin and Protected Geographical Indication. As traditional products we can treat these products, whose quality and their unique characteristics can be deduced from the use of traditional production methods. These are in accordance with Community legislation – products with certificate named Traditional Speciality Guaranteed and in accordance with domestic products are included in the List of Traditional Products.

Until May 2011 we have registered 26 products of Polish origin, their schedule presents the table 1. Registration of product on the EU level, although it is time consuming, brings many advantages to producers who have taken the effort of this project. It means that nobody can illegally use this name in trade. The exclusive right to use the registered name and logo, informing about regional and traditional nature of the product, have manufacturers, who are complying with all conditions contained in the specification of the product and confirmed by appropriate control measures.

¹ A. Szymecka: Włoski system ochrony produktów regionalnych i tradycyjnych. [in:] O produktach tradycyjnych i regionalnych. Ed. M Gąsiorowski. Wydaw. Fundacja Fundusz Współpracy, Warszawa 2005, p. 125.

² Ibidem, p. 125.

TABLE 1. Polish products registered at European Union level

Protected Designation of Origin 	Protected Geographical Indications 	Traditional Speciality Guaranteed 
„Bryndza podhalańska” – cheese	Miód wrzosowy z Borów Dolnośląskich – heather honey from Bory Dolnośląskie	Miód pitny półtorak – mead
„Oscypek” – cheese	Rogal świętomarciński – St Martin’s crescent roll	Miód pitny dwójniak – mead
„Redykołka” – cheese	Wielkopolski ser smażony – fried cheese from Wielkopolska	Miód pitny trójniak – mead
Wiśnia Nadwiślanka – cherry	Andruty kaliskie –andruty from Calisia	Miód pitny czwórniak – mead
Podkarpacki miód spadziowy – subcarpatian honey	Truskawka kaszubska – casubian strawberry	Olej rydzowy – lactarius oil
	Fasola korczyńska – Bean from Korczyn	Pierekaczewnik – paste
	Miód kurpiowski –honey from Kurpie	Kielbasa jałowcowa – juniper sausage
	Kielbasa Lisiecka – Lisiecka sausage	Kielbasa myśliwska – hunter’s sausage
	Suska sechłońska – dried plums	
	Obwarzanek krakowski -cake	
	Jabłka łąckie – apples from Łącko	
	Śliwka szydlowska – plums from Szydłów	
	Chleb prądnicki – bread	

Source: www.minrol.gov.pl.

The list of Traditional Products is national solution. It is a kind of guide through the regional Polish cuisine, as well as the source of information about traditions, ways of production and the unique characteristics of the products listed there. On the list can be found agricultural products, foods and spirits, whose quality or unique qualities and characteristics result from the use of traditional, ie, used at least 25 years, production methods, which are part of the cultural heritage of the region in which they are produced, which is element of local identity.

Currently on the list are entered 856 products. The origin of the products in the system of provinces shows figure1. Product Registration on the list does not related with protection of his name or the control of production conformity with the declared production recipe Its aim is to identify as many manufactured products and their promotion especially at regional and national levels.

According to the definition, marketing this is a social process by which individuals or social classes receive this, what they need and want by creating, offering and free exchange of products and services³. This included a different kind of actions: market research, distribution, sale, promotion and advertising. Promotion helps in better communication with the market, shapes image of companies and positions products⁴.

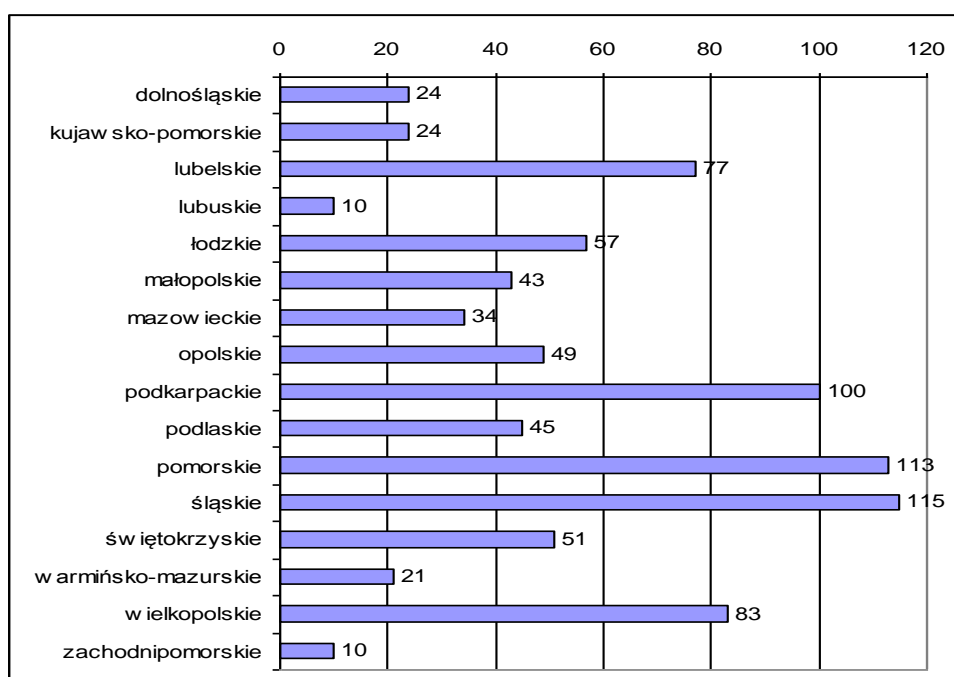


FIGURE1. The amount of products included on the Traditional Products List, depending on provinces
Source: www.minrol.gov.pl.

Traditional and regional products promotion in European Union has a strict aim. This is:

- to deliver to the consumer sufficient information about promotion products, their variety, amount and spread in European Union.
- to build up the image of these products, especially regarding to quality, nutritional values, safety of food products and also methods of their production.
- to improve farmers and small companies incomes, which are making these products.

³ P. Kotler: Marketing. Wydaw. Rebis, Poznań 2005, p. 8.

⁴ B. Pawłowska, B. Lund: Marketing dla małych i średnich przedsiębiorstw. Wydaw. BL Info Polska, Gdańsk 2008, p. 86.

The promotion is judged by Council Regulation⁵. The regulation determines the scope of information and promotion activities on internal and other markets. According to the regulation, promotion and information activities can be funded in whole or in part from the Union budget. However, they can not relate to one specific brand. Details are determined by Council Regulation (WE) nr 501/2008⁶, which included guidelines of products promotion on the internal market and also in other countries for different categories. Clarified must be: an aim, a main message, a channel of realization, a period of promotion and a budget.

Pre-Accession activities, which have as a aim to identify traditional and regional products

In Poland, after II World War was preferred collective feeding, started from nursery and finished on canteen for workers. Food products were still missing, what was not good for keeping the variety of regional dishes. However, many of households to reduce lacks of food kept some of traditions, for example "pigsticking", home - made meats baking a different kind of cakes and even confectionery products (as: "krówki" – kind of candies, chocolate blocks, marshmallows) and also supplying households in winter preparations from fruit and vegetables. From the other hand, lacks of food products had the effect, that people could not make different dishes. A lot of dishes and food products came out from preparing. After 1989 year started to dominate a economy of households. Consumers started looking for a lot of cheap food. According to wishes of consumers, the market offered not expensive food. All defects were fixed by food pigments, aroma and taste combinations, preservatives and another extras in food. It allowed to reduce costs of production and permanence of food. For many years market in Poland was not interested in traditional and regional food. Improvement of incomes in many families had an impact, that a lot of people started to interest in healthy life style, in high food standards with good quality and unique organoleptic properties. This kind of food is: ecological food, but also traditional and regional. This high – quality food is labour – consuming, has low productivity and high costs of production. However, consumer can receive a high – quality product with organoleptic properties, which we cannot find in industrial food.

Traditional and regional food production started to reborn. At the beginning, thanks passionates, later thanks financial expances. It started to reborn of food national culture. Polish cooking and traditional and regional products are very important element of national heritage. It according to the fact, that people always ate, because they want to survive and also when was spaecial occasion in

⁵ Rozporządzeniem Rady (WE) nr 3/2008 z dnia 17 grudnia 2007 roku w sprawie działań informacyjnych i promocyjnych dotyczących produktów rolnych na rynku wewnętrznym i w krajach trzecich.

⁶ Rozporządzenie Komisji (WE) nr 501/2008 z dnia 5 czerwca 2008 r. ustanawiające szczegółowe zasady stosowania Rady (WE) nr 3/2008 w sprawie działań informacyjnych i promocyjnych dotyczących produktów rolnych na rynku wewnętrznym i krajach trzecich.

life. On polish cooking had an effect foreign cooking: italian, french, jewish, lithuanian, tatar, turkish, russian, german, hungarian or czech. In polish cooking we have the most form the XIX century middle - class and higher – calss people. Through the ages, the base for the polish cooking was self – sufficient noble's or farmer's household. In traditional polish cooking the main dish was with venison, mushrooms, groats, noodles and different kind of icings. From the old cooking left till now pierogies with different fillings: sweet, with vegetables and meat. Groats eaten a long time ago and nowadays are appreciated by dieticians(as they recommend, we should include groats into our everyday menu). Also, from the old cooking left mushrooms, blueberries and different kind of silages. It is important to say, that everyday cooking of rich farmers or nobles was not special. Its was special only during special events. Then, polish tradition of cooking is rich and worthy to be shown on the global market.

From 1998 year started to promote regional and traditional products in Poland. In this year was initiated a program Agroline 2000 under the Foundation “Cooperation Fund”. In the program tried to identify products and food makers of these products in Poland. This date is treating as a beginning of period analysis of traditional and regional products. The first legal solutions, which had as a aim to confirm regional background of products, came into life as a legal law on 30.06 2000 – Industrial Property Law⁷. The law was not checking a quality of sale products, because nobody introduced rules and control.

During this time increased interest in traditional and regional products. It started to appear local initiatives, which promoted these products. The biggest achievement should be given to competition “Nasze kulturalne dziedzictwo”, which is from year 2000. The competition was initiated by Izabella Byszewska, editor of the weekly “Gospodyni” and organized by the Foundation “Cooperation Fund” and The first Polish radio program. Then organization of the competition was taken by the Polish Chamber of Regional Foundation “Cooperation Fund”, program The Agro-Smak 2, agricultural editorial of The first Polish radio program and the Agricultural Advisory Centres. The aim of the competition was and is the identification and promotion of local, traditional dishes, saving them from oblivion, and the protection of their uniqueness. The competition promoted traditional products for many years produced with the same methods. Were evaluated raw materials or products associated with a particular geographical area, characterized by specific features, often resulting from specific climatic and soil conditions of the region, which was the source. The requirement was not only the conventional preparing, but also the derivation of a tradition cultivated in the region and the presence in the area for a long time. The competition “Nasze dziedzictwo kulturowe” played an important role in the identification and promotion of regional, traditional food. In 2008, was expanded a formula of the competition by introducing the category of cuisine and regional dishes, using local, traditional

⁷ Dziennik Ustaw z 2003 r. nr 119, poz. 1117 z późniejszymi zmianami.

materials and prepared according to traditional methods. Then, for the first time, in such a wide extent in the organization of the „Nasze Kulinarne Dziedzictwo – Smaki Regionów” has engaged Association of Polish regions. Currently, the competition takes two stages. In the first stage, during the regionals finals are chosen winners and from them in the second stage is the prize of the competition “Perła”. Nowadays, apart from identification is important to promote and prepare producers to seek protection, according to EU legislation⁸.

An important project, which began in 2003, was polish-american project of local products Agro-Taste. In the project tried to create a platform for working meetings where the tasks were formulated to improve conditions of regional production. Then formulated first targets of the project:

- valorization of rural areas by the reactivation of local traditions and skills
- use of local resources to produce typical local products
- support the production of food products with a specific geographical origin and the specific qualities
- providing information, knowledge and popularization of good practice to produce regional products
- cooperation on the recognition and certification of local products quality and the development of the system for their support in Poland

An important document in that time was to prepare the project expertise in July 2003, which first described the state of Poland's preparations to conduct policy to enable preserve traditional food products⁹.

In December 2003 was set up the Office of Promotion and Geographical Indications as a separate cell of the Ministry of Agriculture and Rural Development. This office took over the handling of cases related to the implementation of the EU system of geographical indications and certificates of specific character. In the next year was created the Polish Chamber of Regional and Local. Founding congress took place on 18 February 2004. Then, 160 founding members signed the statute and set up The Chamber.



FIGURE 2. Logo of the Polish Regional and Local Chamber
Source: www.produktyregionalne.pl.

⁸ www.produktyregionalne.pl.

⁹ M. Gąsiorowski: Dotychczasowe dokonania w promocji i budowie rynku żywności tradycyjnej. [in:] O produktach tradycyjnych i regionalnych. Ed. M. Gąsiorowski. Wydaw. Fundacja Fundusz Współpracy, Warszawa 2005, pp. 272-173.

This is an organization whose role was to build together with central and local administration the Polish system of traditional, regional and local products. It is a representation of economic local government of producers this kind of food.

Post-accession actions to identify geographical indications of traditional and regional products

From 1 May 2004, Polish entrepreneurs can apply for protection of geographical indications, protected names or traditional specialties under Community law. The law relating to the protection and production of traditional products was created in Poland on 17 December 2004, came into life in early 2005¹⁰. It regulated the following issues:

- rules and procedures for assessing applications to designation of registration of origin, geographical indications and traditional specialties guaranteed
- terms of temporary protection for agricultural products names and food products on the national ground before the registration on the EU level
- rules and procedures for inspection of agricultural products and food products with a protected designation of origin, protected geographical indication or traditional specialty guaranteed
- terms for Traditional Products List;
- penal sanctions for these people, who will copy products with protected names.

After the Polish accession to the EU began actions to encourage farmers and food producers to register at the EU level. Farmers prefer to take action that resulted in the placing of products on List of Traditional Products (table 2).

TABLE 2. Number of products included on a list of traditional product in the years 2005-2011

Interval	Number of products
October 2005	43
June 2006	94
May 2007	241
May 2008	280
May 2009	367
May 2010	201
May 2011	8

Source: Ministry of Agriculture: List of Products for the traditional 2005. FAPA, Warsaw 2005, list of traditional products 2005-2006. FAPA, Warsaw 2006, list of traditional products 2005-2007. FAPA, Warsaw 2007, since 2008 under, www.minrol.gov.pl.

Differently looks registration on the EU level. The registration procedure is not simple, it requires time and money. Therefore, interest from the Polish farmers and producers side was not as significant as in the case of national solutions (table 3).

¹⁰ Dziennik Ustaw z 2005 r. nr 10, poz. 68.

TABLE 3. The number of Polish products with the European Union certification, depending on the year

Year	Number of certified products with the EU in individual years
2005	0
2006	0
2007	1
2008	7
2009	7
2010	8
May 2011	3

Source: based on www.minrol.gov.pl.

To obtain a certificate of UE was needed a cooperation of stakeholders in order to create a producer group, then submit the application in addition to a name, should include a description of the product, specify the method of its production. Often this required a lot of arrangements. This required a number of arrangements often, because each food maker produced a product in a specific way, and we had to give one recipe. The great merit need to be admitted for agricultural advisory centers. Firstly in professional took a part advisors and later farmers. At the beginning activities focused particularly on identifying the products. Agricultural advisory centers were supported by Circle of rural housewives and owners of the agrotourism farms. Employees of centers helped to find and report product to the competition "Nasze kulinarne dziedzictwo". Actions of AAC also focussed on preparing the foundation for building a market for this type of food. On websites and posters of AAC employees were providing the information about events (fairs, agricultural shows, and others), where could be sold regional products. In the county advisory teams were edited folders (figure 3), were performed trainings, displays and external seminars to identify and promotion of regional products¹¹.

Other active operations of the Foundation "Cooperation Fund", is organized in March 2005 in Jachranka conference about "Traditional foods in rural development". The conference was dedicated to current achievements in the development of local products in Poland and the issue of registration of regional and traditional products in the light of the previously mentioned regulations Law. In the he program of conference, except the lecture sessions were also included workshop sessions and discussion panels. Its result was a very valuable free publication¹², bringing together the knowledge and presents major problems with traditional food market. Were Presente important and topical aspects of the

¹¹ A. Sieczko: Działalność Ośrodków Doradztwa Rolniczego regionu świętokrzyskiego w zakresie identyfikacji i promocji produktów tradycyjnych i lokalnych „Roczniki Naukowe Stowarzyszenia Ekonomistów Rolnictwa i Agrobiznesu” 2010 t. XII, z. 5, pp. 217-218.

¹² M. Gąsiorowski (ed.): O produktach tradycyjnych i regionalnych. Wydaw. Fundacja Fundusz Współpracy, Warszawa 2005.

production, recognition, protection of the special quality of food. It was the only one publication at that time on the Polish market.



FIGURE 3. Brochures promoting traditional products developed by the agricultural advisory centers
 Source: Malopolska Centre for Agricultural Consultancy in Karniowice, Lubuski Agricultural Advisory Centre in Kalsk, Mazowiecki Agricultural Advisory Centre in Warsaw, Podkarpackie Agricultural Advisory Centre in Boguchwała.

Actions were also been taken by particular marshals' offices. With the power of this Act to marshal of the region we should submit a document for inclusion on the List of Traditional Products. Only positively verified requests are sent to the Minister of Agriculture and Rural Development. Activities of marshals are not only limited to the statutory work. Care has been taken about co-finance publications, leaflets, folders (figure 4), conferences and seminars about traditional and regional products.



FIGURE 4. Brochures, flyers and postcards published by the marshals' offices to promote traditional products

Source: Marshal's Office in Lodz, Silesian Province Marshal's Office, the Office of the Marshal of Pomorskie, Lubuskie Voivodship Marshal's Office, the Office of the Marshal of the Malopolska Region.

One of the regular events organized in 2009 with the cooperation of the Marshal's Office in Kielce, Świątokrzyskie are free of charge for the exhibitors International Rural Tourism and Agrotourism “AGROTRAVEL”. Every year, there are taken issues related to traditional and local products. Mentioned is the role of culinary heritage and natural food market and the traditional tourism development in rural areas. The project takes place on two levels. The first is a conference and workshops, together with leaving the studio, the second is the opportunity to promote their products on exhibition stand. In the first fair participated 100 exhibitors from Poland and other countries, who presented the 47 stands (photography 1). In the accompanying trade fair Conference 350 attended people, in this about 30 foreign guests from 10 countries¹³.

¹³ www.agro.travel.



PHOTOGRAPHY 1. International trade fairs of rural tourism and agrotourism “AGROTRAVEL”
Source: A. Siczko, L. Siczko.

Currently in Poland actions for products under food quality systems are implemented under the Rural Development Programme 2007-2013, Axis 1 – Improving the competitiveness of agricultural and forestry sector, “Action 133” “Information and promotion activities” by the following institutions :

- AMA as an actor in implementing,
- ARMA as a paying agency,
- Ministry of Agriculture and Rural Development as the managing authority¹⁴.

The Rural Development Program for 2007-2013 includes funds for financing information and promotion actions aimed at increasing consumer awareness of quality food. “Information and promotion activities” are intended for the groups of producers in food quality schemes, including groups involved in active farming in Poland. The aim is to refund part of the eligible costs (up to 70%) paid on implementation of information and promotion on the internal market, completed before 31 June 2015.

For assistance may apply agricultural producer groups, associations, federations, unions, belonging to the food quality systems:

- System of Protected Designations of Origin and Protected Geographical Indications
- The Traditional Specialities Guaranteed¹⁵.

¹⁴ Zgodnie z ustawą z dnia 7 marca 2007 r. o wspieraniu rozwoju obszarów wiejskich z udziałem środków Europejskiego Funduszu Rolnego na rzecz Rozwoju Obszarów Wiejskich w ramach działania 133 (Dz. U. z 2007 r. nr 64, poz. 427 z późn. zm.).

¹⁵ www.kpodr.pl.

Actions that have been presented in this chapter and those which, due to limited space not contained, resulted this way, that groups of producers of traditional and regional food have difficult work to identify products and prepare applications about their registration. As already mentioned we have registered 26 products, 8 applications are already published (fasola wrzawska, miód z Sejneńszczyzny, jabłka grójeckie, fasola „Piękny Jaś”, kołacz śląski, karp Zatorski, miód drahimski, kabanosy), and the two proposals submitted for registration (jagnięcina podhalańska, ser koryciński swojski), so in the near future, there are 10 products have a chance to receive the EU's certificate.

Selected promotion activities of traditional and regional products

The situation of the consumer is always characterized by some asymmetry in relation to the producer. Lack of sufficient information about the product does not always allow the consumer to make the optimal choice. The only solution is to receive full information about specific features of the product. This rule also relates to traditional and regional products. However thanks to the certificates which are all over European Union, the consumer may not know the product, but if it is marked with appropriate logo, he is assured that the purchased product will be original. It will have a specific taste, smell, color, consistency and other features which will be responsible for the uniqueness of the products on the market. First of all the consumer should know about the Community logo. Then must have general information about why this product is more expensive than similar products which are on the market. It is about general ideas (the traditional method of preparation, small scale of production, culinary heritage). In Poland, it appears, that information actions need to be extended to producers of these foods. The Polish market of producers was and is various. The leading group is farmers in processing and selling products directly on the farm or on neighboring markets, rarely traveling outside the province. The second group is local producers owners of small butchers, bakery, fruit and vegetable cooperatives, community-based “Samopomoc choopska” or local dairies. The rest of the sector with traditional products are farmhouses usually cultivate regional cuisines.

In the next stage had to be created places where you can sell and buy these products. It turned out that this kind of places were and are the bazaars and markets, festivals, local events, fairs, tourism and agro-tourism fairs of regional products, small shops with a assortment of ecological and natural food, and as the popularization of the test food is becoming more popular sales and purchases by the network Internet. The most important task of setting up a market for traditional and regional food in Poland is interest of producers in legal solutions, offering a market advantage to those who take such action. It is therefore necessary to inform the Union how these products are protected. As already mentioned the biggest interest is shown in two projects (the national competition for Our Culinary

Heritage, and the entry on the List of Traditional Products), due to the high agricultural advisers working (figure 5).



FIGURE 5. Cover of publication List of Traditional Products from 2005-2007
Source: Ministry of Agriculture and Rural Development.

None of these projects did not give such protection and promotion opportunities as obtaining EU signs. Ministry of Agriculture and Rural Development and Agricultural Market Agency from October 2005 to June 2007 organized a publicity campaign, which half of the cost was covered by the European Union. The aim was to provide the information to producers of regional and traditional food and about possibility of protecting and highlighting the unique names of foods across the European Union (photography 2).



PHOTOGRAPHY 2. The frame from the clip advertising "Originality under the protection"
Source: www.youtube.com.

In this campaign used various media: TV commercials addressed to both food producers and consumers, radio spots also addressed to these audiences, flyers, brochures, banners, outdoor stand, briefcases. The campaign was called “Originality under the protection”¹⁶. Currently Ministry of Agriculture also leads information activity outside the campaign (figure 6).



FIGURE 6. Information materials about EU certification
Source: Ministry of Agriculture and Rural Development.

These are published in the form of albums on glossy paper lists of products which have already sign of EU, and products which are still waiting. The publications included the stories of products, production areas, or the specification (eg, meads), unique features and contacts to producer groups. Another interesting solution seems to be promotion by DVD. They contain not only information about the possibility, how to register the products but also films about products with certificates. Are therefore addressed to both producers and consumers. Ministry of Agriculture and Rural Development support other institutions both state and society.

¹⁶ www.gospodarz.pl.

There are published guides, where have been discussed rules how to receive EU sign, and also the signs of national, example “Jakość Tradycja” awarded by the Polish Chamber of Traditional and Local Product. Those, interested in news about the reasons how to organize themselves in groups of producers or opportunities for promotion activities, there will find answers. Publications are free and available in book form and PDF (figure 7).

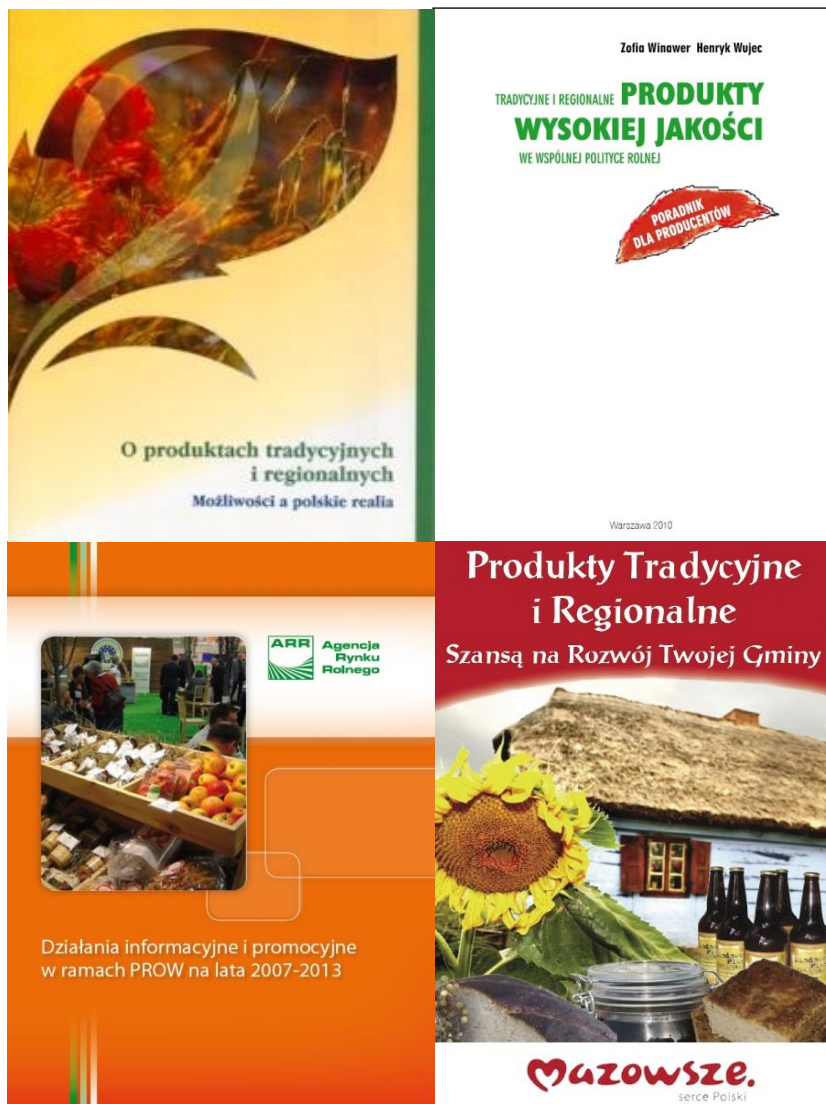


FIGURE 7. Information materials addressed to producers of traditional and regional products
 Source: Cooperation Fund Foundation, Regional Development Program of the Foundation for Polish, the Agricultural Market Agency, Office of the Marshal of the Mazowieckie Voivodeship.

This is an important issue and it becomes increasingly urgent to inform consumers about these products. The fact is, that promotion which is addressed to consumers should take many areas. To be able to talk about the correct marketing communication must occur the following conditions:

- The consumer must be aware of the product,
- Must be interest in the product,
- The consumer must trust in the ability of the product to satisfy his needs,
- Consumers must be constantly encouraged to use the products.

Of some promotion actions directed to consumers, whose goal was to aware about the existence in Poland, but also across the European Union uniform signs, mentioned previously. We think that nowadays promotion should include specific products, so as to raise interest in them. Should be proved their health qualities, possibilities to use them in the kitchen, and indicate the place of purchase. Unfortunately, this promotion can not be financed from EU funds. It can be financed by the producers of a product, social organizations or other sponsors. It can not be financed from public funds. As an example can be a leaflet of Tatrzańsko-Beskidzka Cooperative Producers „Gazdowie” (figure 8). It includes contact phone numbers and address and the possibility to buy: oscypki, redykołki, bryndza and other products manufactured by this cooperative. On the leaflet, however, is missing the EU's sign even in case, when these products have this designation. There is no information at all that these products are EU certified. So the consumer to be interested in these products must have knowledge about them.

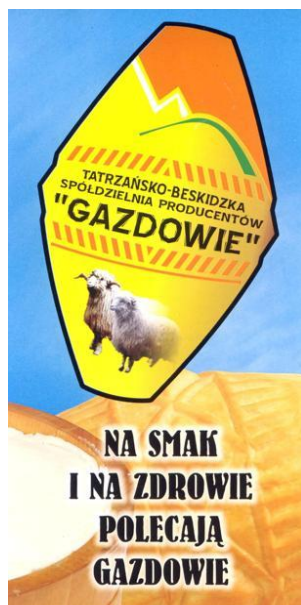


FIGURE 8. Leaflet of regional producers
Source: Tatrzańsko-Beskidzka Cooperative Producers “Gazdowie”.

To always encourage consumers to buy traditional and regional products, appeared maps (figure 9) from different regions with the selected places of buy these products.

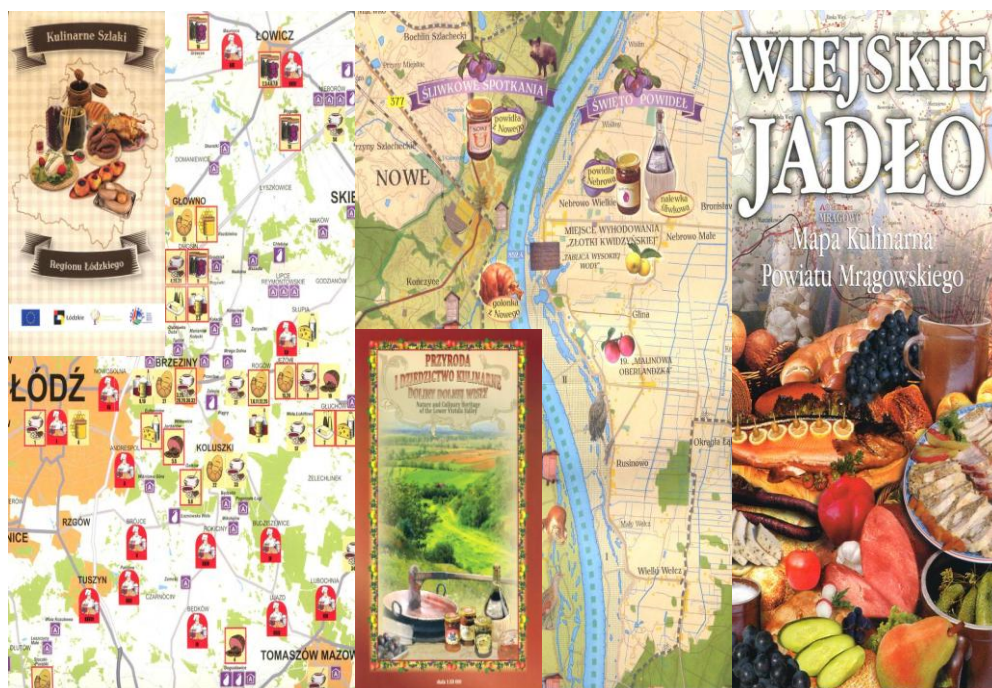


FIGURE 9. Maps of promoting traditional products

Source: Marshal's Office in Lodz, the Society of Friends of Lower Vistula, Association for the Development of Rural Tourism in Piecki.

These maps are promoting mainly traditional products, because in Poland we have the most of them. They are in a nice graphic on thick paper. Consumers in the culinary tourism can buy these products, joining taste with values of sightseeing. This is an initiative worthy to command, because these maps are distributed free of charge. Also constantly encouraged to buy traditional and regional products for various events (photography 3). On this one can be bought food directly from the manufacturer. This is for the consumer on the one hand impediment (you can not buy this food every day) but on the other hand guarantee of high quality product, as traditional products, dishonest manufacturers began to falsify. As already mentioned, the same entry on the list does not guarantee protection of the name or product compliance with specifications. Widely, in Warsaw, are imitated and sold on local markets korycińskie cheese. This practice can reduce the application for EU protection for this product. After the registration of the product, consumers will be able to buy only original cheese and not the imitation.



PHOTOGRAPHY 3. Jarmark of traditional and regional products at the Krakow Przedmieście Street in Warsaw 28.06.2009

Source: A. Siczko, L. Siczko.

Conclusions

Promotion is the way of communication the producer with market. The basis of this process including the food market, should be communicating the distinctive features of traditional and regional products from those of conventional, mass-produced on a large scale. The most important thing for the consumer is to know the special sign which is valid throughout European Union. It provides a guarantee of authenticity to the consumer, even for those, who have never been in contact with the product. Nowadays, none of even the best product will not sell without promotion. So many consumers are willing to pay a higher price for a good product for their needs, but must be aware of the existence of this product on the market and get honest information about him. That is why promotional actions should be focused on informing customers about products, which already have this type of EU sign. In this case there is still much to do. Difficulty associated with this

process have to be done by the producers. They may do this through actions such as leaflets, brochures, online advertising, web pages www about the product or producer, or “whispering” marketing. At this stage, the best way of promotion for small manufacturers of traditional and regional products is interest in a well – known product by people (for example, from the region) and ask them to verbal promote of this product. In Wadowice, the tourists massively buy cream cakes, because heard about them from the lips of Pope John Paul II. The more people know that this product exists, the more it becomes known. You can also try to promote these products through local restaurants, taverns and other gastronomies operating in the area. Lots of products, which have the EU certificate are only known in the local market, the ordinary consumer in Poland does not even know of their existence. These kind of products are the showcase of the region and a great product for promoting the region, both in Poland and abroad. The next step is continuously support consumers relationships with products and encouraging them to buy it. Currently this is done by publishing of maps, brochures, and participation in various local festivals and celebrations. High rank of promotion among the elements of marketing-mix follows to the fact that the attractiveness of the product is not sufficient condition to buy it. Condition of success on the market where is strong competition for reaching potential customers, inform them about benefits of the product, about purchasing options and benefits of decisions taken. Therefore, the promotion of Polish traditional and regional products is still insufficient. These products are not also included in products, which are promoting Poland in the time of our presidency of the European Council.

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CHAPTER III

Regional products in building competitive potential of tourism in the Eastern borderland of Poland

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Abstract

The article tries to present the competitive potential of tourism in Eastern borderland of Poland. Competitiveness has a large impact on regional products. Therefore, the issue discussed in the dissertation constitutes a possibility to use traditional products for improving tourism competitiveness of the Eastern borderland of Poland, which has been restricted to three provinces located along the border, i.e. the Podlaskie Province, the Lublin Province and the Sub-Carpathian Province.

Key word: competitiveness, regional products, Eastern borderland of Poland.

Introduction

Competitiveness is an utterly complex notion. It may be both analysed with relation to a single product and to a country or group of countries. The level of analysis determines the factors affecting the competitiveness. Both economic factors (e.g. travel costs, prices of partial services) and, to a large extent, non-economic factors (fashion, change in a lifestyle, etc.) may affect the tourism competitiveness in particular regions. Tourists tend to seek offers exceeding the common "3 S" patterns (sand, sea, and sun) and deliver original experiences. Research studies conducted by numerous scientific centres confirm that persons who choose to spend their leisure time in the countryside not only value peace, quiet and contact with nature, but also contacts with local residents and their culture.

The local cuisine is an inseparable element of the cultural heritage. Traditional meals and dishes are experiencing their revival, also due to the EU policy. Their connection to tourism seems to be very strong. On the one hand, they support the promotion of localities and regions, and on the other hand, visitors create real demand for this kind of products, without the necessity to distribute them to potential markets. By product certification within the Protected Designation of Origin or Protected Geographical Indication not only is a given region promoted, but also its uniqueness, and thus its tourism attractiveness, are highlighted. Therefore, the issue discussed in the dissertation constitutes a possibility to use traditional products for improving tourism competitiveness of

the Eastern borderland of Poland, which has been restricted to three provinces located along the border, i.e. the Podlaskie Province, the Lublin Province and the Sub-Carpathian Province.

The region has been selected deliberately, with its culinary variety and a relatively underdeveloped tourism economy making the choice obvious.

Competitiveness and its dimensions

“The notion of competitiveness belongs to the group of notions to be applied with relation to each level of economic aggregation, i.e. both to a single enterprise, the entire industry, region, national economy or supranational economy”¹. Yet another level may be added to the levels mentioned above – the lowest micro-micro level relating to an individual consumer or product². Depending on the level the competitiveness (of a given level) is related to, another definition is adopted. The Eastern borderland of Poland is considered as an area of tourism reception, therefore an assumption can be made that it is a tourism region. The competitiveness of a region is “(...) an advantage over other regions as a combination of the attractiveness of their service range addressed to current and potential users of the region, being represented by residents, companies, investors, visitors; its source constitutes a modern material, institutional and intellectual infrastructure of the region”³.

Competitiveness may be considered in a time perspective or in a concrete/given moment. In the case when the competitive attributes of a given product (facility, place) are related to the current moment in time, a static aspect of competitiveness is referred to. If a development taking place in time is considered, the case pertains to a dynamic approach. “(...) competitiveness considered in terms of a dynamic approach corresponds with competitiveness understood as a process, i.e. achieving a certain state of competitiveness”⁴.

Within the notion of competitiveness several relevant components can be distinguished, which can be related to the competitiveness of a region. Detailed information has been demonstrated in figure 1.

¹ J. Chądzyński, A. Nowakowski, Z. Przygodzki: Region and Its Development under Conditions of Globalisation. CeDeWu Sp. z o.o., Warsaw 2007, p. 105.

² M. Gorynia, E. Łązniewska (ed.): Knowledge Compendium on Competitiveness. Wydawnictwo Naukowe PWN, Warsaw 2010, p. 51.

³ A. Klasik, T. Markowski: Urban Marketing. [in:] Territorial Marketing. Studies Volume CXII. National Spatial Development Committee of the Polish Academy of Sciences, Warsaw 2002, pp. 99-100.

⁴ M. Gorynia, E. Łązniewska (ed.): op. cit., p. 54.

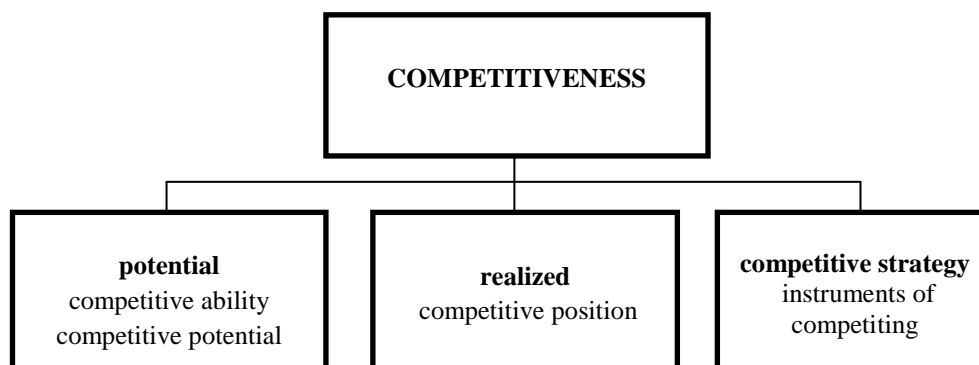


FIGURE 1. Components of the notion of competitiveness

Source: author's own elaboration based on: M. Gorynia, E. Łązniewska (ed.) *Kompendium wiedzy o konkurencyjności* (Knowledge Compendium on Competitiveness). Wydawnictwo Naukowe PWN, Warsaw 2010, p. 59.

Each of the components of competitiveness demonstrated on figure 1 represents a complex category and requires additional explanation.

Two relevant notions are related to competitiveness, i.e. **competitive position and competitive capability**. “By the term competitive position the result of competitive process should be understood, i.e. competitiveness in terms of attributes (results). Competitive position is a result of applying a certain competitive strategy (a set of competitive tools) towards a certain competitive potential (a set of resources)”. While analysing the competitive position of an enterprise, mainly economic measures are taken into account, including profitability and market share. In the case of a tourism enterprise or an agro-tourism farm, the set should be extended by the following measures:

- product originality with relation to competitive products,
- customer loyalty and participation of regular customers in the purchase of a tourism product (positioning of a tourism product in the purchaser consciousness),
- existence or probability of substitutes to appear in the surroundings of a tourism facility,
- human resources (host, his knowledge, competence, character qualities),
- level of costs,
- positioning agro-tourism as a form of leisure time activity.

With relation to a region, “competitive position (competitiveness of results) determines the place in a ranking of competitive regions in a given moment (a statically determined notion), while competitive capability is a dynamic competitive approach, describing competitiveness as a process subject to constant changes⁵.

⁵ J. Chądzyński, A. Nowakowski, Z. Przygodzki: op. cit., p. 108.

In the case of a tourism region, the size of domestic and international tourism traffic determines its competitive position.

Another interesting issue is a competitive potential. In the research carried out under the guidance of M. Stankiewicz, a highly developed structure of a competitive potential has been presented. The following areas have been distinguished⁶:

- information,
- R&D activity,
- production,
- quality management,
- logistics,
- distribution,
- marketing,
- finance,
- organisation and management,
- employment,
- invisible resources.

While discussing the competitive potential of local government units in terms of tourism (with supply competitiveness in mind), investment potential (in terms of tourism investment) and tourism potential should be mentioned. Tourist attractiveness is frequently discussed in reference literature⁷ and is mostly considered as a combination of three elements, i.e.: tourism qualities (of natural and anthropogenic origin), natural environment condition and protection and transport availability. It should be borne in mind that attractiveness is a combination of a subjective assessment of any elements previously named. This can be seen particularly with relation to tourism qualities. Depending on individual preferences of particular tourism traffic users, particular natural or cultural qualities are more or less attractive (e.g. traditional holiday choice of relaxation in the mountains or at the seaside).

Tourism attractiveness is also demonstrated as a function of constant, relatively invariable and variable explaining factors. It can be described with a following formula⁸:

$$AT = f(WP, ZS, WK, DK, RS, CO, WZ, PP)$$

where:

AT – tourism attractiveness (of a country, region),

⁶ M. Gorynia, E. Łązniewska (ed.): op. cit., pp. 57-58.

⁷ Compare: G. Gołembski (ed.): Methods of Stimulating Tourism in Spatial Perspective. Wydawnictwo Akademii Ekonomicznej w Poznaniu, Poznań 2002, pp. 24-25.

⁸ K. Karteczko, J. Grafowski, A. Wrzosek: Analysis of Poland's Competitive Advantages on the International Tourism Market. Pub. The Foreign Trade Research Institute. Warsaw 2003, pp. 31-34.

WP – natural environment qualities (all the elements of natural environment of positive qualities, but also negative characteristics of natural environment e.g. water and air pollution, vicinity of production plants, etc.);
ZS – resident community (i.a. the number and socio-demographic structure of the resident population, its openness and culture of being);
WK – cultural qualities (of material nature, e.g. historic buildings, works of art and of non-material nature, e.g. festivals, rites and customs);
DK – transport availability (transport, communications, network of roads and motorways, airports, harbours, ports, etc.);
RS – recreation and sports (sports and recreation facilities and centres, skating rinks, golf courses, entertainment parks, race courses, stadiums, routes, bicycle paths etc.);
CO – “political factors, socio-economic environment of the tourism industry, institutional and legal conditions, organisations and management, development financing”⁹;
WZ – purchase conditions (i.a. shopping centres, market places);
PP – work productivity of the tourism sector (it is a synthetic measure of work quality).

This is a highly developed model, however, it does not exhaust the list of all the attractiveness components in practice, and depending on the type and form of tourism, may be enriched with new components.

Investment competitiveness, also known as competitiveness for investors, is usually defined as a combination of four areas, i.e.¹⁰:

- service infrastructure,
- technical infrastructure,
- population relations,
- communes’ finance.

In order to determine any of the areas of tourism attractiveness and investment attractiveness named above, certain measures are assigned, which is described by G. Gołembski and J. Kuczyński in their study¹¹.

Competitive strategies are mainly related to an enterprise¹². Competitive strategies lead to building a competitive advantage.

Competitiveness is analysed at different hierarchy levels of economic systems¹³. The levels can be related to tourism competitiveness. And thus:

⁹ K. Karteczko, J. Grafowski, A. Wrzosek: op. cit., pp. 31-34.

¹⁰ G. Gołembski (ed.): op. cit., p. 25.

¹¹ See: G. Gołembski (ed.): op. cit., pp. 9-46.

¹² See: M. Porter: *Competitive Strategy. Methods of Sectors and Competitors Analysis*. Wydaw. MT Biznes Sp. z o.o., Warsaw 2009.

¹³ See: N. Daszkiewicz: *Competitiveness. The macro, mezzo and micro levels*. Wydawnictwo Naukowe PWN, Warsaw 2008.

- the micro-micro level is a tourism product, which is mostly a tourism event¹⁴,
- the micro level – is a tourism enterprise or – with relation to space – a commune,
- the mezzo level – is an industry, an economy sector, an administrative or tourism region,
- the regional level – groups of countries forming economic unions or tourism regions in the world,
- the global level – tourism economy in the world.

With reference to the levels suggested, competitive criteria can be assigned, which has been demonstrated in figure 2.

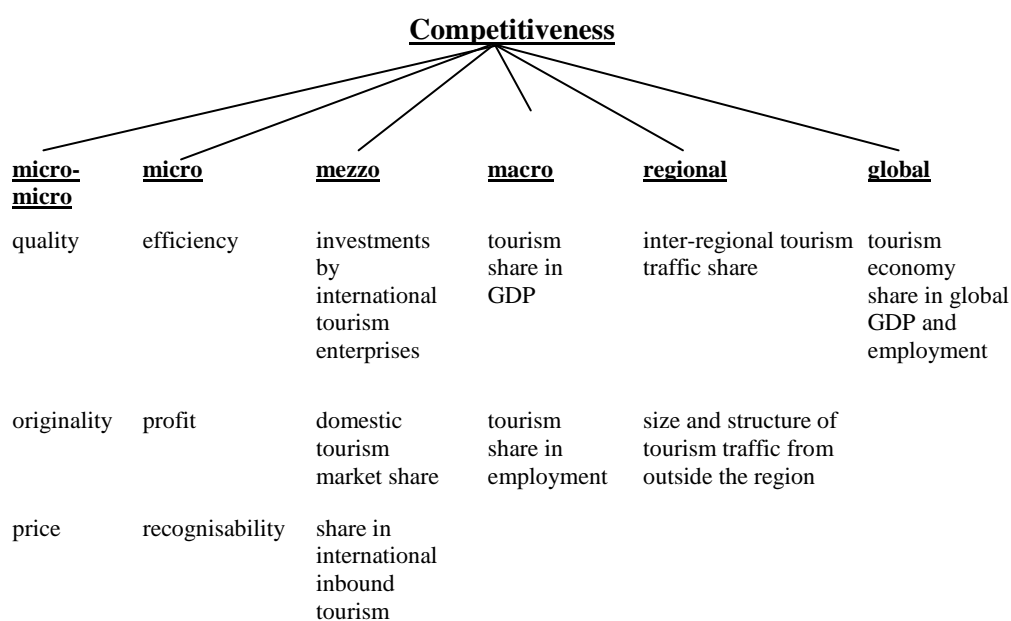


FIGURE 2. Selected criteria of tourism competitiveness
Source: author's own elaboration.

Competitiveness is to be referred to the main economic categories, i.e. supply and demand. Both in theoretical literature and in the economic reality, supply and demand competitiveness is pertained to.

¹⁴ According to the Law on tourism services, a tourism event is at least two services forming a uniform programme and covered with a joint price, if the services covering accommodation or lasting over 24 hours or if the programme includes the change of the place of stay.

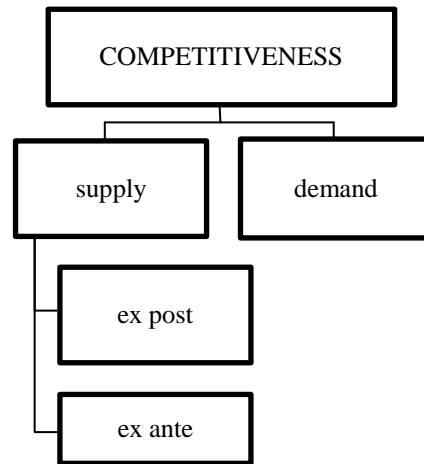


FIGURE 3. Market dimensions of competitiveness
Source: own elaboration based on the Compendium pp. 59-60.

The supply competitiveness refers to a classic situation which takes place on the purchaser's market, with the offerors of goods and services striving for the purchaser's interest. It may also refer to activities conducted in the current moment as well as to intentions for the future. The case when there is a demand surplus over supply is called demand competitiveness. A question may be raised whether nowadays a demand surplus over supply takes place on the tourism market. In spite of numerous tourism offers, a case in which potential tourists strive for tourism products is quite frequent. It refers to children and youth holidays, spa&wellness deals, but also offers by agro-tourism farms. While the first offers are sold on the first come first served basis, the latter ones, offered by small facilities (mainly those of rural tourism), are sold by recommendation of regular customers.

In the case of supply competitiveness, which can be referred to different economy levels, M. Gorynia suggests adopting a terminological convention including¹⁵:

- competitiveness ex post, i.e. current competitive position which has been achieved as a result of a competitive process (competitiveness as a process),
- competitiveness ex ante, i.e. future, prospective competitive position (competitiveness of attributes, results).

Initial conditions (potential of the region), size and type of investment and technology level of exogenous nature, which is consistent with the neo-classical approach, are of fundamental importance for competitiveness¹⁶. In the reference literature, the concept of "learning regions" appears more frequently. It refers to

¹⁵ M. Gorynia, E. Łażniewska (ed.): op. cit., p. 54.

¹⁶ A. Zielińska-Głębocka (ed.): *Industry Localisation and Competitiveness of Polish Regions (in the Context of European Integration)*. Wydaw. Uniwersytetu Gdańskiego, Gdańsk 2008, p. 40.

regions which in particular tend to develop innovations and technical progress. Those regions also tend to develop faster and more dynamically than others. They derive from endogenous resources and learn how to take advantage of them.

The competitiveness of a region is mostly affected by the competitiveness of enterprises operating within it. It can be assumed that competitive strategies of single enterprises form the competitive potential of territorial units. It is entrepreneurs who generate and adapt new ideas which contribute to the region's promotion and allow the entire regions to be identified.

In the underdeveloped regions, which the Eastern borderland of Poland is considered to be, investment of the lowest technological level takes place. Tourism is the branch of economy with a relatively low level of technological saturation, in particular in terms of rural tourism. It is possible to take advantage of the region's potential in rural tourism, which is marginally treated in other branches of economy or even remains unnoticed. Traditional and regional products are an important element of the potential understood in this manner.

Traditional and regional products

The List of Traditional Products was drawn up under *Law of 17 December 2004 on registration and protection of names and designations of agricultural products of agricultural products and foodstuffs and on traditional products* (Journal of Laws No. 10, item 68 of 2005). The list is maintained by the Minister of Agriculture and Rural Development as well as governors of particular provinces. According to the amendment of the Law¹⁷ mentioned above, which came into force on 6 January 2009, products manufactured based on traditional, namely over 25-year old manufacture methods, are entered on the list. Due to this fact, the products are of unique and high quality. Traditional products constitute an element of cultural heritage of the region in which they are manufactured and are an element of the identity of the local community.

At present, the List of Traditional Products encloses 862 items¹⁸. They are marked by significant regional diversity, which has been demonstrated in chart 1.

¹⁷ Law of 24 October 2008 on amending the Law on registration and protection of names and designations of agricultural products of agricultural products and foodstuffs and on traditional products and on amending some other laws. Journal of Laws 216, item 1368.

¹⁸ www.minrol.gov.pl (22.05.2011).

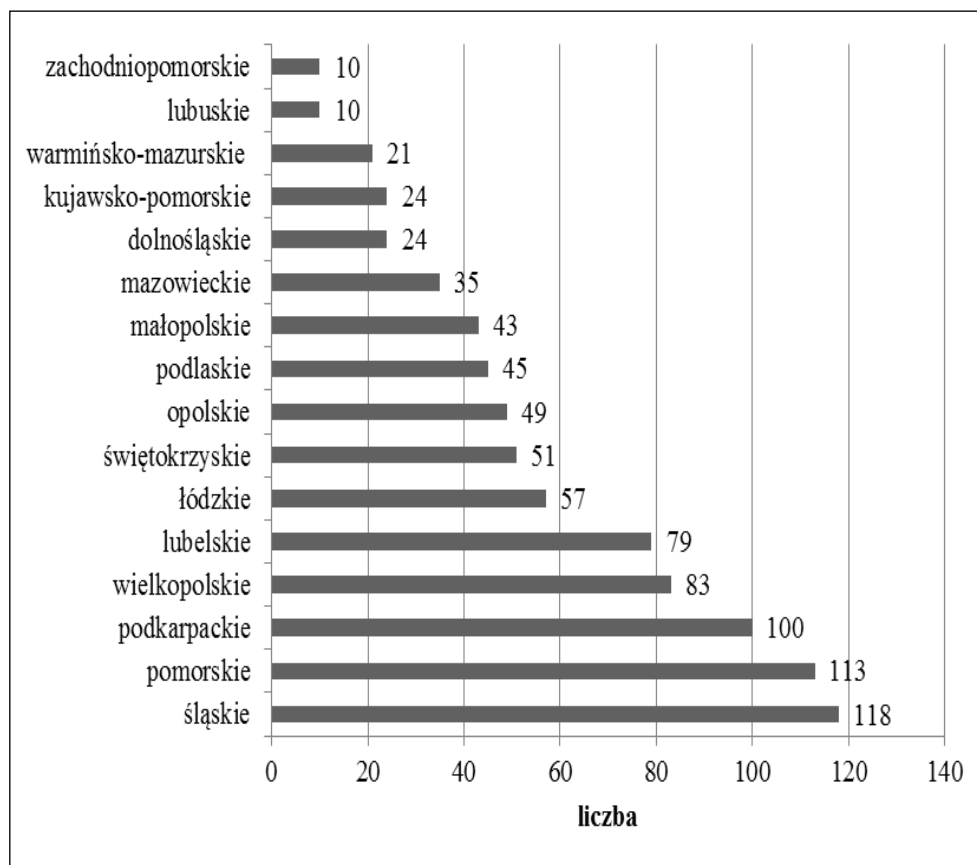


CHART 1. Traditional products by provinces (as at 2011)

Source: author's own elaboration based on: www.minrol.gov.pl (22.05.2011).

The greatest number of traditional products has been submitted from provinces of Silesia, Pomerania and Sub-Carpathia. There are ten-fold fewer submissions recorded in the provinces of Lubuskie and West Pomerania. Among the provinces of the Eastern borderland of Poland, the greatest number of submissions come from the Sub-Carpathian Province (11.6% of all the products included on the list), being mainly meat, bakery and confectionery products as well as instant meals and dishes. The fewest products have been submitted from the Podlaskie Province (5,2% of all the products included on the list).

The products have been classified in several categories, i.e.: dairy products, meat products, fishery products, fruits and vegetables, bakery and confectionery products, oils and fats, honey and mead, instant meals and dishes, beverages and other categories.

TABLE 1. Product categories on the List of Traditional Products by provinces in 2011

Province	Dairy products	Meat products	Fishery products	Fruits and vegetables	Bakery and confectionery products	Oils and fats	Honey and mead	Instant meals and dishes	Beverages	Other
Silesia	11	10	2	8	29	1	3	48	5	1
Pomerania	2	16	7	10	19	2	3	39	13	2
Sub-Carpathian	8	31	-	9	21	-	3	21	7	-
Greater Poland	6	30	-	7	5	6	1	17	9	2
Lublin	1	8	2	4	21	4	7	15	17	-
Łódź	2	9	-	11	17	2	2	10	4	-
Świętokrzyskie	1	13	5	10	8	2	2	5	4	1
Opole	2	8	1	7	10	1	2	13	2	3
Podlaskie	9	5	1	4	8	1	3	9	3	2
Lesser Poland	7	3	1	7	12	-	2	4	4	3
Masovia	15	-	-	4	5	-	2	3	3	3
Lower Silesia	3	1	1	3	6	-	4	3	3	-
Kujawy-Pomerania	-	3	-	2	5	-	1	2	10	1
Warmia-Masuria	3	13	-	1	2	-	1	-	1	-
Lubuskie	-	-	-	1	3	-	1	-	5	-
West Pomerania	-	-	1	3	1	-	1	1	3	-
In total	70	150	21	91	172	19	38	190	93	18

Source: author's own elaboration based on www.minrol.gov.pl (22.05.2011).

The number of products in particular categories is diverse, which table 1 represents. The greatest number of products is included in the category instant meals and dishes (22% of the entire product list), bakery and confectionery products (20%) and meat products (17,4%).

Placing the product on the list enables its promotion and its identification with a specific region, and further with specific products. However, the fact itself does not involve any additional rights for manufacturers, since the registration alone does not mean granting a certificate.

The products under protection are those which have obtained the status of Protected Designation of Origin, Traditional Speciality Guaranteed and Protected Geographical Indication. Legal regulations relating to traditional and regional products have been first of all specified in the following legislative acts of the European Union¹⁹.

- Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed,

¹⁹ www.minrol.gov.pl (22.05.2011).

- Council Regulation (EC) No 510/2006 of 20 March 2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs,
- Commission Regulation (EC) No 1898/2006 of 14 December 2006 laying down detailed rules of implementation of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs,
- Commission Regulation (EC) No 1216/2007 of 18 October 2007 laying down detailed rules for the implementation of Council Regulation (EC) No 509/2006 of 20 March 2006 on agricultural products and foodstuffs as traditional specialities guaranteed,
- Commission Regulation (EC) No 628/2008 of 2 July 2008 amending Regulation (EC) No 1898/2006 laying down detailed rules of implementation of Council Regulation (EC) No 510/2006 on the protection of geographical indications and designations of origin for agricultural products and foodstuffs.

The Protected Designation of Origin can only be granted to a product which fulfils the conditions mentioned below²⁰.

- comes from a given area, a specific place or, in exceptional cases, a country,
- whose quality or properties are significantly or exclusively determined by the geographical environment, including natural and human factors,
- whose technological process, i.e. production, processing and preparation takes place within the determined geographical area.

The name of the product also includes the name of the determined area in which it is manufactured. At present, six Polish products are registered as Protected Designation of Origin, i.e.: *karp zatorski* (Zator carp), *podkarpacki miód spadziowy* (Sub-Carpathian honeydew), *wiśnia nadwiślanka* (Vistula cherry), *redykołka* (Redykołka smoked cheese), *oscypek* (Oscypek smoked cheese), *bryndza podhalańska* (Podhale rennin cheese). Another four products are to be registered: *fasola wrzawska* beans, *miód z Sejneńszczyzny* (honey from Sejny), *Piękny Jaś* beans from the Dunajec Valley as well as the *śliwka szydlowska* (Szydłów prune)²¹.

Protected Geographical Indication refers to products whose at least one phase of manufacture (production, processing and preparation) takes place within the determined area. A specific quality, goodwill or other characteristic property, attributable to its geographical origin. 13 products from Poland have been registered in this category, i.e.: *chleb prądnicki* (Prądnicki bread), *jablka łąckie* (Łącko apples), *śliwka szydlowska* (Szydłów prune), *obwarzanek krakowski* (Kraków pretzel), *kielbasa lisiecka* sausage, *suska sechlońska* prune, *miód kurpiowski* (Kurpie nectar honey), *fasola korczyńska* (Korczyn bean), *truskawka*

²⁰ Compare: www.wrota.podkarpackie.pl.

²¹ www.ec.europa.eu (24.05.2011).

kaszubska (Kashubian strawberry), *andruty kaliskie* (Kalisz wafers), *wielkopolski ser smażony* (Greater Poland fried cheese), *rogal świętomarciński* (St. Martin croissant), *miód wrzosowy z Borów Dolnośląskich* (Heather honey from Bory Dolnośląskie). The following products are to be registered: *jablka grójeckie* (Grójec apples), *kolacz śląski* (Silesian cake), *miód drahimski* (Drahim honey), *jagnięcina podhalańska* (Podhale lamb) as well as *ser koryciński swojski* (Korycin cheese).

Applications for PDO and PGI certificates are submitted by groups of agricultural producers, in exceptional cases, by a single producer. It applies in a case when there is a sole producer of a given product in the determined area and when “the defined geographical area possesses characteristics which differ appreciably from those of neighbouring areas or the characteristics of the product are different from those produced in neighbouring areas” (the exception was introduced under the Commission Regulation (EC) No 1898/2006 of 14 December 2006 laying down detailed rules of implementation of Council Regulation (EC) No 510/2006)²².

In the case of Traditional Speciality Guaranteed, groups of agricultural producers can apply who manufacture agricultural products and foodstuffs which are characteristic for their high quality and traditional composition and are not related to a specific geographically delimited area. There is a possibility to protect a trade mark, however, it is not necessary. At present, eight Polish products have obtained the TSG status, including: *kielbasa jałowcowa* (smoked juniper sausage), *kielbasa myśliwska* (Hunter’s sausage), *pierekaczewnik* (Tatar pastry), *olej rydzowy* (oil) and meads (*dwójniak*, *trójniak*, *półtorak* and *czwórniak*), with *kabanosy* (Kabanos sausages) still to be registered.



FIGURE 4. Logos of Protected Designation of Origin, Protected Geographical Indication and Traditional Speciality Guaranteed
Source: www.minrol.gov.pl.

The way to obtain the PDO, PGI and TSG certificates is rather time-consuming. A group of agricultural producers (in exceptional cases, a single producer in case of PDO and PGI) submits an application to a competent body (Ministry of Agriculture and Rural Development in Poland), which verifies the

²² www.minrol.gov.pl (22.05.2011).

documentation submitted and announces the submission of a motion for other producers to optionally get acquainted with it. Subsequently, national authorities forward the motion to the European Commission, which has six months to verify it. Following that period, the information on the product submitted is published in the Official Journal of the European Union and the Member States have six months to raise objections. After this period, the motion is approved and repeatedly published in the Official Journal of the European Union. In the course of the registration process, products applying for PDO and PGI certification are under temporary domestic protection.

Characteristics of the Eastern borderland of Poland

For the purpose of this dissertation, it has been assumed that the Eastern borderland of Poland is an area of three provinces located along the border, i.e. the Podlaskie, Lublin and Sub-Carpathian provinces. Among the provinces mentioned above, the Sub-Carpathian Province is the smallest in terms of its size, while the Lublin Province – the largest (table 2)

TABLE 2. Area and population in the area of study in 2009

Province	Area in km ²	Population				
		in k	per 1 km ²	Residing in the countryside in % of the population in total	in the age below 25 years in %	in the age of 65 years and more in %
Lublin	25122	2157,2	86	53,3	30,8	14,4
Sub-Carpathian	17845	2101,4	118	58,9	32,1	13,1
Podlaskie	20187	1189,7	59	39,8	30,7	14,8

Source: author's own elaboration based on: Statistical Yearbook of Polish Provinces. Central Statistical Office, Warsaw 2010.

The area of Eastern provinces is relatively low populated. The average density of population in the provinces mentioned above is lower than the national average, amounting to 122 people per km². The Podlaskie Province has the lowest value of this measure. In this province, the share of population residing in the countryside is also the lowest and it is approximate to the national average of 39%. The share of the population in the age below 25 years and over 65 years is at the approximate level in particular provinces and it does not excessively diverge from the national average.

The area of the Eastern borderland of Poland is predominated by agriculture. The share of farm lands is the greatest in the Lublin Province (table 3), and the lowest in the Sub-Carpathian Province. There is also the lowest average size of an agricultural farm. Alone in the Lublin Province, the share of forests is lower than the national average (29,1%).

TABLE 3. The share of farm land and forests and the average size of agricultural farm in the Eastern provinces of Poland

Province	Farm lands	Forestation rate	Average area of an individual agricultural farm in ha of arable lands
	in % of the area		
Lublin	63,1	22,8	7,1
Sub-Carpathian	42,0	32,7	3,7
Podlaskie	56,9	30,4	11,9

Source: author's own elaboration based on: Statistical Yearbook of Polish Provinces. Central Statistical Office, Warsaw 2010.

There is a diverse level of agricultural development in the area mentioned above. The Podlaskie Province is mainly associated with dairy production, which grows from one year to another, which the increase in the head of milk cows is an evidence for (55,9 heads of livestock per 100 ha of arable lands, with the national average of 32,7), but also an increasingly large area of grasslands, currently making up 35,4% of the arable area²³.

The structure of arable areas is slightly different in the Lublin province. In terms of field crops, corn prevails (78% of the entire area of the sowing), but ground vegetables, fruits (mainly strawberries), edible leguminous plants as well as hop and tobacco are grown in large amounts. Permanent cultivations covering fruit tree and bush plantations and their nurseries as well as nurseries of ornamental trees and shrubs and others play a significant role²⁴.

The most difficult conditions for the development of agriculture prevail in the Sub-Carpathian Province, which is both due to the dispersion of farms as well as the quality of soils. Cultivation of crops and potatoes is predominant. In the recent years, numerous vineyards have been established. Grapevine growing should rather be treated as an attempt to enhance tourism attractiveness of the region than to change the direction of agricultural production. It is estimated that within this province 100 vineyards operate, out of which 40 form the Sub-Carpathian Trail of Vineyards.

The agricultural nature of the Eastern borderland of Poland is also reflected in the measures demonstrated in table 4.

TABLE 4. Selected measures of economy development in the Eastern provinces of Poland

Province	Entities of national economy registered in the Regon register as per 10k of population	Expenditure for innovative activities in terms of industry production and process innovations in mil. PLN
Lublin	724	495,5
Sub-Carpathian	690	949,2
Podlaskie	753	273,2

Source: author's own elaboration based on: Statistical Yearbook of Polish Provinces. Central Statistical Office, Warsaw 2010.

²³ www.wrotapodlasia.pl (22.05.2011).

²⁴ See: www.lubelskie.pl.

In terms of the number of entities of national economy registered in the Regon register, the provinces mentioned above take the last positions in the country. The average value of the measure for Poland amounts to 981. As is has been previously mentioned, innovation is one of the determinants of competitiveness. Meanwhile, the amount of expenditure for activities in terms of product and process innovations is relatively low. The Podlaskie Province occupies the lowest position (table 4), with the 15th spot in the country, while the Sub-Carpathian Province takes the 10th position.

The issue discussed herein is the possibility to use traditional products for improving tourism competitiveness of the Eastern borderland of Poland, therefore the condition and capacity for tourism development should be discussed in detail.

Conditions for tourism development in this area can be assessed as favourable, mainly due to tourism qualities (of natural and anthropogenic origin), which allow to realise different forms of tourism, i.e. health tourism, relaxation, touring, ethnic tourism, qualified tourism, agro-tourism or numerous forms of hobby tourism (e.g. enotourism, ornithology tourism, heritage-based tourism, and angling tourism etc.)

Above all, the following qualities reflect the variety of nature:

- numerous landscape and national parks (e.g. The Wigry National Park, the Knyszyn Forest Landscape Park, the Podlaskie Bug Gorge Landscape Park, the South Roztocze Landscape Park);
- reserves (e.g. the Pomeranian Province with the oldest forest stand of the Augustów Primeval Forest, Czechy Orlańskie, the Uszeście Mountain, Roskosz, the West Polesie Biosphere Reserve);
- the European Ecological NATURA 2000 Network;
- nature monuments (trees and erratic boulders);
- seas and other reservoirs (e.g. the Szelment Wielki Lake and Szelment Mały Lake, the Husynne Reservoir);
- watercourses (e.g. Czarna Hańcza, Bug, San);
- numerous protected species of flora and fauna (e.g. the Spotted gopher (*Citellus suslicus*), Marsh Labrador Tea (*Ledum palustre*), Grey Heron (*Ardea cinerea*);
- clear air (the communes of study in the Podlaskie Province are located within the area of the Green Lungs of Poland).

Cultural qualities are also extremely abundant, including both numerous secular and sacred building as well as animated culture.

Following examples can be named: the Augustów Canal, the Orthodox Church and the Uniate Cemetery in Pratulin, the urban-rural Krynki Commune, and the Palace of Suchodolski family in Dorohusk. In this area, Orthodox and Uniate churches are extremely numerous. Some of them are originally equipped as from the 17th/18th century (e.g. in Chotyńiec, Uhrusk, Horodło, Mielnik). In many localities, there are over 100-year buildings preserved (log cabins, mills, windmills

etc.) and military cemeteries (from the periods of the First and Second World War) and civil cemeteries (of different religions), as well as remains of military fortifications (e.g. the Molotov Line in the area of Radymno).

The accommodation facilities are relatively underdeveloped.

TABLE 5. Accommodation facilities in the area of the Eastern borderland of Poland

Province	The number of group accommodation facilities*	The number of accommodation places in group accommodation facilities in k*	Lodging capacity exploitation of group accommodation facilities in %*	The number of agro-tourism farms**
Lublin	285	18,9	35,6	275
Sub-Carpathian	369	22,2	32,0	1016
Podlaskie	168	11,4	29,1	519

Source: * author's own elaboration based on: Statistical Yearbook of Polish Provinces. Central Statistical Office, Warsaw 2010, data for 2009; ** data from the Institute of Tourism for 2007.

One of the dimensions of competitiveness is the size of tourism traffic, which has been previously mentioned.

TABLE 6. Domestic and international tourism traffic volume in Poland by provinces and number of trips in 2009 (in mil.)

Province	Short-term domestic traffic	Long-term domestic traffic	International inbound tourism
Lower Silesia	1,8	1,0	1,2
Kujawy-Pomerania	1,0	0,8	0,2
Lublin	1,0	0,7	0,8
Lubuskie	0,5	0,4	0,8
Łódź	0,9	0,3	0,4
Lesser Poland	1,2	1,2	1,5
Masovia	2,4	1,1	2,1
Opole	0,4	0,3	0,3
Sub-Carpathian	0,8	0,9	0,5
Podlaskie	0,4	0,4	0,7
Pomerania	1,6	2,1	0,8
Silesia	1,1	0,7	0,7
Świętokrzyskie	0,6	0,3	0,1
Warmia-Masuria	1,0	1,0	0,4
Greater Poland	1,8	0,6	0,9
West Pomerania	1,6	1,9	1,4

Source: author's own elaboration based on the data from the Institute of Tourism. www.intur.com.pl. The Eastern provinces of Poland are not of particular interest by tourists, which is reflected in the size of domestic and international tourism traffic.

Regional products and their position in the tourism offer of the Eastern borderland of Poland

On the one hand, traditional and regional products are an element of cultural heritage of a given area, on the other hand, they can be treated as a tourism

attraction. The revival of traditional, often long forgotten, recipes, can be in particular observed in agro-tourism farms.

A wide range of promotion activities are an opportunity for promoting agro-tourism farms, including dishes of regional cuisine. In the Podlaskie Province, the Podlaskie Jadło Association has been brought into existence in order to realise the objective. The main directions of the Association activity are²⁵:

- promotion of culture and culinary traditions of the Podlaskie Province,
- the development of the regional market of traditional dishes and their manufacturers by seeking and promoting regional products,
- animation of residents of towns and villages, by fostering ancient culinary tradition,
- running promotion campaigns under the slogan : *Cudze chwalicie-swego nie znacie* (*The grass is always greener on the other side of the fence*), whose aim is to protect regional food products and establish the habit in the society to buy regional products,
- participation in programmes on ecological rural development and agro-tourism growth and promotion,
- promoting wholefood and herbal medicine,
- promoting high quality, environmental friendly production, including respect for consumer rights for natural and healthy products,
- training, educational and promotion activities.

In the Podlaskie Province, numerous events promoting regional cuisine are held. The Province Governor's Office is an organiser and initiator of the *Podlaska Marka Roku* (*Podlaskie Region Brand*) competition. The aim of the competition is to select and promote culinary products, places, projects and products and services, which due to their quality, unique qualities and relations to the Podlaskie Province represent an outstanding level and thus build the positive image of the region. The title of the *Podlaska Marki Roku* (*Podlaskie Region Brand*) is granted in four categories: *Taste*, *Place*, *Project* and *Product*. Among the prize-winners in the *Taste* category the owners of an agro-tourism farm "Tatarska Jurta" of Dżenneta Bogdanowicz (in 2005 *kolduny* (dumplings) took the 1st place, in 2004 *pierekaczewnik* took the 1st Award, in 2007 the Tatar dessert "Listkowiec" along with the "Kruszynianka" tea was granted the 2nd Award). The locality Kruszyniany alone took the 2nd Award in the category *Place* in 2006. In 2005, the quern bread submitted by the owners of the agro-tourism farm "Młynareczka" in Malewicz Górne was granted the 1st Award.

In the Podlaskie Province, a range of events is held, in which local manufacturers have an opportunity to present their self-made dishes. *Spotkania z Naturą i Sztuką "Uroczysko"* (*Meetings with Nature and Art*), held at the turn of May and June in Supraśl may serve as an example. During the event, World

²⁵ Compare: www.wrotapodlasia.pl (22.05.2011).

Championships in Baking Potato Sausage and Potato Pound Cake and a Liquor Contest are held. Other examples of this kind of events are as follows: *Podlaskie Święto Chleba* (Podlaskie Bread Feast) in the Museum of Agriculture in Ciechanowiec, *Biesiada Miodowa* (Podlaskie Honey and Mead Feast) in Kurów, and the National Strawberry Day in Korycin.

From the area of the Podlaskie Province, only 45 traditional products have been submitted, including *miód z Sejneńszczyzny* (honey from Sejny) to be registered as PDO and *ser koryciński* (Korycin cheese) to be registered as PGI. The already registered and probably the most popular traditional product in the Podlaskie Province is *pierekaczewnik* (Tatar pastry), which obtained the status of Traditional Speciality Guaranteed on 29 June 2009. This product along with a range of other Tatar dishes is a highlight in the agro-tourism farm Tatarska Jurta, located in Kruszyniany in the Krynki commune. The farm was founded in 2003 in order to preserve Tatar tradition and culture. The owner of the farm is the Tatar family of Bogdanowicze. According to the owners, it is the Tatar food which is the main highlight of the farm. There are 12 accommodation places in 5 rooms and original Tatar yurts available for guests. The originality of this place made it vastly popular with various media, mainly press and television. Articles on the agro-tourism farm and the dishes made there can be found i.a. in the National Geographic, the Rzeczpospolita newspaper and Newsweek. The series *Podróże kulinarne Roberta Makłowicza* (Robert Makłowicz's Culinary Travels) has undoubtedly contributed to the promotion of this place. During his visit to Poland in 2010, heir apparent Prince Charles had an opportunity to taste the dish, moreover, in the place of its manufacture.

According to the owner Dżenneta Bogdanowicz, the fact of including *pierekaczewnik* to the List of Traditional Products and its registration as Traditional Speciality Guaranteed was an extremely important element for the promotion of her agro-tourism farm.

On the list of traditional products, there are 79 items submitted from the Lublin Province, mainly baking and confectionery products, beverages and instant dishes, which is shown in table 1. It should be highlighted that in the category *beverages* there is the greatest number of products submitted from the Lublin Province (18.3% of all the products included in the category). Among them, mead recognised as Traditional Speciality Guaranteed can be found. A combination of traditional products and tourism can also be observed during the events like *Lublin Regional Dishes Festival: Culinary Heritage of the Lublin Province*. This is a competition organised within the LUBTOUR Tourism Fair. The organisers of the competition are the Lublin Regional Tourism Organisation along with the Lublin Agro-Tourism Association. The event is subsidised by the Polish Tourism Organisation.

Increasingly greater demand for regional and traditional meals and dishes not only leads to a greater number of agro-tourism farms, but also mass catering

facilities, including such dishes in their menus. The Lublin Hotel and Restaurant Owners' Cluster, uniting 80 entrepreneurs, serves an interesting example of the owners of restaurant and hotel facilities in this respect. According to the member of the cluster, "it was founded in order to point to and make the visitors sensitive to the beauty of local cuisine"²⁶. Regional cuisine is considered by entrepreneurs as an opportunity to improve competitiveness and enhance the economic potential of hotel and restaurant owners in the Lublin Province.

In the area of the Sub-Carpathian Province, there are 100 traditional products registered. Among the products which have been granted the EU certificates within PDO, a product from the Sub-Carpathian Province can also be found, *podkarpacki miód spadziowy* (Sub-Carpathian honeydew) (PDO), with *fasola wrzawska* beans to be registered in the same category.

The Sub-Carpathian cuisine is mainly associated with sour soup or dumplings, however, the range of local dishes is significantly greater, including *hartacze*, *krężalki*, *kugiel*, *bulwiok*, *haluszki*, *małdrzyk*, *szabanka*, *balabuchy* or *krupniak*. These products are "sub-local" and are difficult to be found in mass catering facilities or be bought at shops or shopping centres. They can only be found or tasted when one knows the manufacturer's address, mostly being the farmers' wives' associations or owners of agro-tourism farms.

A great number of organisations is involved in promotion of traditional products in the Sub-Carpathian Province, among them mainly the Association for Development and Promotion of the Sub-Carpathian Province "Pro Carpathia". The organisation has been operating since 2004, realising numerous domestic and international projects, aimed at the activation of the local society. Another interesting cross-border project is *Tourism without Borders – strengthening cross-border cooperation in tourism based on environmental sustainability*, which aims to popularise the Polish-Slovak borderland and to develop tourism within this area. The project corresponds with the domestic projects realised by the Association, e.g. *Sub-Carpathian Flavours Trail* or *Regional product in mass reception*. *The objective of the first programme was mainly to "animate local communities, concerning the development of culinary regional and local products"*²⁷, while of the latter mass recognition of the already existing regional products of the Sub-Carpathian Province as well as promotion of new products.

In favour of the regional products to be regained, the Sub-Carpathian Agro-Tourism Association operates, which unites over 60 owners of agro-tourism farms. Over half of them offer catering also including traditional dishes. The owners of agro-tourism products in the Sub-Carpathian Province are also united in the Agro-Tourism Association – Galician Guest Farms "Bieszczady". 260 owners of agro-tourism farms are its members. In these farms, traditional dishes can also be found in the menus.

²⁶ www.krih.pl (22.05.2011).

²⁷ www.procarpathia.pl (22.05.2011).

Traditional products are not highlighted in the programme of measures by the Sub-Carpathian Regional Tourism Organisation. Among 21 measures planned for realisation for 2011, the Sub-Carpathian wine trails have been mentioned in terms of creation and promotion of new products. It is the more interesting that wine has not been included on the list of traditional products from this area.

Conclusions

With relation to Porter's remarks that countries and regions build their competitiveness not based on similarities, but on differences, it can be stated that traditional and regional products are exactly the element which makes particular regions different. Their participation in building tourism competitive potential may be significant. In particular, it relates to rural tourism, which is, by definition, related to the region in which it develops. The brief analysis allows formulating a thesis that there is a significant potential in the Eastern borderland of Poland in this respect, however, it is remotely used. In order to determine the causes of the state of affairs, an empirical study is required, which the author is to embark on.

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CHAPTER IV

Events as means of promotion

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Abstract

Promotion has become an indispensable and essential element of every organizational unit which wants to become known in certain groups of consumers. It offers a lot of various tools which can help achieve certain defined goals. However, one of them is particularly noteworthy and commonly used, but in a different range and scale – an event. The organization of various events has become one of the fundamental elements in promotion strategies. Nevertheless, if we take the importance of customers' loyalty into account as an indicator of a strong brand, the event can become a great tool, which may influence the customers' satisfaction. Obviously, a success in this area may be achieved by hard and intensive work.

Key words: event, promotion.

Introduction

Promotion as a magical set of tools which help every business become known in the 21st century, offers a real set of solutions for everybody who wants to draw extensively from this treasury. A complex composition of promotion-mix has four fundamental groups of instruments at its disposal: advertisement, personal sales, extra promotion and popular recently public relations.

Evolution and the definitions of business events

The history of events is relatively long. Beginning with the ancient times where the inhabitants appreciated the importance of the Greek agora or the Roman forum, through the knights' tournaments in the Middle Ages and church fairs nowadays, everyone appreciates the importance and the scale of effectiveness of events. The organization of such kind of events used to be the authorities' domain. Nowadays events play a more and more important role in almost every business and its marketing strategy. The companies convey vital information and treat this form as one of the most effective means of communication with the client. Undoubtedly an invaluable advantage of the event is immediate feedback, the possibility to receive information from the customers straight away.

In the past business events were used to internal communication. Their aim was to establish a rapport between a worker and the executives, as well as creating

loyalty towards the company. Such events were organized by the companies' themselves and their scope was not more than local. The traditional meetings included¹:

- board meetings,
- business meetings,
- events to honour the clients,
- conferences,
- conventions,
- corporate presentations,
- events to honour the workers,
- trade fairs.

The progress of technology, the need of new solutions in the area of communication with the outside circle of people, brought a new dimension to the event. It has become a dynamic marketing and public relations tool used by companies regardless of their size.

Nowadays one of the most advanced are among others²:

- individual training seminars which include emotional and physical challenges,
- executive meetings in the field,
- formal fund-raising events,
- award ceremonies,
- the right to the name (the owner gives the right to name a building, a place, an event, etc. in return for money or investments),
- product- launch events,
- product placement³.

The aim of the events is to get to the wide spectrum of customers. It is the direct way of contact with the clients. The event is an unusual and unique enterprise, carefully planned, which due to a certain budget and the effort of people is a source of emotions and experiences, which are the aim of the organizers. However, this aim is of importance in the marketing spectrum, as well as in public relations, political, social, recreational, cultural, charitable or psychological spectrum⁴. The event is based on the organization of special events which aim at giving the company wide publicity through excellent setting and atmosphere which stays in

¹ J. Allen: *Imprezy korporacyjne*. Wydaw. Wolters Kluwer Polska, Warszawa 2009, p. 21.

² *Ibidem*, p. 22.

³ One of the techniques used as means of advertisement of service and products with the use of films. The mechanism of product placement is based on placing the product in mass media in such a way that it encourages customers unconsciously to buy it and use, however without typical advertisement. In public relations product placement is used to create certain elements of the image of the brand. Such method of promotion can be used in film by using certain products or its trademark in particular scenes. The definition after J. Ołędzki, D. Tworzydło: *Leksykon Public Relations*. Wydaw. Newslime Sp. z o.o i Bonus Liber Sp. z o.o, Rzeszów 2009, p. 135.

⁴ B. Bączek: *Psychologia eventów*. Wydaw. Stageman Polska, Warszawa 2007, p. 7.

the minds of the customers for a long time. However, they require very good preparation. If their aim is taken into account they are mainly directed to workers and partners of the company, so called business events (conferences, trade fairs, celebrations for workers and their families), motivating events (trips, trainings, visiting similar companies, prize-giving ceremonies, family picnics) and events for present and potential clients (open days, outdoor parties). Events can be either open or closed when directed to a particular group of participants. They often use team building strategies which aim at building up loyalty and integration with the company and the team (paintball, gokarts, and extreme sports- balloon flights, bungee jumping, paragliding, skiing *ruade*, survival courses)⁵:

- *Mass and recreational events*⁶ – as the only ones in Poland they are precisely defined by the Polish law. In accordance with article §3 point 1 (Dz. U. z 2001 r. nr 120, poz. 1298 z późn. zm. § 3 pkt 1) a mass event is sporting, artistic or entertaining event where not less than 1000 people are gathered on the stadium or in some other place but not in a building or in case of a sports hall or some other suitable building, not less than 300 people. In article §3 of the act some obligatory requirements are also included, out of which the first two have to occur together:
 - The character of the event has to be formulated precisely – a sporting, artistic or entertaining event.
 - Certain number of seats has to be prepared for the participants of the event.
 - No exclusion is possible from article §3a. The article states that mass events in the sense of the act are not events which take place in the theatres, opera houses, operettas, concert halls, cinemas, museums, libraries, community centres and art galleries, nor the events organized in educational institutions, sports events organized only for disabled people, events where children and youths compete and recreational events. The term “recreational events” appears the act on the 18th January in 1996 about physical culture (Dz. U. z 2001 r. nr 81, poz. 889 z późn. zm.), however this act itself does not describe precisely the term “recreational event”. In article §3 point 8 it only includes a legal definition of the so called physical recreation, which is a form of physical activity to rest and rejuvenate. This term can be helpful to specify more closely the term “recreational event”. The emphasis was placed on the aim of the recreational activity. It is a kind of a physical activity which aims at having a rest or rejuvenating. Apart from the regulations mentioned above in the paragraph, the subject of recreational activity is regulated in article

⁵ J. Piesiewicz: Eventy jako wybrane narzędzie Public Relations w kreowaniu wizerunku firmy. Praca magisterska pod kierunkiem A. Werenowskiej. WSiFiZ w Warszawie, Warszawa 2009, p. 40.

⁶ Biuletyn Prawny Komendy Głównej Policji 2005 no. 1 (24).

§42 of the act about the physical culture. In section 1, different subjects responsible for the organization of recreational activities and responsible for creating technical and financial background are mentioned. The local authorities are one of them.

Organizational units which are created by the subjects mentioned in the article above will be more often than not responsible for the organization of recreational events. All the organizers of such events have to fulfill the requirements included in the act about physical culture and the executive orders issued by the Minister of Sport and Physical Culture. For example, in accordance with article §44 section 1, mentioned above, only a qualified Physical Education teacher or a person with qualifications but regulated by a different regulation can conduct organized recreational activities. Without meeting these requirements it will not be a recreational event. However, the order issued on 12th September 2001 by the Minister of Education in accordance with article §42 section 3 of the act about physical culture, concerning particular rules and conditions about carrying out physical activities (Dz. U. nr 101, poz. 1095), describes in article §1 the range of the organized activities in the field of recreational activity.

Not only does it include activities which comprise different forms of recreational activities (point 1) but also different ways of active leisure pursuits both sporting and recreational, mainly camping, camps, expeditions, rallies, canoeing trips, tournaments, fairs, amateur contests (point 2). Due to the fact that there is not a definition or any more precise explanation of “recreational event” in the legal acts, where it occurs and regulates if the event is the recreational event or not, each time there has to be an investigation if the event meets the requirements included in the act about physical culture and in the executive orders issued by the Minister of Sport and Physical Culture.

- *Events on the market square*⁷
 - Fairs – they are events which last for a defined period of time and take place with certain frequency. They are events where the companies present a wide range of their products from one or many industrial lines and they usually sell their samples (patterns). Professionals from different trades, for instance automotive, agricultural and industrial, cosmetic, are usually the participants of these events.
 - Exhibitions - they are events which last for a defined period of time, take place with certain frequency. They are events where the companies present a representative group of products from one or

⁷ Definicja określona przez Polska Izbę Przemysłu Targowego.

a few industrial lines and sell the products or inform about them in order to promote them. Exhibitions usually attract much attention.

The Global Association of the Exhibition Industry – UFI described the conditions which have to be met in order to organize the event on the market square:

- a. The event on the market square can be described as international if:
 - The number of all present overseas exhibitors constitute at least 20% of all;
 - The number of overseas tourists constitute at least 4% of all; 20% of the whole net surface let in the fairs is rented by the overseas exhibitors.
- b. Domestic – the participants of the fairs come from out of the region where the fairs are organized;
- c. Regional – the participants come from the region or the voivodeship.

- *Conferences* – none of the organizations which form an association with the organizers and which set the standards of the events described what a conference really is. The conference is the event which gathers about 100 participants and lasts at least one day. During the conferences there are usually lectures (presentations) presented by the experts and practitioners in the particular field. The lectures are accompanied with a panel discussion which ends one part of the meeting or summarizes everything.

There are the following types of meetings as part of the conference:

- Congress (convention) - the number of the participants varies from 100 to over 1000. They usually come for a particular lecture or panel. The meetings often last a few days, exclusively in the weekends. There are parallel lecture sessions, posters or discussions panels, accompanying events (e.g. trips, concerts, shows).
- Workshops, Seminars – their aim is to elaborate on the particular issue with the expert, accompanied with the possibility to take part in classes. They usually last a few days and they are conducted in an interactive way. Only 20 participants can take part in such lectures;
- Roadshows – a series of meetings organized in different places, directed to the same target group. The same experts usually give talks on the same subject in each place. The quality and the formula have to be the same everywhere.
- Workers' events⁸ – they are organized for workers and partners of the company. They can last from a few hours up to several days. It is the time when the organizer informs the participants about strategic and important issues for the company. Workers' events are also described

⁸ www.proto.pl (07.03.2008).

as incentives where integration and motivation of the participants are extra elements. More often than not the events for workers are divided into two parts: training and entertainment, or they are organized in the form of a trip;

- Charitable events⁹ (benevolent) – this term can describe various kinds of events. Concerts, balls, picnics, ceremonial suppers or afternoon snacks, bike rallies, plein-air workshops are only some of the examples of events which can help raise money for the community. Different methods are used while raising money during charitable events, namely: going around with a collection box, collecting donations, auctions, lotteries, charity sales, donations paid on a bank account etc.

Due to the fact that the law does not regulate what a charitable event is, thus various regulations are incorporated. Everything depends on the way the money is raised, but also on the size and the character of the event. For instance, when during the picnic the organizer decides to go around with a collection box, s/he has to ask for permission to do it; selling tickets for a concert can be done within business activity (if the organizer does one), it can also be conducted in the form of collecting donations etc. Having decided on the way the money is raised, different regulations and responsibilities have to be checked. In case of any doubts concerning the law regulations and money raising, any questions should be directed to the office of the district authorities or to the tax office;

- Online – events which take place on the internet have become more and more popular if time limits, costs, availability and location are taken into consideration. There can be distinguished the following two:
 - a. Webcast – one of the forms of multimedia presentation sent by the use of stream media (live or on demand). Thanks to that a given subject can be presented easily and quickly¹⁰;
 - b. Podcast – one of the source of audio information, presented on the websides. The information is adjusted to the needs of the listener.

It is very hard to classify the event. Many criteria can be distinguished, namely a place of the event, the ones that are associated explicitly (e.g. Aircrafts Festival in Góraszka, concerts in Jarocin), travelling or stationary. If time limit is considered, the events can last one-day, a few days, or can take place in stages. Regularity is also one of the criteria. There can be distinguished the following types of events:

⁹ D. Głażewska, T. Szimanek, B. Tokarz: Fundraising to sztuka, której się można nauczyć. Dobre pomysły na pozyskiwanie funduszy w lokalnej społeczności. Wydaw. Akademia Rozwoju Filantropii w Polsce, Warszawa 2005, p. 30.

¹⁰ www.microsoft.com (02.03.2008).

one-time, several times or cyclical events. Due to the fact that the events are for different participants, there are two types of events: internal (for the workers) and external. Next, there is the criteria of availability the event can be open for everybody or just for participants with an invitation. In case of range, there can be small, group, mass or global events. The aim of the event is also important. The most common are those to promote the image (a brand, a politician), to enhance sale. Recently, the most wanted are non profit events (charitable, ecological, religious, organizational - ideological). There are also events to promote the product which advertisement is limited (e.g. alcohol) or so called partisan (the product is promoted by a scandal with little expenditure). Thanks to the enormous expansion of the internet, events can be classified in terms of their scope, as online/multimedia and offline. From the point of the participant, events can be described as active or non-active. Next, if the customer's (patron's) loyalty is taken into account, the events can be classified as permanent (Procom Open, Żywiec athletics field meeting) or arbitrary. More often than not the criteria of media publicity or popularity among the participants are the most important for the organizers. Undoubtedly, the benefits for the participants are as the following: meeting celebrities, free gifts, contests, competition, artistic and entertaining experiences, performances, shows and feasts. Finally, the last criterion is connected with the line of business and the type of the event. The following types can be distinguished: musical, sporting and recreational shows, as well as picnics, shows, extreme, visual and multimedia shows, installation, performance, light and sound shows, fireworks shows, fairs, shows for children, festivals, galas, thematic shows, film festivals, jubilee shows, feasts, games, happenings, etc.¹¹

Fair and exhibitions promoting tourist trade services

Fair, one of the types of events, are also one of the instruments of public relations used to promote tourism trade. It is a very effective way of direct communication which is excellent not only to sell services but also to gives the possibility to support the image campaign (figure 1). Currently, the main reason of taking part in the fair is presentation on the market, establishing and maintaining contacts with the clients, partners, suppliers, distributors, decision-makers and also with the media present during the fair. During the fair the participants present all their products and services as well as exchange their views and experiments. Fair is a good way to get to know the competition and all the latest tourist trade trends. They are very profitable, e.g. they are good for the company's image, they enable to establish trade and promotional contacts¹².

¹¹ D. Kolber: Event marketing – historia i systematyka, www.trademarketer.pl.

¹² J. Olędzki, D. Tworzydło (ed.): Leksykon public relations. Wydaw. Nwslne.pl, Rzeszów 2008, p. 166.



FIGURE 1. Tourist trade fair stand
Source: www.krainawokollubina.pl.

Each year there are about 100 tourism fair organized in Poland (figure 2).



FIGURE 2. Selected Polish tourism fair's logo
Source: www.targiw Polsce.com.

During the fair there are a lot of possibilities of promotion. There are numerous publishing materials: leaflets, brochures and other occasional publications for the participants of the fair and displays. They are perfect to promote tourist services.

The organization of the event

A lot of engagement is needed to prepare the event, just like to work out every strategy. First of all, the aims should be formulated by the company and the

chances to achieve them assessed. They can concern promoting the particular brand, respect and trust for the company, as well as integration among the workers etc. It is crucial to establish the target group which determines the form of the event. For instance, special guests are usually invited to the closed events promoting cars. Then individual needs of the clients are met. There is a difference between young and elderly people. If we tackle, e.g. a mixed group of customers of both sexes, men and women's needs should be met. The guests should feel that the organizers thought about them in the process of planning the event. Celebrities and stars are welcome, because thanks to their presence the event has media overtones and becomes more attractive. The place of the event should be also thought over carefully. It should be linked with the aim and the topic of the event. Additionally, accessibility and the date of the enterprise should be considered. It may seem that they are only details, but a wrong date might be the reason of the failure of the whole enterprise. Thus, the organizers should check if the particular date is available or maybe the competitors organize a really interesting event, there is bank holiday or an extremely important session of the Sejm takes place. Consequently, the organizers can be sure that the turnout will be satisfactory and what is of most importance the media will be present. Next, the following factors are also vital: the right artistic programme, lights and musical setting, sound, service, catering, tables' decoration, interior design, an appropriate location or promotional materials. A success constitutes a mixture of elements, both those noticeable for the participants or only for the organizers. It is useful to use the effect of the first impression by choosing, depending on the event, an interesting, surprising or typical design of the invitations. The next important step is the way the invitation is handed in. There are many possibilities in which the aim can be achieved.

The organization of the event also involves planning all the expenditures. Even though each event is unique, there are fixed costs linked with catering, renting a place, security, sound, light, fees for the special guests, printed materials, presents, sometimes accommodation etc.

The event should have its dynamics and pace. Thus a good method is to create so called "minutówka" (an activity what presents all the planned activities step by step). The event has to be interesting. Too long speeches or shows do not attract attention. It is not possible to enumerate all the essential elements, because they differ depending on the event. Everything should be supplied and prepared. The events with shortcomings often end in fiasco¹³.

In the process of planning the event, media and publications are the priorities.

Full success will be achieved when we manage to make the media publish something about the event itself or the company, or which is the best option about the topic we tried to draw attention to by the event. Depending on the aim, the

¹³ P. Sochacki: Event – o czym warto wiedzieć? www.proto.pl.

publication may appear in national, local or trade media. It can be a short material in the press, footage on the TV, a radio report, a picture story in a colour magazine. One of the most popular methods is establishing media sponsors which report on the event in return for promotion in the form of branding during the event, as well as in the materials (posters, invitations, catalogues)¹⁴.

The cooperation with the media involves special preparations. It is useful to mark out the journalists who are specialists in the trade. What is more, it is good to analyse the tones of their articles, if they are negative, positive or indifferent. The invitations should be sent a few days before the date of the event. It is good to deliver them to a particular journalist, not just to send them to the editor-in-chief or to the editorial office. Moreover, just before the event, it is advisable to remind the journalist about the event and receive confirmation. Then we can be sure that the particular person will be present. If the event is in the remote place, transport can be organized for the invited press.

Promotional materials cannot be omitted as their function is to remind the participants about the event and the organizers. They should be interesting, creative and unusual. The era of leashes for keys and stationary comes to an end. Nowadays, the expectations are much higher and more sophisticated. It is good to make use of current trends, e.g. ecology.

Well-prepared materials for the journalists will become a good base for them to make notes or other journalistic forms. It is crucial, while cooperating with the press, to write and send some press notes. They should be consistent with good journalistic job- sparkling, eye-catching and recent, only then they have chances to be published. Thus it is necessary to take advantage of the so called principle of the reversed pyramid. It is also used online, that is why, it is useful to get to know more about it and use it.

The press release consists of several elements: the headline, the lead, the development, the date and the contact. It includes a short information, usually A-4 or A5 with a printed inscription, the address, a hot title, an interesting content and a contact details to a person who is well-informed about the event. Figure 3 presents the elements of the press release.

¹⁴ P. Trochimiuk: Organizacja imprez i sponsoring. [in:] Sztuka public relations. Z doświadczeń polskich praktyków. Wydaw. Związek Firm Public Relations, Warszawa 2006, p. 125.

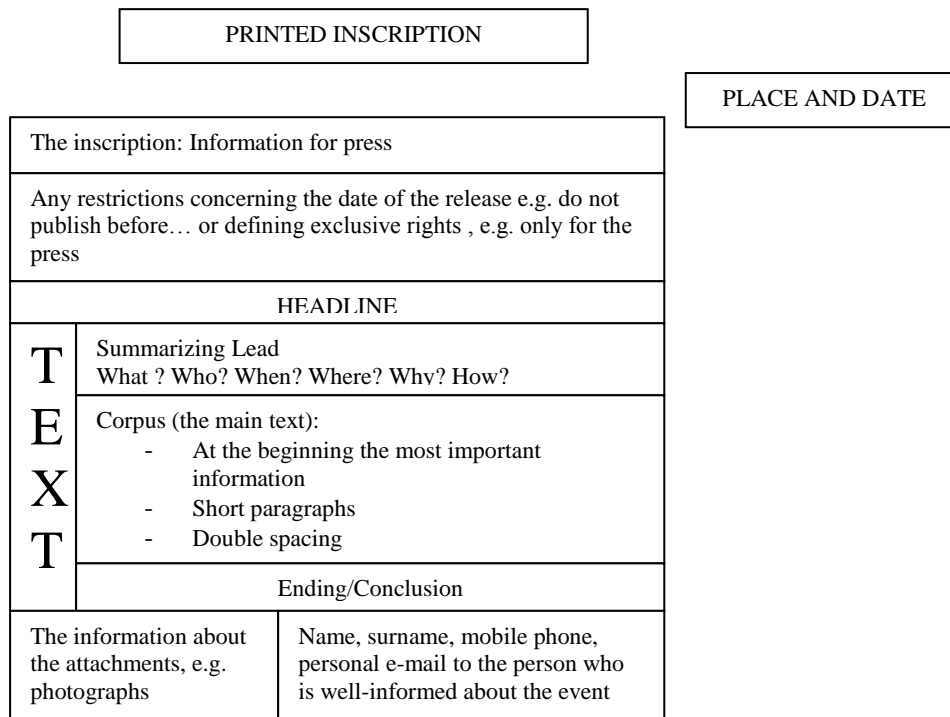


FIGURE 3. The elements of the press release

Source: W. Budzyński: Public relations. Strategia i nowe techniki kreowania wizerunku. Wydaw. Poltext, Warszawa 2008, p. 84.

The effectiveness and research in the event trade

Each event should end with conclusion and summary, which include various elements and information. The date of the beginning of the event and the planned date are vital. Similarly, the amount of time and a number of people who prepare the event should be planned carefully. In the process of realization, the type of the event as well as the number of participants should be also considered. A good summary requires a detail analysis of the event, day-by-day where all the aims (those planned and not) ought to be taken into the consideration. Every evaluation should also contain the initial and final analysis of the budget, final settlements, costs and the complete analysis of the finances. It is good to consider all the unexpected problems or obstacles which occurred during the event, as well as strong points which can be used next time.

The other elements are among the others¹⁵:

1. The evaluation of the benefits from the events in terms of the planned aims.
2. Different types of the events which could bring the same or considerable investment return.

¹⁵ J. Allen: Imprezy korporacyjne. Wydaw. Wolters Kluwer Polska, Warszawa 2009, p. 221.

3. Competitors and their events.
4. If the expectations concerning the event were met.
5. Emotional impressions after the event.
6. Short-term and long-term marketing internal or external benefits.
7. The evaluation of the key elements of the event.
8. The most influential elements.
9. The aims achieved due to the whole event.

There are a lot of benefits from promotion during the event, among others¹⁶:

- the possibility to appeal to various values and tools (directness gives the opportunity to take advantage of almost all the influential tools and incentives),
- varied and free effectiveness on the consumers,
- emotional involvement towards the brand,
- interaction – physical engagement in the marketing process,
- taking advantage of consumers' group behaviour,
- direct contact of the consumer and the brand in all its forms and elements,
- the possibility to emphasize non-material elements of the brand (media, programme),
- the opportunity to observe the consumers' reaction towards the brand.

Every action should end with the evaluation of the effectiveness. The evaluation depends on the aims. The following methods to measure the effectiveness are the most popular, e.g.:

1. The evaluation of the possible selling.
2. The return from the investment.
3. Media monitoring.
4. The number of active participants (e.g. they took part in the lottery).
5. The number of effective participants (e.g. they filled in application forms).
6. The number of given promotional materials.
7. The quality and number of enquires about the company's offers.
8. The number of webpage entrances.
9. The number and the quality of public relations materials which were prepared for the event.

Although there are many attempts to measure the effectiveness of public relations activities, there are not any universal methods. As the result various research is carried out to determine how to measure public research¹⁷.

Due to the fact that media relations are crucial in promotion of every enterprise and that they are quite easy to measure, it is good to use a least some of the well-known methods. There are some of the most popular tools to measure the press release.

¹⁶ D. Kolber: Markowe wydarzenia. „Marketing w Praktyce” 2003 no. 11, p. 21.

¹⁷ J. Olędzki, D. Tworzydło (ed.): Public relations. Znaczenie społeczne i kierunki rozwoju. Wydawnictwo Naukowe PWN, Warszawa 2006, p. 127.

A quick and easy method is to measure the number of press release. However, a drawback of this method is the lack of information: about the length and the tone of the article, the readers, the content. It does not differentiate the length of the publication.

Another method is to estimate the potential number of readers on the basis of circulation and readership. The date is really valuable, on the condition that it comes from reliable sources. It is widely used in marketing and communication. Unfortunately the data is expensive and not easy to receive. It often lacks the information about the target group. The research takes for granted that every reader has read a particular publication. The length of the text is not also differentiated. Consequently, this method of measuring the effectiveness is rather quantitative. Among the methods, used by the PR specialists, Advertising Value Equivalence indicator is very popular. Recently, it has been described as Media Value. It has been introduced to avoid misunderstanding between public relations and advertisement. AVE is the estimated advertisement cost which has its equivalent in the size and place for the text if placed in the newspaper. One of the advantages of this method is the fact that it reflects the length of the text, the perceived image and emotions. AVE indicator is effective if it is used independently or in comparison with the competitors. Unfortunately, this method has drawbacks too. In case when the effectiveness is measured by AVE, however without distinction of positive and negative publications, we have to be aware that the results will not be correct. That is why, this method of measurement is not good in case of public relations.

Publicity Value & Multiplier constitutes another indicator used by the PR specialists. It multiplies AVE by certain number (e.g. 3) in order to gain credibility of press release over advertisement. It confirms the importance of PR activities. Nevertheless, during the presentation, it is necessary to present the methodology used to count this indicator. The Institute for PR Commission on Measurement is against using such practises and claims that such press release is not always more credible than advertisement. In spite of this fact, Publicity Value & Multiplier is still used to measure the effectiveness of press release.

The analysis of the content of the press release is another popular indicator. It investigates the article and its tone. It takes into account such factors as: date of the release, length, place, photographs or a graphic layout, a company, a person or a headline's size. One of the drawbacks is subjectivity if the content is of positive or negative character to the subject described in the article. Moreover, this type of the measurement is obvious for the PR specialists, however not for others receivers.

In 2007 a group of specialists from „Trade Marketer” carried out a research in the event trade. They were online questionnaires conducted on a random group of managers (145 people) who were responsible for preparing events in the companies. The aim of the research was to show the tendencies on the event market. They also wanted to show the direction of the development of events

according to the professionals. The results have indicated that the managers are aware of the constant changes on the market. According to them two segments develop the most rapidly: events for the customers and overseas trips- 22% and 17% of the respondents declared respectively. According to 19% of the respondents the events for the suppliers are not that popular any more. When asked about the most effective measurement concerning the events, 68% of the respondents answered that it is the number of effective participants (e.g. those who bought something) and the number and quality of PR materials. Among 29 groups of various events, the most popular for the respondents were the following: artistic shows (58%), catering (50%), feasts and picnics (49%). The least popular were happenings (65%), fun fair attractions (64%) and circus attractions (63%).

What elements influence the development of the event trade? According to the respondents: awareness to use the events, market pressure (clients, competitors), greater significance of the events in marketing-mix, bigger budget for the events, the increase of influence and perception of the brand. Almost 62% of the respondents admitted that the awareness concerning the use of the events was average, 88% felt the need to create an association for the managers responsible for the organization of the events¹⁸.

Conclusions

The ability to communicate with certain groups has become an indispensable element in the management of every type of company. The advertisement is not always the most appropriate marketing tool and the source of information. Recently, various events deserve attention. Not only the costs but also the customers who are satiated with the advertisement, caused that other forms of promotion have become more and more popular. Since the dawn of time people have strived for direct contacts with other people. Events are excellent opportunity not only to satisfy all these needs but also to receive an immediate feedback.

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¹⁸ J. Kotarbiński: Badania branży eventowej. „Trade Marketer” 2007 no. 3, p. 1.

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CHAPTER V

Rawsko – Ruski Fortified Region as a tourist attraction of Roztocze

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Abstract

The paper is dedicated to the part of the Roztocze's cultural heritage, which are the remnants of the Soviet modern fortifications from 1940-1941, known today as the Molotov Line. It presents its brief history, with focus on Rawsko – Ruski Fortified Region built in Roztocze, as well as some details about equipment and operational history of the fortifications. Second part of the paper concentrates on issues of tourist adaptation of the shelters – from their current condition (including presentation of their most valuable attributes) to the examples of other Polish solutions, possible to implement in local circumstances. Finally, the paper presents some observations about actual tourist use of bunkers of the Rawsko – Ruski Fortified Region and propositions of further improving their potential and tourist attractiveness.

Key words: fortifications, military cultural tourism, Rawsko – Ruski Fortified Region, recomposition, Roztocze.

Introduction

Rural areas are extremely important in persistence and development of modern societies. Although their role is commonly ignored – or even purposely marginalized – they are, because of their main function – food production, the base for human species existence. Reducing utility of rural areas only to this one function is fairly impolitical – for years in science is popular idea of “*multifunctional village*”, which points that country has many other functions with great role for society, e.g. social or tourist. That is because rural areas are perfect for recreation, helping people to keep psychophysical fit. This function became very evident especially during changes of the last two decades – improved mobility, more leisure and popularity of the healthy lifestyle with active rest caused wide spread touristic and recreational use of the country. However, attractiveness of the rural areas bases almost only on the natural and folkloristic aspects, which may cause some weariness or even disaffection among potential tourists, looking for new and extraordinary experiences during their trips. And so, various modern fortifications, mostly situated in the country, have a chance to become objects,

which may attract attention of the people and evaluate into real, fully exploited tourist attractions¹.

Importance of this kind of cultural heritage is multiplied by already noticed by scientists fact of growing popularity of so-called military cultural tourism, which bases on all war and military legacy². Experts estimate the total number of fortifications on Polish territory from all periods for approximately 16 thousands – therefore it is nothing strange in fact, that Poland by people, who are interested in the topic of fortifications, is often called “*European museum of fortification art*”³.

The Molotov Line

Current territory of Poland, due to the complicated history during the last century and many changes of the state borders, is very rich in remnants of the modern dispersed fortification objects. Mainly these remnants are German or Polish origin, but in eastern side of the country there are also ex-Soviet shelters.

Creation of the Soviet border fortifications, which currently are situated on the territory of Poland, was direct result of the pact Ribbentrop – Molotov (signed on 23rd of August, 1939) and its consequences in so-called IVth divide of Rzeczpospolita Polska, made after the common aggression onto Poland by Germany and Union of Soviet Socialist Republics (USSR) in September 1939.

Despite the signed with Germany treaty of non-aggression and officially proclaimed policy of friendship and cooperation, USSR have not resigned from securing its new, western border. Main activity for protecting newly conquered lands was construction of – gigantic in plans – fortified line, known later as the Molotov Line. Decision about its building was taken in June 1940 – long for 1300 km border with Germany (from Połąga to Lesko)⁴ had to be strengthen by approximately 10000 concrete pillboxes⁵. Whole construction process was very well prepared conceptually and based on own experiences (mainly from the war with Finland from years 1939-1940) and observations of other European military conflicts from this times. That resulted in implementing many interesting and technically modern solutions, making newly built fortifications (at least

¹ Their creation bases on 2 key factors: existing value (that means resource approved by tourists) and connected with it tourist development. Z. Kruczek: Polska. Geografia Atrakcji Turystycznych. Proksenia, Kraków 2003, pp. 273-274; A. Jackowski, J. Warszńska: Podstawy geografii turystyki. PWN, Warszawa 1978, pp. 27-28.

² Due to von Rohrscheidt those are “*tourist trips, which concentrate on gaining personal experience or education, with program consisted from sightseeing places or objects connected with war history, military, army and weapons, commanders and soldiers, what mainly decides about will of travelling*”. T. Jędrysiak, A. Mikos von Rohrscheidt: Militarna turystyka kulturowa. PWE, Warszawa 2011, p. 14.

³ Ibidem, p. 9.

⁴ T. Bereza, P. Chmielowiec, J. Grechuta: W cieniu „*Linii Molotowa*”. Ochrona granicy ZSRR z III Rzeszą między Wisznią a Sołokiją w latach 1939-1941. IPN, Rzeszów 2002, p. 43.

⁵ T. Bereza, P. Chmielowiec: Linia Molotowa. Krótka historia i przewodnik po zapomnianych fortyfikacjach na Ziemi Przemyskiej i Roztoczu. Wydawnictwo Regionalnego Ośrodka Kultury, Edukacji i Nauki w Przemyślu, Przemyśl 2000, p. 24.

theoretically) most advanced at their time, not only in USSR (e.g. specification of the Molotov Line was high density of shelters equipped in anti-tank guns, reaching almost half of all objects)⁶. Whole defence line was based on 13 independent Fortified Regions (FR), consisted from two lines – with concrete bunkers (main line) and field objects (rear line). Every FR had over a dozen Centres of Resistance (CR), counting even 20 connected by firepower concrete pillboxes each.

Despite great engagement of people and materials and continuing construction process even in winter 1940/41 the line was never finished. To the moment of German aggression only approximately 2500 pillboxes were made, mainly in CRs of the first line. This decided about lack of continuity of the line, and thus its limited military potential. Range and speed of the works also exceeded capabilities of the Soviet heavy industry – many shelters were not made due to the planned material specifications or fully equipped, in many others constructors have implemented alternative solutions (e.g. montage of elements gained from old Polish border fortifications). Another example of temporary action was digging in old Soviet tanks T-18 without chassis and engine, but equipped with new 45 mm anti-tank gun (almost 700 of such stands were prepared)⁷.

Experts still discuss problem of rightness of constructing the Molotov Line – some of them say, that it was huge mystification and its only purpose was to lull Germans before aggression prepared by Soviets⁸.

Rawsko – Ruski Fortified Region

From 13 border FRs Rawsko – Ruski Fortified Region (RFR) was in most advanced stage of construction in the moment of beginning the German – Soviet war.

Width of RFR was approximately 90 km and its depth approximately 40 km (cover line, two lines with concrete fortifications and two with field fortifications). Two main lines consisted from following CRs: “*Brusno Nowe*”, “*Brusno Stare*”, “*Wielki Dział*”, “*Goraje*”, “*Dęby*”, “*Mosty Małe*”, “*Rzyczki*”, “*Karów*” i “*Chlewczany*” (first line) and “*Rawa Ruska*”, “*Wólka Mazowiecka*”, “*Butyny*” (second line, approximately 10 km after the first one). Main objective of the RFR was defending the strategically important road Tomaszów Lubelski – Rawa Ruska – Lwów. From planned 306 objects till June 1941 only 95 were finished (among them biggest shelters in the whole Molotov Line, with 130 m² usable floor and six embrasures), next 95 was under construction (in different stages). Nowadays on the territory of Poland exist approximately 100 pillboxes of this number⁹.

⁶ R. Jurga, J.E. Kaufmann: *Twierdza Europa*. Wydaw. Bellona, Warszawa 2002, pp. 386-387.

⁷ T. Bereza, P. Chmielowiec: op. cit., p. 28.

⁸ More in: W. Suworow: „*Lodołamacz*”. Wydaw. Editions Spotkania, Warszawa 1992.

⁹ T. Bereza, P. Chmielowiec, J. Grechuta: op. cit., pp. 48-51.

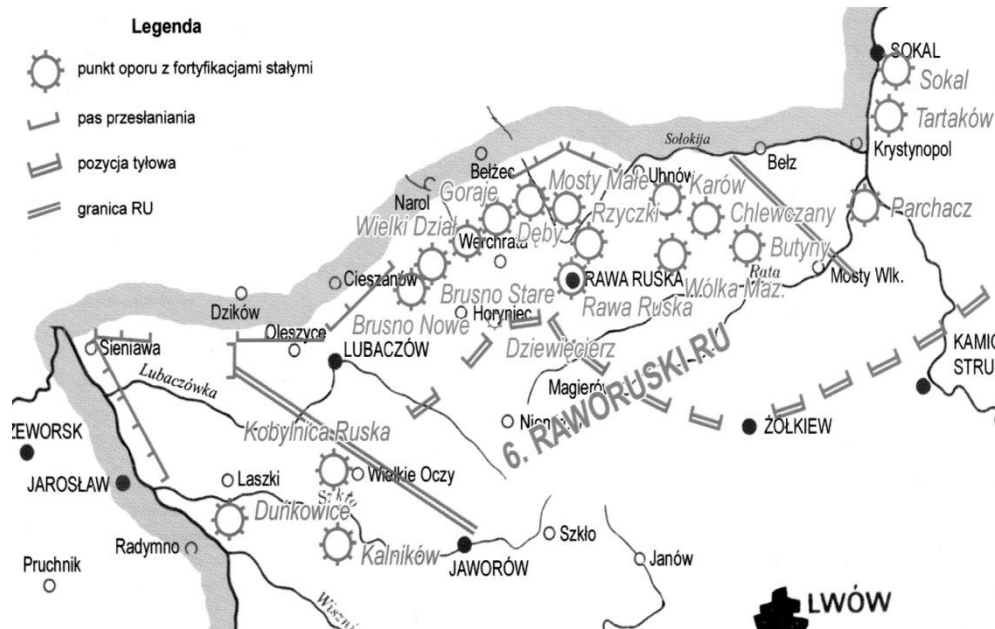


FIGURE 1. Rawsko – Ruski Fortified Region

Source: T. Bereza, P. Chmielowiec, J. Grechuta: *W cieniu „Linii Mołotowa”. Ochrona granicy ZSRR z III Rzeszą między Wisznia a Sołokija w latach 1939-1941*. IPN, Rzeszów 2002, p. 43; description: Tomasz Bereza, Grzegorz Szczepański.

Shelters of the RFR (as well as the whole Molotov Line) may be classified into the one of four groups (some variations may occur, depending on terrain conditions): to the frontal fire (casemates), to the side fire (half-caponiers), to the both sides fire (caponiers for anti-tank guns) and command – observation shelters¹⁰.

Pillboxes, according to the risk of enemy fire, had adequate class of resistance (visible in thickness of their walls and ceilings): strengthened, heavy or mighty.

General characteristic of the fortifications

Despite construction pace and limited material capabilities, Soviet pillboxes were technical masterpieces of the fortification art at these times.

Entrance to each object was through passing compartment, secured by anti-assault grille and covered by one or two loopholes (for crew's armament) for self-defence. From passing compartment, through steel door and gas lock, was possible access inside the shelter. Its central area was corridor with vertical communication shaft and doors to fighting compartments.

¹⁰ T. Bereza, P. Chmielowiec, J. Grechuta: op. cit., p. 43.

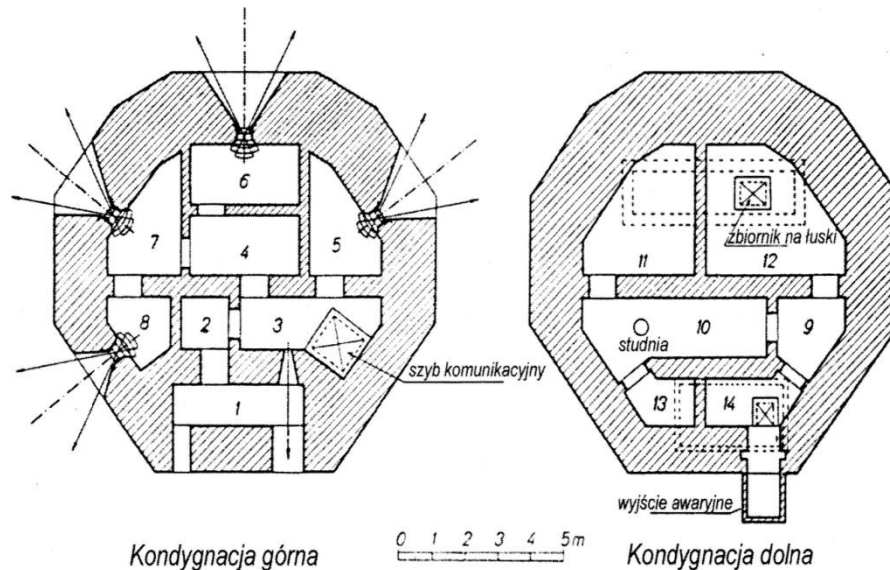


FIGURE 2. Exemplary casemate of the Molotov Line. Legend: 1 – passing compartment; 2 – gas lock; 3 – gas lock with communication shaft; 4 – observer’s compartment; 5 and 7 – fighting compartments for HMG; 6 – fighting compartment for anti-tank gun and HMG; 8 – fighting compartment for light machine gun; 9 – bottom of the communication shaft; 10 – filtration room; 11 – engine room; 12 – crew’s living room; 13 – fuel tank; 14 – emergency exit
 Source: T. Bereza, P. Chmielowiec, J. Grechuta: W cieniu „Linii Mołotowa”. Ochrona granicy ZSRR z III Rzeszą między Wisznją a Sołokiją w latach 1939 – 1941. IPN, Rzeszów 2002, p. 200; after Denkschrift über die russische Landesbefestigung, Berlin 1942, p. 187.

Pillboxes were equipped with different optic (ejecting observation periscopes and viewfinders) and telecommunication (although only part of them). Fighting compartments in RFR were secured by armoured plates and domes (with three, four or six loopholes). The interesting fact is that the domes were only Polish origin (from years 1936-1939) and were taken from dismantled Polish eastern border fortifications.

Armament of the shelters, depending on their type, consisted from heavy machine guns (HMG) Maxim 7,62 mm, 45 mm anti-tank guns and 76,2 mm fortress guns. All of them were placed in movable ball-mounts and armoured recessed housing (characteristically externally stepped to reduce damage from ricochets). Before embrasures diamond ditches were placed, which had to secure fighting compartments against enemy infantry and possibility of bury by splinters and earth during the artillery onslaught.

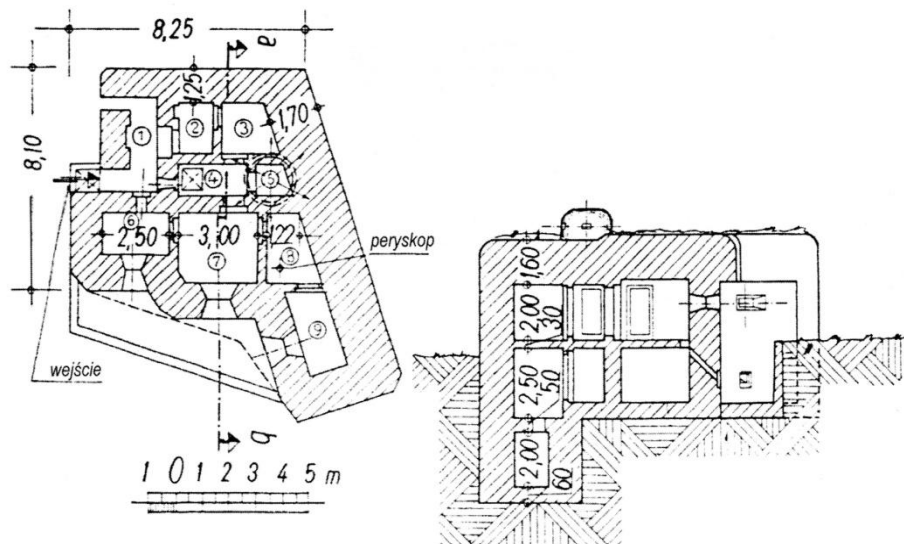


FIGURE 2. Half-caponier of anti-tank defence. Legend: 1 – passing compartment; 2 – gas lock; 3 – gas lock; 4 – stand-to area with communication shaft; 5 – armoured dome compartment; 6 and 9 – fighting compartments for HMG; 7 – fighting compartment for anti-tank gun; 8 – observer's compartment

Source: T. Bereza, P. Chmielowiec, J. Grechuta: *W cieniu „Linii Mołotowa”. Ochrona granicy ZSRR z III Rzeszą między Wiszną a Sołokiją w latach 1939-1941*. IPN, Rzeszów 2002, p. 197; after *Denkschrift über die russische Landesbefestigung*, Berlin 1942, p. 204.

Social standard of the shelters was rather low – living quarters were prepared only for $\frac{2}{3}$ of the crew and equipped with bunks, water tank, kerosene stove, food store, rifle and uniform stands and heating stove. Pillboxes had their own air filters and electric aggregates. Bigger of them even had internal wells with electric or hand pumps and simple washrooms with cesspool (WC was in every bunker, usually in separate room). Such attributes were implemented to provide shelters self-sufficiency, thus prepare them for long term defence¹¹.

Operational history of the RFR and aftermath

Fortifications of the Molotov Line participated in battle already on the 22nd of June, 1941, on the first day of German offensive. However, they were not prepared to fulfill their role – deficiencies in construction and equipment (especially among telecommunication, aggregates and water), poor camouflage, lack of field obstacles and, finally, adequate trained crews decided about quick defeat of the pillboxes or just their bypass by German units. During the first day Germans captured without any problems the cover line of the RFR. Hard defiance

¹¹ T. Bereza, P. Chmielowiec, J. Grechuta: *op. cit.*, pp. 58-62.

awaited for them on the main line, where they had to put into the battle their reserves: infantry supported by engineers, specially trained parachutists (dropped behind the front line in Soviet uniforms), artillery (including rail guns and 600 mm heavy mortars) and aircrafts¹². Despite such engagement of soldiers and machines Germans could not break Soviet defence – they only succeed in bypassing some of the CRs via forest glades and surrounding others (“*Brusno Nowe*”, “*Brusno Stare*”, “*Wielki Dział*”). Also during next days Germans did not achieve any spectacular successes – till 25th of June they only destroyed 2 shelters and blocked four others¹³. In German battle diaries from this time many complimentary notes about high quality of Soviet pillboxes may be found¹⁴. Despite heroic struggle (some shelters were defended till going out of ammunition, with most of the crew injured; commanders instead of giving up preferred to commit a suicide) defenders had to retreat on 27th of June – situation of whole southern battle front was set in large tank battle near Brody, where Germans finally achieved breakthrough. Fleeing Russians, wherever they had such possibility, blew up the shelters, preventing them before use by Germans. However, some of the pillboxes were not abandoned and continued their fight for even two weeks, till the beginning of July.

German technicians precisely examined Soviet fortifications, especially in aspects of their technical specifications and durability. Later abandoned shelters became place of interest of local communities (extracting possible goods, especially construction and technical materials) and partisans, who were looking for guns and ammunition (from one pillbox Home Army in 1943 even removed 45 mm anti-tank gun)¹⁵. Because of this, since 1942 a few objects were blew up by Germans, which was also connected with gathering steel by Nazi ironworks for military purposes. After the war some shelters became a backstage for local forces of the Ukrainian Insurgent Army (in CR “*Wielki Dział*” they even created underground uniform sewing place)¹⁶. During the Cold War army secured and conserved some of the pillboxes, but it was only a single action and its biggest profit was additionally made detailed descriptions. Through years forgotten bunkers were decaying, grabbed by local communities from every single piece of equipment; some of them were also damaged by army during neutralizing old ammunition. All of that resulted in today’s poor condition of almost all preserved shelters.

Examples of the fortifications tourist adaptation

Saving modern fortifications as a tourist attraction for society is an actual and often controversial topic in Poland. First step to estimate possibility of tourist

¹² T. Bereza, P. Chmielowiec, J. Grechuta: op. cit., p. 98; T. Bereza, P. Chmielowiec: op. cit., p. 52.

¹³ T. Bereza, P. Chmielowiec: op. cit., p. 52.

¹⁴ T. Bereza, P. Chmielowiec, J. Grechuta: op. cit., pp. 102-107.

¹⁵ Ibidem, p. 121.

¹⁶ T. Bereza, P. Chmielowiec: op. cit., p. 55.

use of shelters is always determining their current technical condition, which mainly decides about further activities and capabilities of adaptation. Theory of fortifications revaluation implies such activities: keeping the current condition (concern about actual standard), clearing (exposing some hardly noticeable elements), exposure (special type of clearing, which shows blurred or hidden elements), creating the surroundings (giving back shelter its role in landscape) and adaptation (creation of adequate development, preparing pillboxes for tourists). Those activities are fundamental for three basic directions of revaluation: integration (works needed to supplement biggest defects in shelters and leading to their exposure), recomposition (returning destroyed or rebuild object its earlier elements) and reconstruction (new creation of fully or partly destroyed bunker)¹⁷. For developing modern fortifications the best solution (not only for tourism, but also for nature, economy and possible scale of phenomenon) is probably integration, including all connected with it revaluation activities.

The idea of tourist use of shelters is not new and was born many years ago in Western Europe. Its effect is visible today in many fortifications museums in France, Belgium, Switzerland or Germany. Interesting museums of that kind are also placed in Poland's southern neighbour – Czech Republic.



PHOTOGRAPHY 1. First of the renewed bunkers of FA „Śląsk” – Polish battle pillbox no. 52 in Dobieszowice
Source: www.profort.org.pl (10.06.2011).

¹⁷ J. Bogdanowski: *Architektura Obronna w Krajobrazie Polski. Od Biskupina do Westerplatte*. Wydawnictwo Naukowe PWN, Warszawa – Kraków 2002, pp. 200-208.

From several years trend of developing shelters of modern fortifications is also visible in Poland. The most interesting, model example are activities taken by association “*Pro Fortalicium*” in pillboxes of Polish Fortified Area (FA) “*Śląsk*” and Polish CR “*Jastarnia*”. Restoration in FA “*Śląsk*” began in 1999 and started from complex cleaning of interiors of chosen bunkers, conserving preserved and reconstructing missing equipment. In the next step association renewed walls, painted interiors, reconstructed original surroundings (earth works) and created basic tourist development (parking, banks). Also exposition dedicated to the history and military usage of FA “*Śląsk*” was prepared. At the end external walls were cleaned and painted in original camouflage. Only in the first bunker works took four years and certainly may be regarded as pioneer in Poland, showing new and revolutionary way of treating monuments of modern fortifications. Restored objects nowadays are large regional tourist attraction, with not only touring, but also educational values. Moreover, around them concentrates activity of local groups of historic reconstruction. Restoration of shelters of the CR “*Jastarnia*” is an effect of cooperation of local authorities with – again – association “*Pro Fortalicium*”. Renewed objects do not have reconstructed interiors, but were cleaned and prepared for sightseeing, including painting external camouflage. However, their closeness allowed creating well paved and described (information boards) pedestrian route. Its limited length guarantees attracting attention of even more lazy tourists.

RFR today – tourist attractiveness of the chosen bunkers

Analysis of preservation and attractiveness of RFR’s fortifications must be started from Dachnów and Nowe Sioło, where are single bunkers of cover line. All of them (4 shelters) are half-caponiers for anti-tank guns or HMG.

First valuable CR is “*Brusno Nowe*”, where is over a dozen of bigger pillboxes. Mainly those are casemates or half-caponiers for three HMG or two HMG and anti-tank gun. The most valuable object is large artillery bunker with two embrasures, however it is hard to reach. Some of the shelters have two levels, the biggest have even 13 compartments on the main, battle storey. Many pillboxes were never finished, which is easy to notice by lack of armour in embrasures, empty (or covered with concrete) places for armoured domes or lack of some construction elements. Almost all objects in this CR are permanently flooded, thus their full exploration is impossible.

Remnants of the CR “*Brusno Stare*” are characteristic mainly because of the large objects, including even three-storey ones (unfortunately some of them are flooded). Particularly impressive are two artillery bunkers, of which one was never finished (it has interesting construction solution: defence of its entrance is very complex and consists of passing room, trap and two loopholes). Unluckily, the second one was irrevocably devastated by employees of the Museum of the Polish Army in Warsaw, who forcefully dismantled remaining in shelter since war

76,2 mm fortress gun with its armoured recessed housing (at present it is the exhibit in Museum's outpost in Fort "Sadyba", where tourists also may see gathered from the Molotov Line body of the T-18 tank¹⁸). In some shelters of this CR original nameplates on armours may be found and in surroundings of harder reachable pillboxes are still visible rests of the field fortifications. CR "Brusno Stare" also has one observation shelter and rare, not finished caponier with six embrasures (for four HMG and two anti-tank guns).

CR "Wielki Dział" is placed in great defensive place, on the one of the highest mountains of Roztocze. It consists of 14 shelters, where some interesting parts of equipment may be found, i.e. Polish armoured dome of pattern 36 and ball-mount (with part of the damaged cannon) for 76,2 mm fortress gun. Some pillboxes have signs of fights from 1941 (crushed embrasures). Unfortunately, forested and hilly terrain makes almost all of the objects hard to reach.

The next CR, "Goraje", has shelters similar to the previous ones. One of the interesting things is the possibility of seeing dual solutions of constructing emergency exits. In one of the pillboxes there are two of them, which is a very rare attribute (one on the bottom of the diamond ditch); usually emergency exits were placed under the trap. In this CR are also very visible signs of hard struggle from 1941 – in one of the embrasures tourists may find jammed German anti-tank projectile¹⁹.

CR "Dęby" is placed in the open terrain, around village with the same name. This resulted in easily access to the shelters, what decided about their actual condition. All of them are more or less destroyed and littered, what impedes their tourist adaptation. One of the shelters still has Polish armoured dome.

Pillboxes of CR "Dziwięcierz", mostly one-storey, were never finished. It gives the opportunity of watching shelters on different stages of construction (in some of them still are formwork planks).

The last worthy seeing part of RFR is CR "Mosty Male". In its shelters tourists may find even three Polish armoured domes, including two of pattern 38 (battle and observation type). All of the objects of this CR have two or three levels.

Tourist use of the RFR

Fortifications of RFR, as well as most of the fortifications in rural areas, are not prepared for tourists. Interiors of the shelters are littered or covered with rubble, which makes their sightseeing very difficult (not to mention about lack of any activities reducing potential health threats), there are no signposts, what – especially in summer, with lush greenery – makes pillboxes hard to localize. Finally, there are no information boards, with even basic historical or technical data (or rules of sightseeing) near the bunkers.

¹⁸ www.roztocze.com (10.06.2011).

¹⁹ T. Bereza, P. Chmielowiec: op. cit., p. 95.

Despite that fortifications of RFR are becoming more and more popular amongst tourists, who put them into the plans of their pedestrian or bicycle routes in the neighbourhood. Unfortunately, already mentioned lack of infrastructure is limiting attractiveness of sightseeing the shelters. However, local authorities start to notice the potential of this kind of cultural heritage (i.e. Local Tourist Organization “Roztocze” has presented brief history of the Molotov Line on its Internet site²⁰). Although it is very positive aspect, it doesn't result in more measurable and expensive practical activities. One exception was creation of tourist pedestrian route (blue signs), named “*Through bunkers of the Molotov Line*” paved between Horyniec and Hrebenne (through Nowe Brusno, Wielki Dział, Długi Goraj i Mosty Małe) and long for almost 52 km. Unfortunately, despite its name, it has nothing in common with professional preparation of pillboxes for tourists – its track is rather poorly signed and connected with shelters (mainly goes on forest glades or rural roads in some distance from bunkers) and has insufficient educational and resting development. Paradoxically in its description tourists may even find annotation that “*sightseeing of the shelters is extremely dangerous*”²¹ (without any useful tips), what is rather discouraging. All of that makes full use of this kind of regional cultural heritage almost impossible, not only for travellers, but also for local residents. Anyone interested in the remnants of the Molotov Line must be aware, that he has to prepare all sightseeing routes alone, basing on his own knowledge or professional, harder to get, publications.

Conclusions

Characteristics and notifications presented in the paper are base for the statement of necessity of creation adequate plans and implementation integrated activities by all local authorities, resulted in improving tourist role of the fortifications of RFR. Despite fact that Roztocze is mainly famous from its landscapes, nature and city of Zamość, taking measurable actions with purpose of proper development of fortifications, their adaptation for tourism and promotion on the domestic (and further foreign) tourist market as a brand attraction, may become a stimulus for tourist expansion of the region. Widely understood revaluation of the shelters may also be a factor weakening unprofitable occurrence of local tourism's seasonality. The final effect of this process must be noticeable in economical growth of the region and improving financial status of its residents.

Realization of activities needed to the better development of RFR and adapting its objects to sightseeing requires also change of local mentality (starting with authorities). Only taking vigorous actions to protect shelters (not only by revaluation but also by law) by administration or supporting interested in that groups or associations, may result in growing role of RFR and transforming the image, functioning in local awareness, of the shelters as Russian ones, thus linked

²⁰ www.roztocze.com (10.06.2011).

²¹ www.roztocze.com (10.06.2011).

with popular, negative stereotype (that gives an effect in permanent devastation of the bunkers; paradoxically shelters situated in places hard to get to are in the best condition).

The most favourable type of revaluation activity is recomposition, which – due to the insufficient resources of local administration – may be achieved only by the external support or volunteering. Moreover, private initiative often is first, most difficult step to improving condition of the fortifications. Recomposition must be well planned and – even because of its expensiveness – be applied only to most valuable and interesting shelters. So it does not exclude others, more simple and cheaper solutions – on the contrary, it should be their accelerator. Renewed objects should become vital points on local tourist routes, obviously dedicated not only to fortifications. Such approach may be very useful not only in improving region's economy and image, but also in proper spreading of local tourism.

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CHAPTER VI

Rural tourism in the context of present-day economic development of Ukraine

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Abstract

The problem of rural tourism in Ukraine is considered in the article. Factors affecting the perspective of its development are determined. Urgent measures to be taken in order to secure priority development of this segment of travel sphere and to improve it so that it meets high European standards are suggested. Author's definition of rural tourism is presented.

Keywords: rural tourism, state management, travel sphere, regions.

Introduction

The economy of present-day Ukraine has rather disproportional development and aggravated problems of certain regions. Regions having numerous rural settlements are characterized by deteriorating indices of economic development.

Rural population of Ukraine has low living standards and deplorable demographic situation. Among other negative tendencies that can be singled out there are:

- 1) unprofitability of animal husbandry;
- 2) lack of agricultural machines, equipment and facilities;
- 3) irrational use of arable land;
- 4) absence of appropriate governmental control of pricing of agricultural produce;
- 5) growing unemployment level.

The above mentioned factors cause the deterioration of living standards in rural areas and aggravate the economic situation on the whole.

Negative tendencies could be tempered via introduction and development of rural tourism, which could become an effective means of improving the situation, solving the most pressing problems of rural population.

Urging urban residents to spend their vacations and weekends in the country is one of the most promising means of revival and development of rural territories and whole regions in Ukraine. Without exhausting the resources existing

in the countryside rural tourism helps raise living standards of its residents and encourages them to preserve the environment.

There is no single definition of rural tourism as those who cover this problem in their scientific works have in mind a wider or a broader phenomenon. The simplest was to define it is to speak of it as recreation in a rural area in a dwelling having modern conveniences.

On the one hand, rural tourism facilitates the development of small and medium-sized businesses owned and run by rural community members, on the other hand it affords urban residents an opportunity to spend their free time in the open air. Besides recreational potential, rural tourism involves the possibility for guests to familiarize themselves with Ukraine's culture and traditions.

As for those who can afford spending their vacation or weekend in the country, there are representative of different social strata among them as prices in the sphere of rural tourism are quite reasonable. Moreover, the infrastructure existing in rural communities is a good basis for local residents to start a business that doesn't require significant investments.

Rural tourism makes a considerable contribution in the regional economy and has minimal negative influence on environment compared to traditional travel activities. This type of tourism is an important element of regional travel sphere's transition to dynamic development and review of the concept of existing economic systems. Rural tourism allows to increase economic return of the existing resources.

Current experience and the results of scientific research attest that the acceleration of rural tourism development can catalyze structural reformation of economy, secure demographic stability and resolution of pressing socio-economic problems in rural communities. It is a matter of strategic importance for Ukraine to catch up with the countries where rural tourism is favored and realize its rich potential via adopting the policy of governmental support, paying special attention to regional level.

The aim of the article is to consider the role and place of rural tourism in the development of national travel sphere, in the improvement of social and political situation in rural regions of Ukraine, to reveal socio-economic potential of different regions for the development of rural tourism, to determine top priority measures that should be taken to secure regulatory influence of the government on their coordination with Ukraine's strategy of integration in the European Community.

Exposition

Having chosen integration in basic European structures as its strategic course, Ukraine has taken up the challenge of accelerated pace of reformation of different spheres of socio-political and economic life, in particular of travel services sphere, transforming it so that it should meet European standards. World

experience of progressive management demonstrates that travelling comes on top of other branches of economy when volume of export of goods and services is concerned. According to the data of World Travel organization, in more than 40 countries travel sphere is the main state budget revenue source, in more than 70 countries it is one of the three basic revenue sources.

In recent years the number of travelers has been constantly growing and has finally achieved one third of the world population. According to the scientists' prognoses, the 21st century will be the century of travelling, so the mankind should be ready for this. Nowadays ecotourism is the most dynamic sector of world travel business¹.

The development of rural tourism in Europe started in the middle of the 19th century. The European Union views rural tourism as the basic means of economical upturn of rural areas. For Ukraine rural tourism is new phenomenon, though it is worth mentioning that outstanding Ukrainian writers, artists, actors and politicians have always favoured spending time in the country.

Today travel sphere takes only the 5th place among state budget revenue sources. However its share should increase due to the advantageous geographical position of Ukraine in the heart of Europe, to its significant travel and recreation potential, favorable climate, rich flora and fauna, a number of world-famous historic and cultural sights.

Another reason for giving priority to the development of rural tourism is the pressing need to resolve socio-economic problems of rural areas, where the population has been constantly decreasing, unemployment and labor migration have been growing.

Social and economic condition of Ukraine is generally characterized by positive dynamics in basic GDP-forming branches of economy. Let us consider the main tendencies of social and economic development based on statistic data.

Gross domestic product is constantly growing: in 2001 it was 204190 million UAH (51047,5 million US Dollars), while in 2009 it was 914720 million UAH (130674,3 million US Dollars), which is 4,5 times more in UAH equivalent and 2,6 times more in US Dollars.

Share of agriculture in GDP is permanently falling. Thus in 2001 it was 14,4 %, while in 2009 it went down to 7,2, which is twice less.

All indicators of production efficiency of agricultural enterprises testify its considerable reduction in comparison with 1990, income of agricultural enterprises fell by 5960,7 million UAH, profitability level reduced from 42,6% in 1990 to 13,4% in 2009 (see table 1).

¹ Всесвітня туристична організація, www.world-tourism.org.

TABLE 1. Production efficiency of agricultural enterprises in Ukraine

Indicator	1990	1995	1999	2005	2007	2008	2009	2009 compared to 1990 (+/-)
Profit, negative profit (-) from sales of agricultural production, million UAH	11422,8	-121,4	1283,3	1253,2	630,4	4168,9	5462,1	-5960,7
Including crop production	7060,0	1834,5	1969,6	900,2	1567,3	5501,6	5450,7	-1609,3
Including animal husbandry production	4362,8	-1955,9	-686,3	353,0	-936,9	-1332,7	11,4	-4351,4
Rate of profit, negative profit (-) of agricultural production	42,6	-1,0	8,1	6,8	2,8	15,6	13,4	-29,2 п.Б.
Including crop production	98,3	30,8	20,3	7,9	11,3	32,7	19,6	-78,7 п.Б.
Including animal husbandry production	22,2	-33,8	-11,3	5,0	-11,0	-13,4	0,1	-22,1 п.Б.

Source: designed by the author.

As it is evident from the table data, 1990 through 2009 crop capacity and livestock yield had a persistent tendency to fall.

Over the above mentioned period crop capacity has grown from 4 metric centners per hectare in 2000 to 34,6 metric centners per hectare in 2007, sugar beets capacity from 177 metric centners per hectare to 356 metric centners per hectare, potatoes capacity from 122 metric centners per hectare to 139 metric centners per hectare correspondingly. The data testify to double-ply crop productivity growth over the period under review.

In the structure of total grain crops output wheat has the biggest share 40-50%), barley has a quarter, corn has 20-25%.

The analysis of average wages by types of economic activities shows that in 2009 average wages were 1906 UAH or \$272,3. Average wages in agricultural sector totaled 1206 UAH or \$172,3, which is by \$130,1 less than in industrial sector.

Over 2000-2009 the wages rose 8,3-fold in UAH equivalent and 4,7-fold in US Dollar equivalent. The corresponding data for agriculture are 10,6-fold and 6-fold. However the wage-rate difference for agriculture and industry remains.

Impetuous development of globalization processes inevitable causes intensification of competition in social and economic sphere. Economy is

becoming more and more innovative, knowledge, education, new technologies and exchange of information are in greater demand.

The analysis of scientific research volume conducted over 1996-2009 demonstrates that the total value of work conducted grew in terms of money while its share in GDP fell from 1,36% to 0,95%.

Countries that made innovative development their main concern, depending on the time when they joined innovation process made breakthrough either in production or in information-communication process or them both the priority of their innovation policy.

The key focuses of innovation policy should be as follows:

- encouragement and reinforcement of innovative activities – support of businesses, innovation trainings;
- rules of play that make it possible for innovations to circulate, establish partnership – governmental policy of creating complete innovation cycles;
- orientation on creating common view of the future, which directs diverse types of activities towards one goal

Income of rural population includes the volume of accounted in cash and in kind: wages, profit and mixed income, income from property, hardship allowance and other current transfers. Expenses and savings of population include: goods and services purchase, paid property profits, current income property and taxes, other current transfers; basic capital and circulating assets accumulation, accretion of deposit assets, in foreign currency etc.

Summarizing the facts, presented above, we can conclude that Ukraine's agriculture is going through crisis. This caused the situation when regardless of growth of rural population's income and expenses personnel wastage is taking place in rural areas. The study of influence of rural population's income and expenses on social and economic rural development revealed that employment growth directly influences rural inhabitants' income, which, in its turn favours social and economic development.

Changes in GDP and employment structure, that lead to employment growth in services provision and downturn in productive industries, are interconnected with development of social sphere. Housing, educational, cultural and healthcare institutions etc. are considered to be objects of social sphere.

The amount of beds in hospitals per 10,000 decreased by 41,3, while the number of doctors by 5,1, which has negative influence on population's health besides causing decline of living standards. People consume more and more substandard foodstuffs. That is why it is necessary to direct additional funds and support family medicine.

Provision of the country with skilled personnel depends on education and high standard of knowledge they acquire, which is prerequisite of successful social and economic development of the whole society. Economic crisis has had negative influence on the development of education. The number of comprehensive

educational institutions decreased by 2,637 thousand. The number of preschool educational institutions decreased by 9 thousand, coverage of children with preschool educational institutions didn't change much over 1990-2010.

Strengthening and renewal of social sphere should be characteristic for culture and healthcare as they both together with education facilitate the development of human capital.

It is very important to build new objects of social infrastructure. The analysis reveals the fact that for the past five years it was built by 18,1% dwelling houses and by 31,8% outpatient clinics less, while the number of preschool institutions placed in operation increased by 7,3%, of hospital beds by 18,1%.

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TABLE 2. State of social infrastructure objects

Indicator	1990	1995	2000	2005	2007	2008	2009	2009 compared to 1990p (+/-)
Hospital beds, for 10000	135,5	125,1	95,0	95,2	95,2	95,1	94,2	-41,3
Doctors, for 10000	44,0	45,1	46,2	47,9	48,3	48,3	49,1	5,1
Comprehensive schools, thousand	21,8	22,3	22,2	21,6	21,2	21,0	20,6	-1,2
Pupils in comprehensive schools, thousand	7132	7143	6764	5399	4857	4617	4495	-2637
Preschool institutions, thousand	24,5	21,4	16,3	15,1	15,3	15,4	15,5	-9,0
Coverage of children by educational institutions, % to number of children of corresponding age	57,0	44,0	40,0	51,0	54,0	54,0	56,0	-1,0p.p.

Source: designed by the author.

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TABLE 3. Objects of social infrastructure placed in operation

Indicator	2005 pik	2006 pik	2007 pik	2008 pik	2009 pik	2009 pik y % до 2005 року
Dwelling houses, thousand square metres of floor area	7816,0	8628,4	10243,7	10495,6	6399,6	81,9
Comprehensive educational establishments, places	10586,0	10959,0	11672,0	12381,0	6064,0	57,3
Preschool institutions, places	558,0	635,0	295,0	2310,0	599,0	107,3
Hospitals, beds	853,0	1106,0	497,0	1098,0	1007,0	118,1
Outpatient clinics, appointments per shift	4012,0	3836,0	2533,0	4876,0	2736,0	68,2

Source: designed by the author.

In the period of reform of collective farms agriculture was on the verge of destruction. This was caused by the economic crisis, dramatic decrease of budget funding, insolvency and debts of agricultural enterprises. Those circumstances made it impossible to satisfy the needs of agricultural enterprises for social, cultural and everyday services and, as a result, it was hard to secure decent living conditions in rural areas. Thereupon in order to secure further functioning and development of social infrastructure of rural areas the problem of finding new

owners for social objects that had previously belonged to collective farms had to be solved².

It is common knowledge that successful agricultural productions depends to a large extent on the state of rural social sphere, its activities and efficiency. Unfortunately living conditions in rural areas today are far worse than in urban locations³.

It is evident that development and efficiency of agricultural production depends on social conditions. Operation and development of social sphere, improvement of the quality of housing and communal, social and everyday services enhances living conditions of individual households as well as those of the whole country, as it is the level of social sphere development that determines the level of welfare of the nation⁴.

Nowadays the overwhelming majority of rural population have to satisfy their social need beyond their permanent residence location because of the insufficient number of objects of social infrastructure there. Thus the availability of social services for every individual living in a rural area is one of the key indicators of rural location's social description. Population density in rural areas, the level of provision with objects of social infrastructure, their capacity, development of transportation and communication influence that indicator⁵.

Rural social infrastructure is part of social infrastructure of a country or a region consisting of housing and communal services, education, culture and arts, healthcare, sports and social security, loans and insurance, consumer services, transportation and communication that have to do with public services, other fields of non-production sphere, as well as commerce and catering. Each field of social infrastructure has its own organization structure, forms of public service, operation mechanisms etc., which predetermines diverse and complex problems of development of rural localities, especially in the time of economic reforms⁶.

Daily activities of each individual are closely connected with the operation of enterprises, organizations and establishments of social infrastructure. The results of functioning of some social infrastructure branches are defined by the level of

² Н.В. Тимошенко: До питання функціонування об'єктів соціальної інфраструктури в сільській місцевості [Електронний ресурс]. Н.В. Тимошенко. Інститут сільського розвитку, 2004, www.icrp.org.ua.

³ [М.В. Каймакова, В.В. Кузнецов: Социальная сфера села – условие его устойчивого развития. М.В. Каймакова, В.В. Кузнецов. Экономика и управление. 2007 No 2(28), с. 67-69].

⁴ Н.В. Тимошенко: До питання функціонування об'єктів соціальної інфраструктури в сільській місцевості [Електронний ресурс]. Н.В. Тимошенко. Інститут сільського розвитку, 2004, www.icrp.org.ua.

⁵ Соціально-культурна сфера села: Розвиток соціальної інфраструктури [Електронний ресурс]. Аграрний сектор України. www.agroua.net.

⁶ Соціально-культурна сфера села: Розвиток соціальної інфраструктури [Електронний ресурс]. Аграрний сектор України, www.agroua.net.

general and professional education of the population, its cultural level, health, life span, leisure activities⁷.

All over the world rural tourism is viewed as an alternative of agriculture when profits are concerned. The development of rural tourism infrastructure doesn't require significant investments unlike the establishment of other types of recreation activities. Rural tourism is based on the facilities of rural residents, so additional financial support is not mandatory. Reduction of migration from rural to urban locations will make it possible to save significant financial and material resources, as according to the calculations of the experts of the European Bank of Reconstruction and Development it is 20 times more expensive for a rural resident to settle in a city than to create favorable condition for his life in the country⁸.

There are a number of factors facilitating rural tourism development in Ukraine:

- increasing demand among Ukrainians and foreigners to spend their vacations in the country;
- rich recreational resources;
- friendly natural environment in rural areas;
- the existence of spare housing facilities for receiving guests in rural communities;
- the existence of workforce who can be employed in the sphere of rural tourism;
- traditional Ukrainian hospitality and reasonable prices;
- the possibility to offer additional services such as guided tours, picking berries and mushrooms, fishing, horse riding, handcrafts master classes etc.

The development of rural tourism can increase the income of rural inhabitants via:

- accommodation services;
- establishment of travel routes and organization of guided tours;
- transportation services;
- hunting and fishing activities;
- travel equipment renting services;
- catering services and production of organic food;
- selling of hand-made goods;
- organization of entertaining activities based on ethnographic heritage (animation).

The most favorable conditions for the development of rural tourism are on the territories of National and landscape parks where is it possible to combine recreation and familiarizing with natural, historical, ethnographic and cultural landmarks of the region. Special appeal of rural tourism is bright animation of

⁷ Соціально-культурна сфера села: Розвиток соціальної інфраструктури [Електронний ресурс]. Аграрний сектор України, www.agro.ua.net.

⁸ Європейський банк реконструкції та розвитку, www.ebrd.com.

service, recreation and leisure of guests by means of games and shows based on historic and ethnographic heritage of the region. A good example is the world-famous national museum of Cossack culture on the island of Khortytsya. Having set setting foot on the island a tourist finds himself in the world of Zaphrizhzhyan Cossacks where he can help cook and , taste delicious kulish, have a whack at traditional crafts, take part in horse riding activities, try to master Cossack martial arts etc.

The development of rural tourism will make rural residents pay more attention to improvement and beatification of their villages, reformation of transportation infrastructure, restoration of community centers, environment protection and handling their socio-economic problems via drawing additional local budget funds.

The factors that slow down and limit the development of rural tourism are as follows:

- political and economic instability;
- lack of appropriate legislation regulating the functioning of the sphere;
- lack of mechanisms of rational and ecologically balanced use of natural, historical and cultural potential for the needs of rural tourism;
- low level of infrastructure and communications;
- insufficient peopleware, dataware and PR.

The negative influence of these factors can be overcome at the expense of reasonable policy of governmental regulation of the development of rural tourism, including doing so on regional level with the use of entered upon the path of adopting world standards of rural tourism. State program of tourism development in 2002-2010⁹.

Point 55 of the Program charges the Ministry of the Agrarian Policy of Ukraine, Ministry of Environmental protection of Ukraine, State Committee of Ukraine on Regulatory Policy and Entrepreneurship with the consent of the Union on facilitation of ecotourism in Ukraine with the duty to work out a separate program of rural tourism development in Ukraine. Unfortunately, this task has not been performed to date.

An important part in the establishment and development of rural tourism in Ukraine is played by a non-profitable non-governmental organization the Union on facilitation of ecotourism in Ukraine. The union collects and stores data from different regions of Ukraine, arranges conferences and exhibitions aimed at popularization of rural resorts, at promotion of the native country`s beauty, of the rural residents` hospitality, at the preservation of cultural and historical heritage of

⁹ Про затвердження державної програми розвитку туризму на 2002-2010 роки: Постанова Кабінету Міністрів України від 29 квітня 2002 № 583. Офіційний вісник України. 2002 № 18, с. 143; features the perspective of significant enhancement of the role of tourism in the development of economy and social sphere in Ukraine and gives the priority to the development of internal and international tourism as important factors of living standards improvement.

the Ukrainian nation. It is due to its initiative that a number of rural tourism centers were created in most of the regions of Ukraine¹⁰

The development of rural tourism in Ukraine is supported by special programs of international fund “Vidrodzhennya”, “Eurasia” fund, European Federation of rural tourism etc. However this is not enough to make rural tourism a powerful catalyst of the development of other branches of economy (such as agriculture, transportation, communication, commerce, construction etc.), to make it the leading factor of sustainable and dynamic increase of revenue. First and foremost it is necessary to adopt appropriate legislation that would regulate the sphere of rural tourism. Nowadays only some aspects of it are controlled by parliamentary acts “On tourism”¹¹. Unfortunately, the State task program of the development of rural territories till 2015 (2) doesn't contain measures that should be taken in order to develop rural tourism.

In order to fill the legislative gaps in this sphere and secure priority development of rural tourism it is appropriate to adopt a separate act of parliament of direct effect “On rural tourism”. The draft of this legal act was worked out on the initiative of the Union on facilitation of ecotourism in Ukraine and the Institute of rural development and submitted to the Parliament for consideration. Such specific approach is explained by the fact that rural tourism differs from tourism as a whole. When rural tourism is concerned, service providers are not professionally trained, they are average rural community members who base their activities on the resources they have in their households and villages. The provisions of such legal act should determine the basic legal, organizational and socio-economic principles of realization of governmental policy in this sphere, encourage rural residents to take initiative, to start their own businesses, thus raising living standards in rural communities. The draft project “Travel services. Rural tourism. Basic requirements”, worked out by the State agency of resorts and tourism meets current European standards and aims at introduction of the same standards on the territory of Ukraine.

The Presidential edict of 21 February 2007 was aimed at securing priority development of tourism in Ukraine¹². It proclaimed 2008 the year of tourism and resorts in Ukraine and determined the tasks of the Cabinet of Ministers, local state administrations and the State Committee on television and Broadcasting of Ukraine. The principal element of shaping regional strategy of tourism development is the official acknowledgement of the place and role of this branch in

¹⁰ Спілка сприяння розвитку сільського зеленого туризму в Україні, www.greentour.com.ua.

¹¹ Про туризм: Закон України від 15 вересня 1995 року no. 324/95-ВР. Відомості Верховної Ради України. 1995 no. 31, с. 241, “On private rural household” [Про особисте селянське господарство: Закон України від 15 травня 2003 року no. 742-IV. Відомості Верховної Ради України. 2003 no. 29, с. 232], “On entrepreneurship” [Про підприємництво: Закон України від 6 жовтня 1999 року no. 1121-XIV. Відомості Верховної Ради УРСР. 1991 no. 14, с. 168.

¹² Про заходи щодо розвитку туризму і курортів в Україні: Указ Президента України від 21 лютого 2007 року no. 136/2007. Урядовий кур'єр. 2007 no. 37.

the economic structure of each region and working out complex regional action plans.

Tourism often plays the role of indicator of political relations between states, the role of stabilizer of international partnerships. This is the reason why Ukraine, taking into consideration its great importance, considers it to be one of the priority spheres of national economy and culture that should be developed. Rural tourism is an important element of socio-economic policy of national and local government. Nowadays there are a number of problems that slow down the development of tourism and cause the deterioration of social and economic relations in this sphere. The most serious problem is lack of governmental system of tourism management, i.e. lack of special executive body regulating the sphere. Among other predicaments there are imperfect legal regulations on regional and local levels and lack of complex plans of development of travel zones.

Imperfect system of control of the activities of travel businesses, slow pace of growth of investment in the development of tourism facilities, quality of services that doesn't meet European standards are the evidence of lack of governmental support and lack of mechanisms of complex approach to management of national travel product at domestic and international market of travel services.

Rural tourism has the widest sphere of action connected with all the forms of recreation in the country. This is why the need to establish the system of travel activities regulation in the sphere of rural tourism is so pressing for present-day Ukraine. The efficiency of governmental regulation depends, first of all, on the distribution of powers between governmental bodies.

It is necessary to work out a number of mechanisms of realization of governmental policy regulating the development of rural tourism that concern different spheres where the authorities can influence rural travel businesses. Governmental policy plays an important part in the successful functioning of each business activity. When rural tourism is concerned, the basic goal of the governmental policy is improving the standards of life and recreation for both rural and urban population. Governmental policy in the sphere of tourism is shaped on national, regional and local levels, it is influenced by NGOs and business associations.

The mechanism of realization of governmental policy includes: working out of action plans of travel business development on national and regional levels, taking certain measures that are necessary for the achievement of goals that were set, governmental regulation of the sphere of travel business etc.

In order to promote rural tourism in Ukraine, to make it an important source of income for rural families, it is necessary to establish cooperation between local self-government bodies, NGOs and travel businesses. This process can be

facilitated by adoption of effective legislation, favorable for travel businesses and efficient mechanisms of control¹³.

It is necessary to point out that the efficiency of rural travel business development in Ukraine greatly depends on the quality of legislation regulating this sphere, which can be subdivided into three groups: legal acts of direct effect, special legal acts and internal documents.

In order to have the latest information concerning the latest changes in the market of travel services and be able to react immediately, it is necessary for each rural travel business owner to conduct marketing research – constant and periodic. The achievement of high methodological and scientific level of marketing research of the sphere of rural tourism presupposes:

- selection of the most current problems;
- formulation of goals;
- planning research concerning each goal;
- selection of information sources and determination of coverage of research;
- collection of information;
- generalization and analysis of the information;
- working out of recommendation and prognostication of their efficiency.

Formulation of recommendations and forecasts is not the last stage of marketing research as it is necessary to implement them and exercise the monitoring of the process of implementation.

Conclusions

Formation of governmental policy and establishment of the regulatory system in the sphere of rural tourism, determination of its forms and instruments is a matter of primary importance. The main task of the government lies in the coordination of actions of the Cabinet, the Parliament, other governmental bodies, NGOs and businesses for the purpose of effective development of rural tourism in Ukraine. In order to secure sustainable development of rural recreation business in the context of economic crisis it is necessary to establish partnership between governmental bodies, businesses and NGOs. This is why, taking into consideration current economic situation in Ukraine, growing demand of rural recreation, the need to create modern market of rural tourism it is vital to have governmental support.

To secure the priority of rural tourism development in Ukraine and meeting European standards in this sphere it is appropriate to:

- modify legislative basis of rural tourism by adoption of the Act “On rural tourism” and the resolution of the Cabinet of Ministers on “Travel services. Rural tourism. basic requirements”;

¹³ Ігнатенко М.Г. Питання розвитку рекреації півдня України. М.Г. Ігнатенко. Краєзнавство і туризм: освіта, виховання, стиль життя: матеріали міжнар. наук. практ. конф. К.: Реформа, 1998, с. 118-119.

- work out regional programs of rural tourism development the comply with the governmental program;
- determine the methodology of working out and implementation of the monitoring of achievement of the goals set in the national and regional programs;
- bring to a conclusion the reform of the government statistics service, modernize it technically, secure the formation of electronic monitoring systems on national and regional levels;
- create the infrastructure of governmental financial support of rural tourism development;
- arrange the study of the market of rural tourism services in order to establish the demand for specialists and organize their education on the basis of government order and the employment of the graduates in regions where they are in demand;
- create the system of educational institutions of different level, retraining courses for those who are employed in the sphere of rural tourism;
- authorize the Union on facilitation of ecotourism in Ukraine as a special body to develop and introduce national standards of rural tourism and carry out independent monitoring of national and regional programs of rural tourism development.

Each action aimed at securing the priority of rural tourism development requires reinforcement of the regulatory function of the government based on the results of preliminary research results.

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CHAPTER VII

Development Instruments for the Cross-Border Cooperation in Ukraine

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Abstract

The article runs through development instruments of cross-border cooperation in Ukraine. Among them the author represents: involvement of all the stakeholders into the cross-border cooperation development processes, economy diversification projects, especially in the recreation and tourism sphere, creation of the cross-border tourism clusters.

Key words: cross-border cooperation, euroregion, tourism, cross-border cluster.

Introduction

European integration and world globalization processes do stimulate inter-regional and cross-border cooperation. The advantages which open for the social and economic spheres of the region which participates in such cooperation are well known and impartial. Thus activation of that process between border regions of neighboring countries brings not only the solution of common territory problems, economic and social relations strengthening, foreign investments and creation of new work places, but also eliminates territory development imbalance, which exists within any CIS country.

Anyway any economic process needs to be evaluated using scientific methods, be monitored and well planned. While evaluating the cross-border cooperation one may come to the conclusion that some specific spheres of the potential cooperation between neighboring border regions need special terms and space for development. Those conditions can be created by the diversification project or within a cluster, an organizational structure which brings all the stakeholders closer for more tight connections, while joining their forces and resources.

Aim and hypothesis of the article

Thus we come to the aim of our material – to investigate possible development instruments for the cross-border cooperation in Ukraine and to prove the potential of such organizational structures as clusters to become one of the most useful and effective instruments for development of cross-border cooperation within some specific spheres of economics. That is especially concerning such

spheres as recreation and tourism industry as those which intensify social and economic connections between regions.

Materials and methods

Ukrainian and foreign scientific publications, textbooks, dissertation manuscripts and Internet materials were used as a theoretical base for the article. There were also used such scientific methods of investigation and proceeding the materials as: system modeling and analysis, synthesis, extrapolation, induction and deduction, etc. The research is based upon general principles of complex scientific research, classic issues of the modern international economics, macroeconomics, regional economics and theory of state government.

The results of the research

First of all we should mention that none of the countries can exist isolated from the external influences. All the tendencies within the country are harmonized and conformed to the world changes and challenges, especially those that are strong within the neighboring state. Thus with the history flow the result of such harmonization and coherent development brings the country's economy, culture and social life to the state which allows it to obtain the most beneficial niche while its national specific is not forgotten. Meanwhile the partner relations with the neighboring state give the opportunity not only to develop economic connections, but also to solve problems common for their border territories, involving resources from both sides.

Realization of profitability of such collaboration in Europe found its implementation through development of so called "cross-border cooperation" in form of euroregions. Those structures were established on territories of two or more neighboring countries which have common border. Later that mechanism was adopted by the CIS countries, especially Russia, Ukraine and Byelorussia.

So, under the cross-border cooperation understood joint actions of two or more frontier regions of the neighboring countries which are aimed at good-neighborly relations. To say it simply it means maximum of positive attitude to each other through concluding specific agreements for simplifying cross-border movement of people, goods and services, finances, and also for solving the common problems via joint efforts. In order to do this the regional authorities of Ukraine and Russia sign a corresponding agreement which creates a euroregion with its governing bodies. Thus we consider a euroregion to be an organizational form of cooperation between frontier regions of two or more countries. The main condition of its creation stands existence of strong interests of appropriate authorities and society of the regions as well as existence of the common border. Having signed such an agreement the regions, which are already called the participants of the euroregion, try to solve common tasks. Sumy region (Ukraine) participates in the Euroregion "Yaroslavna" together with Kursk region (Russia)

since 2007. The most traditional among tasks of the cross-border cooperation within euroregions are:

1. Development of comprehensive friendly and partner relations between the regions in economic, social, scientific, cultural and other spheres.
2. Conforming the positions, support of elaboration and implementation of common steps towards solving economic, social, scientific, cultural and other problems which are the point of interest for both sides.
3. Coordinated actions concerning prevention and solution of the ecologic problems.
4. Creation of the informational data base of all the directions and aspects of the joint activities.
5. Assistance and support for promotion of social and charity projects or programs which are aimed at raising the life level of the regional population.
6. Monitoring the labour/HR market aimed at elaboration of the joint measures for the provision of citizens' social employment, upgrade of skills and staff preparation.
7. Elaboration and conformation of the events aimed at support of ethnic, cultural and language identity of the communities, at development and enrichment of the cultures within the legislative frames.
8. Gradual movement from trade to production-informational foreign affairs on the basis of international cooperation development and engaging foreign investments.
9. Creation of good conditions for the small-scale business development.
10. Establishment of the cross-border trade organizations.
11. Development of the frontier infrastructure.

Joint cross-border projects are the instruments to help in solving the questions mentioned above and receive financial and organizational support from regional budgets of Sumy and Kursk regions. These projects are applied to the committee by any willing person or an organization all year long. Then a selected application is to be examined by the regional council, which adds appropriate changes into the regional budget financing program.

It is known that cross-border cooperation in Ukraine may be realized within next spheres: economics, social life, science and technique, cultural-educational, ecology, etc. One more important direction is mutual help in extraordinary situations.

Ukraine has a growing experience in developing the cross-border cooperation. The whole number of euroregions in Ukraine has already risen to 9. The main part of such structures is established at the western border of our country, on the territory of the regions which border the EU countries. That may be explained by the old European experience of the cross-border cooperation joint with political tendencies in Ukrainian ruling class.

Thus, three euroregions (“Slobozhanschina” at the territory of Kharkov (Ukraine) and Belgorod (Russia) regions; “Donbas” – Chernihov (Ukraine), Bryansk (Russia), Homel regions (Byelorussia); “Yaroslavna”) are established at the eastern border of Ukraine and involve the greatest historical, economical and cultural partner of our country. The last one became the object of our research as it is the brightest example of eastern euroregions. After 3 years of its existence the President of Ukraine claimed it to be the most intense developing euroregion on the eastern Ukrainian border¹. Eastern cross-border cooperation has already given some fruitful results but still it isn’t provided with appropriate scientific and practical support. Unfortunately the analysis of euroregion “Yaroslavna” reports shows that almost all the events within it are provoked or organized by the local/regional authorities’ initiative. That means that community, its activists and organizations of civil society are not involved in the cross-border cooperation processes sufficiently.

What are those strategic directions of the cross-border cooperation where other community stakeholders may participate? The answer is: almost all of the potential spheres of cooperation² do need participation of the civic society (figure 1).

Thus namely those mentioned spheres contain a great amount of hidden possibilities and reserves for solving mutual problems of the cross-border region. European experience affirms that a euroregion starts to develop rapidly when the authorities’ efforts and policy are supported by the community, NGOs and other groups of the stakeholders. The same says history of the western euroregional structures of Ukraine. More of that, it shows that the most surviving and long-lasting cooperation is the one which covers culture and recreation issues. It means that any social, economic or political process has its roots in connections and cooperation between particular people.

Still, taking into consideration European cross-border cooperation experience we should remember our own peculiarities. Naming them we should admit the great difference between systems of cross-border projects realization by the EU-countries and Ukrainian regions. Such kind of cooperation develops under different conditions, especially as for organizational and financial issues.

Let’s have a look at western Ukrainian borders. For example Polish side of the euroregions, we also participate, is financed much stronger than Ukrainian³.

¹ President of Ukraine Has Highly Admitted Euroregion “Yaroslavna” Work. Official site of the Kursk region administration, <http://xn-jlaarei.xn>.

² O.M. Zamora: Causes and perspectives of the cross-border cooperation development between Ukraine and Russia (using the example of the Sumy region). Materials of the Vth International scientific-practical conference for students, post-graduates and young scientists „European and Euro-Atlantic integration and cross-border cooperation”. Lesya Ukrainka Volyn National University. Part 2. Lutsk 2008, p. 79.

³ P. Skotniy: Organizational and economic facilitation to activate euroregional collaboration. Manuscript. Thesis for the degree of Candidate of economic sciences by speciality 08.00.05 – development of productive forces and regional economy. The Institute of Regional Research NAS of Ukraine.

Their national representative offices are legal entities which have networks of their affiliates in districts. It may be explained by the fact that during the whole period of preparation for the EU entrance Poland was more active in its efforts to get international financial support. It helped her to build institutional basis identically to the European one, that's why now their frontier regions much more familiar for international financial sources. Ukrainian participants of the euroregions just start to learn about European financial sources and instruments of their receipt. Passivity of the Ukrainian side of the euroregions may be explained also by³:

- National mentality which doesn't support proclaiming the need of finance aid to be the main goal of the cooperation (unlike Polish activity programs where this stands in first rows);

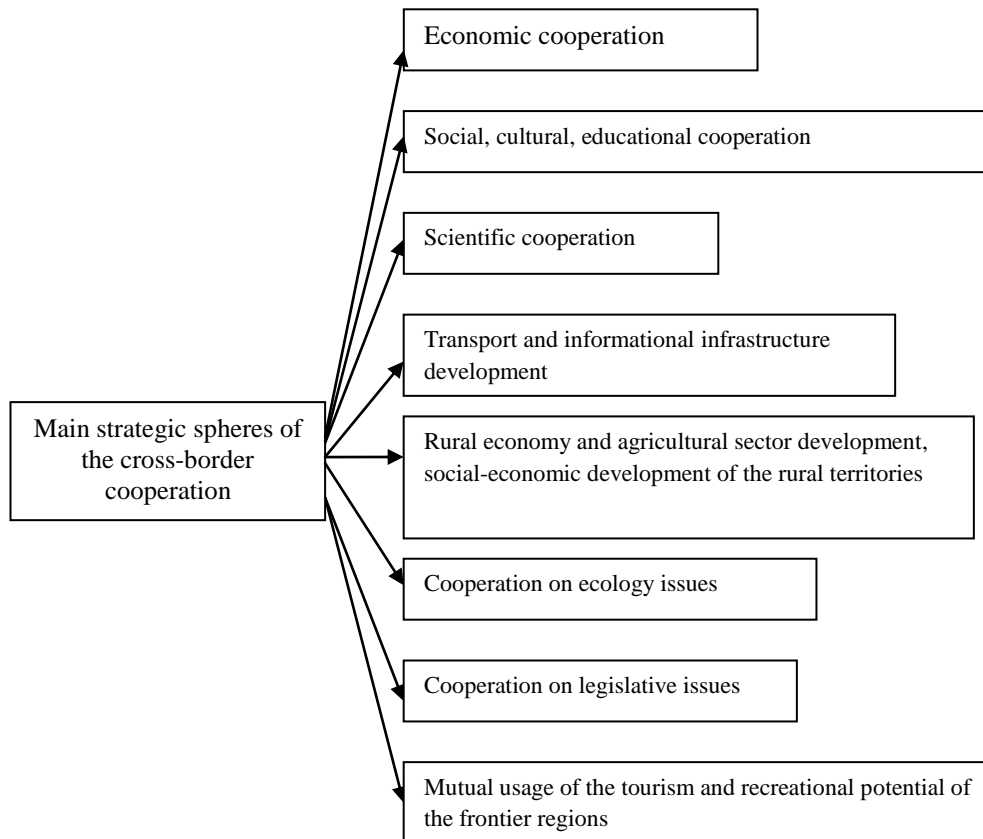


FIGURE 1. Main strategic spheres of the cross-border cooperation

Source: designed by the author.

- absence of high-skilled officials who is able to deal with European legislative issues and cross-border cooperation opportunities;
- lack of international projects management experience;
- low efficiency of the informational activity;

- insufficient level of population awareness about opportunities concerning self-development and development of the territory using the cross-border instruments.

For example, Poland provides a strong flow of information about euroregions' activities and their influence on the regional development. One can get much more information via Internet web-sites about positive Polish experience, opportunities of getting financial support, as well as about completed or ongoing projects.

There is also one more conflict point about sources for Ukrainian cross-border activity. There are less than few ways to get finances for the cross-border projects on the eastern border of our country. Still there are some tendencies that should also be taken into consideration when speaking about eastern cross-border cooperation of Ukraine⁴:

1. Russian and Ukrainian social-economic complexes of the frontier regions recently were identical that brought up strong long-term economic and social connections;
2. Close trade and economic potential in many aspects of each of the neighbours;
3. This cross-border cooperation has as one of its tasks to ruin the psychological discomfort which appeared after USSR disintegration and establishing new borders;
4. Cooperation should be built on the necessity of conformation and joining the efforts in the name of cross-border problems solution, which needs strengthening not only economic and social relations but also connections between corresponding authorities' levels.

All the mentioned factors are complicated by some negative features of neighbor's relations. They are:

- state policy doesn't pay enough attention to the regional development issues (there is no appropriate law on cross-border cooperation issues in Russia yet);
- cross-border cooperation has not efficient institutional and legislative support, especially on the eastern border of Ukraine (there is no specific structure which should work in this direction on the regular and professional basis);
- the stakeholders are involved into the cross-border cooperation development occasionally and thus this process is not stable (information on the topic is disseminated among the population unsystematically, business and "third sector" representatives slightly participate in the process, the intensity of their involvement is quite low, there are no declared effective mechanisms for it).

⁴ I. Studennikov: Regional Policy In The EU Countries: Lessons For Ukraine. Ed. S. Maksimenko. Logos 2000, p. 156.

Our research and analysis of the regional authorities' point of view concerning the topic allows us to make a conclusion that:

1. Very often the officials consider that cross-border cooperation doesn't play much role as an instrument of raising the social and economic indicators of the region;
2. They do not understand the sense of this process and thus don't realize all the possibilities it may open for all the spheres of regional life and economy;
3. Most of the officials tend to consider the necessity of the cross-border cooperation development as a temporary tendency brought by new state policy after elections;
4. There is no available theoretical or practical materials, operating instructions for cross-border cooperation development and usage of its benefits and opportunities;
5. It is quite hard to find some support at the national level for any local initiatives (finance support, creation of new euroregions at the eastern border, establishing new local instruments for facilitation of goods/services/people movement through the borders, etc.);
6. Any participation of NGOs or community representatives in the official procedures concerning the topic usually not taken in all seriousness and bear recommendation character.

All the produced facts draw us to the conclusion that namely rational joining of efforts and active actions of all the stakeholders, such as regional authorities, educational establishments, business structures, "third sector" representatives, mass media, can create a strong base for the effective cross-border cooperation. It also will need appropriate support and conformation of the national government bodies as well. The other issue is that Ukrainian regional authorities need also some part of the power concerning social and economic development of the particular region. This brings us to the model of region development which is about authority balance between national and regional government bodies, as well as between authorities and community.

The other important issue concerning cross-border cooperation on the eastern border of Ukraine is the necessity of revising the structure of economy and the directions of possible cooperation. As has been mentioned above, namely recreation and tourism industry is the one of the most long-living and successful among cooperation spheres of the neighboring regions. What does it stand for?

The idea of diversification in economy has been born a long time ago. This instrument shows its utility almost in every issue it is applied to. Its value grows especially when we speak about security of economy of the region or country in whole. Diversification projects are able to benefit to:

- usage of the farm lands,
- ways of production,
- exploitation of human resources,

- entering additional markets,
- even usage of the resources through out the year,
- raise the level of the population employment, etc.

Diversification also helps to exclude the import goods or services, make the incomes more balanced through out the year, and saturate the market with different domestic goods.

We also should stress on the role of the economy diversification for the regions which are not specialized in agriculture. Due to such projects new working places can be created in such spheres as tourism, souvenirs production, catering, etc. More significant is the fact that these spheres are popular among youth which means stop of the depopulation for the rural territories, especially in its frontier regions which traditionally appear to be depressive. While speaking about frontier regions, we should admit that joint efforts and resources of the neighboring regions, which have common problems and are close in all aspects, will make the diversification projects more effective.

Now we'll distinguish three strategic directions in the diversification process concerning the cross-border cooperation in rural territories, which used to be the most depressive after the USSR disintegration (figure 2).

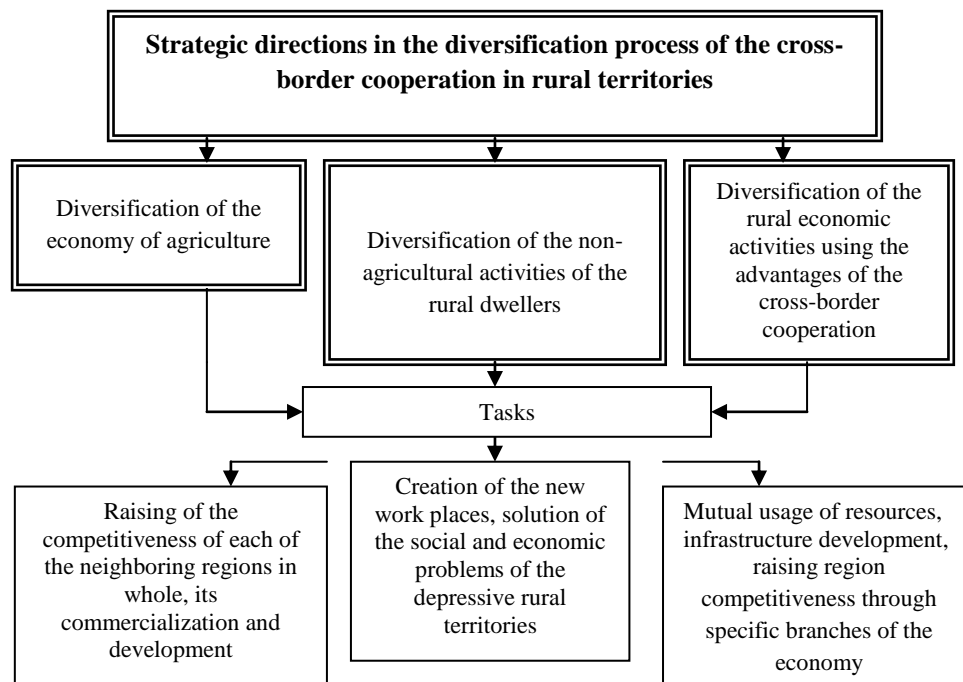


FIGURE 2. Strategic directions in the diversification process of the cross-border cooperation in rural territories

Source: designed by the author.

At the same time we'll see the place of the tourism industry within the diversification process of the cross-border cooperation (figure 3). Our scheme leads us from single official and family connections to the creation of euroregion or official structures for cross-border cooperation development. That starts new level of the cooperation within the sphere of economy, culture, education and science. Recreation and tourism, as one of the priorities, finds its development in enhancing the infrastructure and creation of the additional spheres and work places within diversification projects. In some time it will lead to the creation of the cross-border tourism clusters.

Thus we come to the main point of our research of the cross-border cooperation on the Ukrainian eastern border. Each of the potential spheres of the cooperation should be supported by the authorities and other stakeholders. But the chief thing to be remembered during this process should be thesis about necessity of diversification of the frontier region economy in the name of its depressive tendencies elimination. The nearest step for the Ukrainian euroregions we reckon the development of tourism and green tourism in particular.

What do we need to start this engine? To be launched each process needs three things, like a car:

- first of all the fuel – that's resources (Ukraine has a great potential of the recreation and tourism sphere),
- then the road – the basis (here we count legislative base and infrastructure, both of which need improvement)
- and the driver – the direction to move (specific conditions and national/regional policy guidelines).

Thus we come to the idea of cross-border clusters. Not so long time ago they have become a key point of the national and regional strategies of social and economic development, especially often they are mentioned when talking about joint development strategies for the cross-border regions⁵. EU countries use clusters for raising the competitiveness of the country or the region. The EU newcomers use cluster approach to stimulate rapid changes and growth of business and innovations. World practice shows effectiveness of the cluster approach implementation into regional development strategies.

Cross-border cluster is an informal network of institutions and companies, manufacturing enterprises, infrastructure, educational, scientific and innovation organizations, which are situated on the frontier territories of the neighboring countries. [3] The cluster must have sole territory management of the flows and significant activities within the cross-border region in order to reach the synergetic effect as a result of cooperation.

⁵ O. Husnutdinov: Clusters: joint development strategy for the cross-border regions. "Foreign Affairs" 2009 no. 6, www.uaforeignaffairs.com.

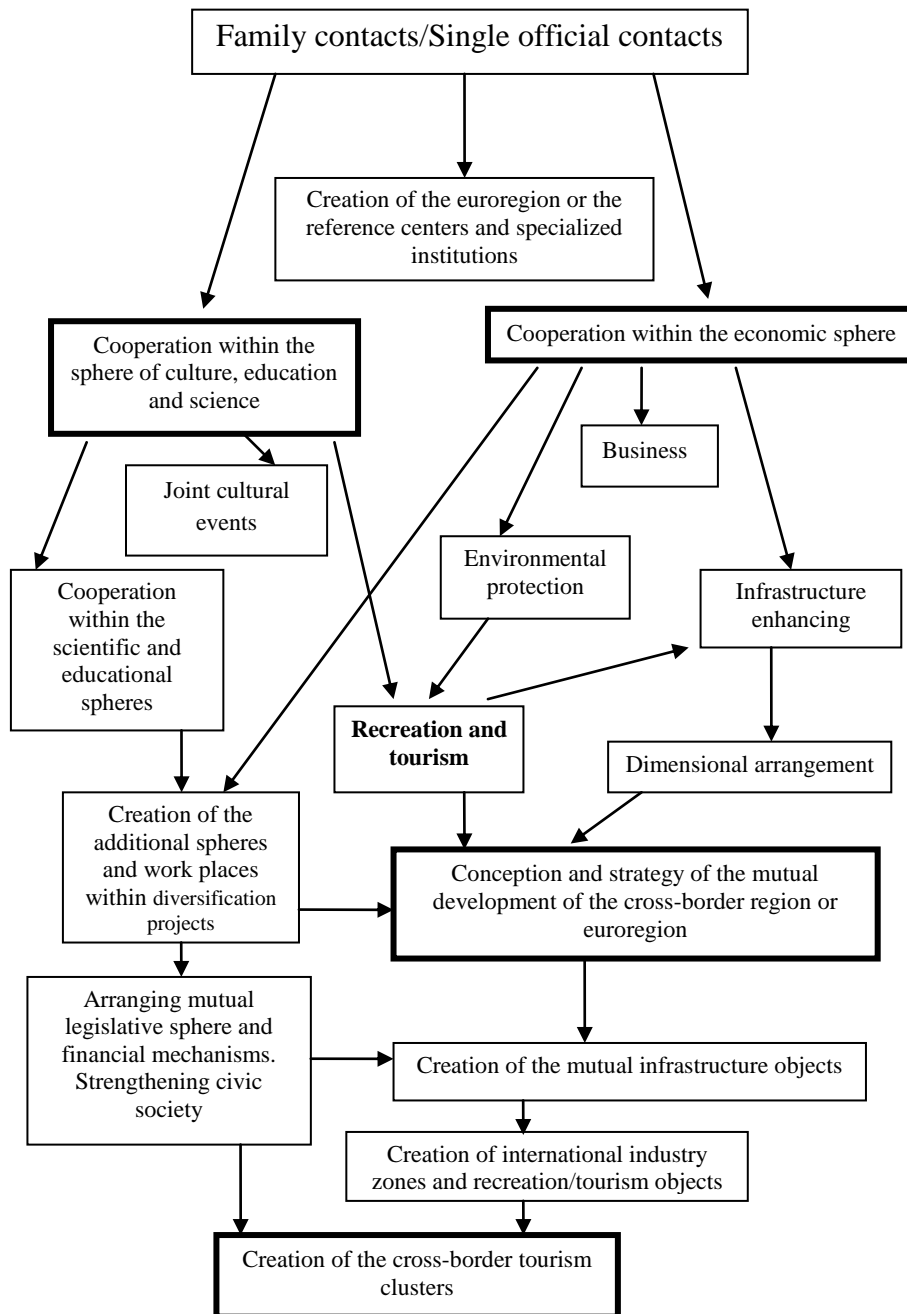


FIGURE 3. Place of the recreation and tourism industry within the diversification process of the cross-border cooperation
 Source: designed by the author.

Among the spheres of cross-border clusters development should be included:

- strengthening the nature conservation industry;
- international scientific researches and innovations;
- tourism and recreation;
- industrial and scientific parks, technology towns, business incubators development;
- centers for Euro information;
- technologies transfer;
- development of guarantee and compensation schemes for people who temporary stay abroad;
- development of informational technologies and strengthening the communication technologies, creation of data bases;
- organizing of trainings and courses for the unemployed people, collaboration on HR management;
- etc.

All mentioned above draws us to the conclusion that cross-border clusters should be one of the main points of the regional strategies of the cross-border cooperation development. At the same time we should remember that while in Europe they are functioning within the unified legislative base and encouraging conditions, those for Ukrainian clusters quite differ from East to West and from the European. That means that Ukrainian government should take into consideration the European experience remembering all the features of the national cross-border needs and cooperation.

In addition we'd like to represent you the results of our research on the state of cross-border cooperation in Ukraine through the evaluation of social and economic life of the frontier regions which participate in the euroregions. This methodology confirms the determinative role of the cross-border cooperation for the regional development. The idea of the methodology is to calculate the integral indicator of social and economic level of development of the concrete regions on the base of such data for the current year: gross regional product, direct investments and foreign trade turnover. The results of our calculations are represented in diagram form (figure 4).

The diagram above shows us the obvious difference in social and economic development of the Ukrainian frontier regions which participate in the euroregions. The best rates show Odesa and Kharkiv regions, which entered the cross-border cooperation in form of the euroregions not so long time ago. The others are much more experienced euroregions participants. How it can be explained? These regions have the biggest sums of foreign trade turnover of all the frontier regions from the group. It means they participate in the cross-border cooperation in the biggest amount.

These results also confirm our previous statement that the more region participates in the cross-border cooperation through all its spheres the higher social and economic indicators it shows. “A new comer” Sumy region represents higher results than other three regions with deeper history of participation in euroregions; it declares insufficient usage of their potential.

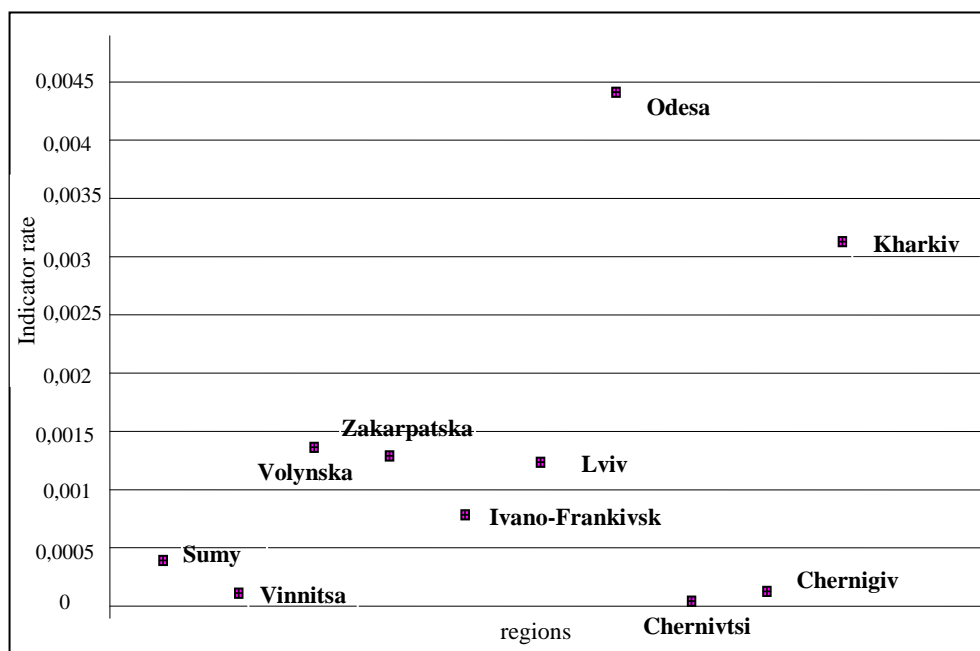


FIGURE 4. Rate of the Ukrainian frontier regions which participate in the euroregions by the integral indicator of social and economic level of development, year 2008
Source: calculated by the author.

Issues for the discussion

With this article we tried to highlight the widest range of development instruments for the cross-border cooperation in Ukraine. Still there are some which we didn't touch. For example, it is stimulating the export-import operations, organizing the scientific and staff exchanges, youth projects, elaborating the system of cross-border statistics, etc. There are a lot of instruments which can be used by the state government to stimulate the cross-border cooperation. Still they all will need the participants of other stakeholders (NGOs, mass media, business representatives, educational establishments, etc.) as well as special attention and conditions of functioning.

Conclusions

The European experience of the cross-border cooperation development is reach in instruments and examples of success. Our country started adopting that

experience and mechanisms not such long time ago. That's why Ukraine's transforming state and its geographical positions makes the need to develop the cross-border cooperation with its neighbors obligatory and impartial. For this we consider to be the most effective and necessary such development instruments as: involvement of all the stakeholders into the cross-border cooperation development processes, economy diversification projects, especially in the recreation and tourism sphere, creation of the cross-border tourism clusters.

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CHAPTER VIII

Pre-conditions of rural tourism development: Ukrainian agricultural workforce

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Abstract

The issues of rural tourism, which became more urgent as a result of market transformations and agricultural investments, are considered. There is an obvious need to improve HR management in Ukrainian agricultural enterprises through better planning, planning, recruitment, training and motivation practices. Regulations, which would make companies to assign a specific amount to development of their employees, seem also relevant. If the company does not use this amount, then it will be collected at the end of the year as tax and used for government programs of investments in human capital.

Key words: rural tourism, workforce, agricultural enterprises, motivation.

Introduction

Rural areas in Ukraine have rich historical and architectural heritage, unique culture, customs and traditions, magnificent natural landscapes, huge recreational resources/ There are a number of prosperous rural communities with individual dwellings where hospitable and hardworking people reside. However, a number of rural communities face the problem of growing unemployment resulting from decreasing demand of workforce in the sphere of agricultural production. Taking into consideration lack of investments in job creation, it is appropriate to pay more attention to spheres that are less costs consuming. One of them is rural tourism that has long since become popular in Ukraine. There have always been a lot of visitors in rural communities having appropriate recreational infrastructure. The most popular destinations are those located at the sea-side, river banks and in the mountainous regions.

Agrotourism in Ukraine

There are three types of rural tourism in Ukraine:

The first one, agrotourism, is the type of rural tourism aimed at both sightseeing and recreation, that involves the use of rural household plots of rural residents or plots of agricultural enterprises that are temporarily out of use for agricultural needs. This type of rural tourism must not have limitations concerning load on the territory and regulation of entertainment activities.

The second one, recreational tourism (spending time in the country), is based on the use of rural residents' capital housing facilities as well as of the

existing natural, recreational, cultural, historical and architectural facilities of a certain region.

The third one, ecotourism, is a research and educational type of rural tourism, characteristic for the territories located in national parks, natural reserves, landscape parks etc. where there exist limitations concerning load on the territory and regulation of entertainment activities.

The basic figure securing the functioning of the above mentioned types of rural tourism is a rural family that provides housing and catering facilities, familiarizes guests with the peculiarities of rural life in the location. It is evident that it is necessary to get some training in order to provide a high quality service.

The view of rural tourism as a specific form of recreation that involves the use of natural, material and cultural resources of the region is currently being shaped in Ukraine. In the overwhelming majority of European countries rural tourism is considered to be an inseparable part of complex socio-economic rural development and one of the means of handling numerous problems that rural communities face.

Development and spread of rural tourism is especially urgent in view of the aggravation of economic and social problems in rural areas under the influence of the world economic crisis.

The positive influence of rural tourism on the socio-economic climate of rural areas consists in the increase of employment, especially among women, in giving rural residents additional source of income, in making it possible for them to work beyond agricultural production sphere in the services sector. The influx of guests requires satisfaction of their needs, which stimulates the development of service industries such as transportation, communication, commerce, community services and entertainment facilities.

Nature and landscape parks, e.g. Vyzhnytsky National Park, are favorable locations for rural tourism as they provide the opportunity to combine adequate rest and recreation with visiting historic sites, cultural centers and enjoying wonderful views.

Another significant effect of rural tourism development is open up the opportunities for rural residents to sell the food they produce on-site as ready-to-use goods. Otherwise they would have to sell their products as primary goods. Host families in rural areas improve the cropping mix in their allotments taking into consideration the needs of their guests, expand the assortment of vegetable crops, fruit trees, berries etc., develop and expand cattle breeding, start growing crops in greenhouses.

The development of rural tourism stimulates the improvement of rural dwellings, beatification of streets and villages, upgrade of social infrastructure. Though at the initial stage guests are received and served on the basis of the existing housing and recreation facilities, hosts tend to invest their profits in making their dwellings more comfortable. Simultaneously rural residents jointly

work to improve the infrastructure of their villages and community services. The establishment of local centers of the Union of rural tourism development in Chernivtsi oblast and regional organizations aiming at the development of rural tourism infrastructure are positive examples of common activities.

The development of rural tourism plays an important part in enhancement of rural residents' cultural and educational proficiency. In the process of preparation for receiving guests members of families residing in rural areas have to broaden their skills and qualifications in housekeeping, cooking, to improve sanitary conditions. Communicating with the guests they have an opportunity to get acquainted with other people make friends with those who live in other regions of the country and abroad.

Since time immemorial Ukraine has been famous for its rich soils and beautiful landscapes that attracted invaders.

It is due to significant amount of national parks and reserves, to a great number of unique picturesque locations that rural tourism in Ukraine has inexhaustible development potential.

Wherever you travel – from east to west or from north to south – we will see natural diversity and beauty all over the country, you will admire nature reserves, vast steppes and fields of sunflowers or golden wheat.

It is impossible to enumerate locations of unique beauty in Ukraine as its rich natural resources go far beyond those included in world famous tourist attractions lists. Those who happen to see the magnificent landscapes will have no doubt concerning the future of rural tourism and eco tourism in Ukraine.

Rural tourism is the driving force of small businesses development in agricultural regions; it provides rural residents with the opportunity to improve their living conditions and increase their income.

The development of rural tourism in Ukraine is chiefly a spontaneous process. One of the organizations aimed at the popularization and informational support of rural tourism is the Union of rural tourism development promotion, created in 1996.

Trans-Carpathian, Ivano-Frankivsk, Vinnytsya, Kyiv, Lviv, Poltava oblasts and the Autonomous republic of Crimea are the regions that endeavor to develop rural tourism. This list is constantly being expanded as other regions take pains to attract tourists to their countryside.

The Ukrainian agricultural sector is facing the issues of sufficient quality workforce, and this problems was caused by the demographic situation in Ukraine (especially in rural areas), deterioration in the rates of their development, inefficient management practices in most farms, as well as other factors, which are the inheritance of transformations in the Ukrainian economy.

However, in the market and competitive environment the quality of the workforce comes one of the main factors, which determines the economic situation of farms, sustainable positions in the market and competitiveness. That's why the

issue of development and use of the agricultural workforce should be perceived by the society as the most important precondition of profitable agriculture.

Transformations in the society, integration of economic research in developed and transition economies and globalization create the need for systemic institutional analysis of the issues of development and use of the agricultural workforce (which is the basis for human capital) and study of the most important factors of development of the socially oriented market economy in Ukraine.

History of economic development of many countries shows that accumulation of knowledge allows to reproduce the lost wealth. Quality of the workforce (which is an element of the human capital) becomes the important factor of efficient development of the Ukrainian agro-industrial complex.

Current agricultural transformations, which started in 1999, directly affected the agricultural and rural workforce, as well as rural human capital. Knowledge and skills of the workforce will determine the society's development and economic growth. Economic transformation in agriculture show unprecedented attitudes towards development and use of the human factor in agriculture.

During transformations, the average annual number of agricultural employees decreased in 2000-2007 from 2475 to 778 thousand persons. On the one hand, such trends are consistent with situation in the developed countries, where the percentage of agricultural employees is small. However, developed countries implemented government-sponsored employment programs and regulations, which focus on the former agricultural employees, which became redundant as a result of technologies.

As a result of current transformation in agriculture, the majority of Ukrainian unemployed are represented by rural residents, former employees of agricultural enterprises. As of 1. April 2008, out of 643 thousand persons, which were registered by the Ukrainian Employment Service, 340 thousand persons (or 53%) live in rural areas. As regards the Sumy Oblast, the situation is even worse: as of 1. January 2009, out of 20,9 thousand unemployed rural residents account for 15,6 thousand (or 75%). The above figures were obtained based on the new, more strict requirements to classification of certain person as unemployed; for example, those people who are actively engaged in subsidiary farming, can not be counted as unemployed.

Such trends were caused by investments into the agricultural sector, which are accompanied by mergers and acquisitions, as well as orientation to the global market. In 2007, the Sumy Oblast was ranked 17th among other Ukrainian territories according to the investments. The geography of investors expanded during the last years: in 1995 investments originated from 12 countries, while in 2008 – from 31 countries. The leaders among investors also changed: in 2001, U.S. investors implemented project regarding improvement of organizational structures of agricultural enterprises, accounting for 90% of foreign investments, while in 2007 72% of foreign capital came from the United Kingdom.

In 2008, the largest foreign investors in agriculture came from Netherlands (USD 4,8 million, or 52% of the total amount of foreign investments), United Kingdom (USD 2,3 million, or 25%), France (USD 1,1 million, or 13%) and Italy, Germany and Latvia (2% for each country), which accounts for more than 95% of the total volume of foreign investments in agriculture.

Regional comparisons show that in 2007 the volume of FDI into the agricultural sector of the Sumy Oblast amounted to USD 9,1 million, or 1,7% of total investment into the Ukrainian economy. A positive trend could be seen in 2008: the total amount of foreign investments into the Ukrainian agricultural sector amounted to USD 300 million and increased by 50% as compared with 2007; FDI amounted to USD 19,5 million. The main focus of such investments both in Ukraine and the Sumy Oblast was on crop farming, while the animal farming sector generated only UAH 50 million of income, which was used mostly to purchase equipment for dairy farms. Due to foreign investments, 97,000 hectares of land were used for farming in 2008.

As a result, the gross product of agricultural enterprises of the Sumy Oblast amounted to UAH 3,3 billion, including 3,2 million tons of grain. Foreign investment into the Ukrainian agriculture depend on the natural conditions (table 1).

TABLE 1: Foreign investments into the agricultural sector of the Sumy Oblast

Districts	Actual foreign investments		Need for foreign investment, UAH millions	Country of origination	Number of farms	
	UAH 000's	%			Total for the district	Including those with foreign investments
Glukhiv	24811,0	99,9	84,28	Netherlands, France, Latvia	22	6
Putivl	11,23	20,6	59,49	Italy	22	2
Sumy	7456,8	39,0	114,58	Germany, United Kingdom	51	3
Shostka	5367,4	26,0	48,53	Netherlands	37	1

Source: N.V. Kletsova: Forecasting of the Investment Climate. "Agrosvit" 2009 no. 17, p. 31-38.

As we can see, the largest investments flows went to agricultural enterprises of the Glukhiv District, and, according to the forecasts, such trends will continue. However, we can not say that foreign investments contribute to sustainable rural development and economic growth.

According to UN assessment, Ukraine is one of the most attractive countries for direct investments due to the skilled and relatively inexpensive workforce. This is also supported by survey of international experts, made by

N. Kletsova, who is doctoral student of Sumy Agricultural University. She studied incentives for foreign direct investments into agriculture, and found out that the factor of large areas of agricultural land (100% of answers) is followed by the factor of cheap factors of production (workforce, energy, raw materials) (91,7%). At the same time, quality of the workforce (73,3% of answers) directly affects the investor's choice of investments¹. As regards the Sumy Oblast, 2 companies have increased the area of agricultural lands: Rise (LLC) (100,000 hectares) and Ukrainian Agricultural Investments (more than 100,000 hectares). At the same time, focusing on crop farming minimizes the number of agricultural employees against the background of limited employment opportunities for rural residents.

Animal farming, due to large payback periods and unfavorable market situation (partially as a result of a more open Ukrainian economy starting from 2008, when Ukraine became the WTO member), which included increase in imports of animal products, is not an attractive industry for investors.

The issue of HR management in agricultural enterprises remains important. First of all, current HR planning in agricultural enterprises usually does not take into account best practices and case studies. Numerous violations of employment contracts (late payments of salary, absence of sick leave days, paid leave, violations in layoff procedures etc.) should have been by the regional labor departments, but they can not check all agricultural enterprises (especially agricultural holdings) due to financial restrictions. Out of 1,200 complaints, which were registered in 2009 in connection with violations of labor laws, only a small percentage of complaints came from agricultural employees². That's why, and also due to a higher level of unemployment among rural population as compared to urban areas and limited employment opportunities, agricultural employees can not demand decent work environment, fair remuneration etc.

Price of the agricultural workforce remains at low levels and equals 55-60% of the average labor price in the economy. In some foreign agricultural companies and holdings, employees get fair salaries and benefits (company's vehicles, laptop, cell, trainings, recreation etc.). At the same time, many people (especially older ones) can not adapt to requirements of such foreign companies. For example, if a management employee hires or provides some preferences to his or her relatives or friends, it can be the basis for suspicions and even termination of employment agreement. Compliance with such requirements is a becomes a really difficult test for people from the same village.

As regards certain economic indicators which may describe the system of motivation in certain foreign companies, average monthly wage varies greatly both for companies and periods: from minimum USH 450-500 in 2007 to UAH

¹ N.V. Kletsova: Forecasting of the Investment Climate. "Agrosvit" 2009 no. 17, p. 31-38.

² O. Vertil: Processing of Complaints by the Labor Department. "Uryadoviy Kuryer" 28 November 2009 no. 222.

2000-2360 in 2008 (Holland Agricultural Company (LLC), Glukhiv District). Rent, which can be an element of motivation for some employees, is quite small falls in the range from UAH 24 to UAH 110. Almost complete absence of social responsibility in certain companies results in depreciation of human capital due to unemployment, social exclusion (if people are engaged in subsidiary farming), loss of professional skills and competitiveness in the labor market. As a result of irresponsible local governments, 12,2% of Ukrainian employees (and first of all agricultural employees) receive salaries at the level below cost of living.

There is an urgent need for professional trainings. Ukrainian agriculture can use for a certain period knowledge and skills of employees, which were accumulated during the central planning system. At the same time, there is a paradox: along with high unemployment rates for rural residents, director of many agribusinesses say that they can not find employees of some categories, for example operators of agricultural machines. Only some successful companies follow efficient HR management policies. They provide professional training prior to employment and in case of changes in external and internal environments (new crops, innovative technologies, plant protection, fertilizers, machinery etc.). Personnel management services study potential skills of employees and maximization of their efficiency. If a person can not perceive and use new knowledge, then he or she can be fired. However, most agricultural enterprises do not do anything to develop knowledge and professional skills. Our survey in 2007 showed that only 0,5% of agricultural employees were enrolled in some professional training programs (the same level for industrial companies was 15,2%, and for the economy in general – 9,6%); at the same time, in 2002 relevant indicators were, respectively, 1,3%, 14,9% and 8,9%. Such situation directly affects competitiveness of agricultural employees, negatively affecting the country's security.

Therefore, in order to improve skills of agricultural employees, as well as in order to develop rural human capital we propose to impose regulations, which would make companies to assign a specific amount to development of their employees. If the company does not use this amount, then it will be collected at the end of the year as tax and used for government programs of investments in human capital. Agricultural enterprises need to create the environment, which will be conducive for training (management support, acknowledgement of trainees' achievements etc.). We believe that investment agreements and creation of new businesses should focus on regional needs and interests of local communities in sustainable rural development. Agricultural transformations also create the need for implementation of control over quality of managers and specialists at various levels. In this context, model agricultural enterprises (regardless of their corporate form) should be used for professional training. Such enterprises should be able to issue relevant certificates.

The basic tendencies of agricultural complex development are the prerequisites of the development of rural tourism.

One of the most promising investment spheres of Ukraine is rural tourism.

The diversity of opportunities for rural tourists includes:

- guided tours that take the guests back to the roots of Ukraine’s spirituality by means of culture, literature, art;
- familiarizing themselves with traditional handicrafts (wicker hadcraft, carving, embroidery, painting, pottery, etc.);
- visiting historic sites, including places where famous people were born, resided or worked.

Regions of Ukraine have ethnographic peculiarities and unique natural conditions, and advantageous geographical location, which is a good precondition for rural tourism development. High unemployment rates can be considered as a stimulus for rural tourism development as lack of jobs induces rural residents to create jobs themselves via turning their households into rest and recreation facilities. Urban residents, in their turn, get an excellent opportunity to experience the simplicity of country life.

Conclusions

Rural development is an urgent problem in the context of intensification of economic development in its regional dimension.

Introduction of rural tourism is an instrument of improving the current social and economic situation via creation of new jobs, increasing the volume of domestic tourism and popularization of national culture, customs and traditions.

It is necessary to point out that the establishment of rural tourism in Ukraine will only be successful if governmental bodies work out common action plan, adopt legislation, take administrative, informative and economic action to facilitate the process.

Rural tourism has positive influence on the revival, preservation and development of local customs and traditions, handicrafts, historic sites. Showing their interest in sights urban residents, who spend their vacations in the countryside, reveal their true value to the urban community, thus facilitating their preservation.

Rural tourism has cultural and educational value for rural residents as they aspire to improve their living conditions and household skills in order to attract more guests. Communication with their visitors helps the hosts broaden their world outlook, make friends with people who live outside their region.

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CHAPTER IX

Type and distribution tendency of main economic index numbers in agricultural industry

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Abstract

In the article the research of distribution of the main economic index numbers in agricultural industry of Stavropol region was taken into consideration. It admits to identify their structure and to define their regularities. The authors checked if the distribution of Gauss corresponds with the data.

Key words: economic index, distribution, tendency, agricultural industry.

Introduction

The mark of distribution tendency is analytic statistical procedure of research the main characteristics of empirical distribution: measure of central tendency, variability, excess kurtosis and any other index numbers. The mark of distribution tendency is undertaken with the purpose to check assumption that analyzable distribution corresponds to theoretic distribution. Usually as theoretic distribution, by comparison with empirical one, normal (standard) distribution is used. The mark of distribution tendency in this case is used for checking normalcy of empirical distribution. To estimate submission of empirical distribution studied stochastic variable to normal distribution, the researcher has to correlate the known about this figure's quantities and conditions of its studying with the functions of normal distribution.

Analysis of economic indexes in agricultural industry in Stavropol region

Research has taken into consideration the distribution of the main economic index numbers in agricultural industry of Stavropol region admits to identify their structure and to define their regularities.

The authors have checked the validity of the normal (standard) distribution of Gauss with the data. Under normal (standard) distribution of feature 68,3% of all value of statistical item has been in the range of one standard exception from central tendency. In list 1 in determine diapason all being investigated distributions

are situated. Within two standard exceptions from central tendency all being investigated distributions are situated.

TABLE 1. Statistical characteristics of distribution of main economic index numbers in agricultural industry of Stavropol region

Regions' distribution according determinant	Coefficients		Three sigma rule		
	Bias	Peakedness	$\bar{X} \pm \sigma$ (68,3%)	$\bar{X} \pm 2\sigma$ (95,5%)	$\bar{X} \pm 3\sigma$ (99,7%)
Average monthly nominal labor cost of workers, rubles	0,06	2,20	84,6	96,1	100,0
Efficiency of labor in agricultural industry, thousand rubles/man	1,16	1,46	73,1	96,1	99,1
Capital-labor ratio	1,58	1,76	80,8	96,2	100,0
Return on assets ratio in agricultural industry	0,41	1,06	69,2	96,1	100,0
Sales agricultural margins in compliance with block grant and emoluments, %	0,08	1,89	69,2	96,2	100,0

Source: own calculations.

To make an analyses with the help of bias and peakedness index numbers, we may say, that the closest to normal one are two distributions: average monthly nominal labor cost of workers and sales agricultural margins in compliance with block grant and emoluments.

TABLE 2. Checking normalcy of distribution of average monthly nominal labor cost of workers according statistical criteria

Sample size	26	Average	3865,808
Standard exception	723,199	Median	4016
Skewness	0,059	Kurtosis	2,011
Alternative skewness	0,063	Alternative kurtosis (Fisher)	-0,938
	Meaning of statistics	Significance level	5%
Criterion of Kolmogorov-Smirnov/Lillifor	0,091	No confirmations against normalcy	
Criterion of Shapiro - Wilco	0,967	0,539	Normalcy is taken
D'agostino skewness	0,146	0,884	Normalcy is taken
D'agostino kurtosis	-1,364	0,172	Normalcy is taken
D'agostino universal	1,883	0,389	Normalcy is taken

Source: own calculations.

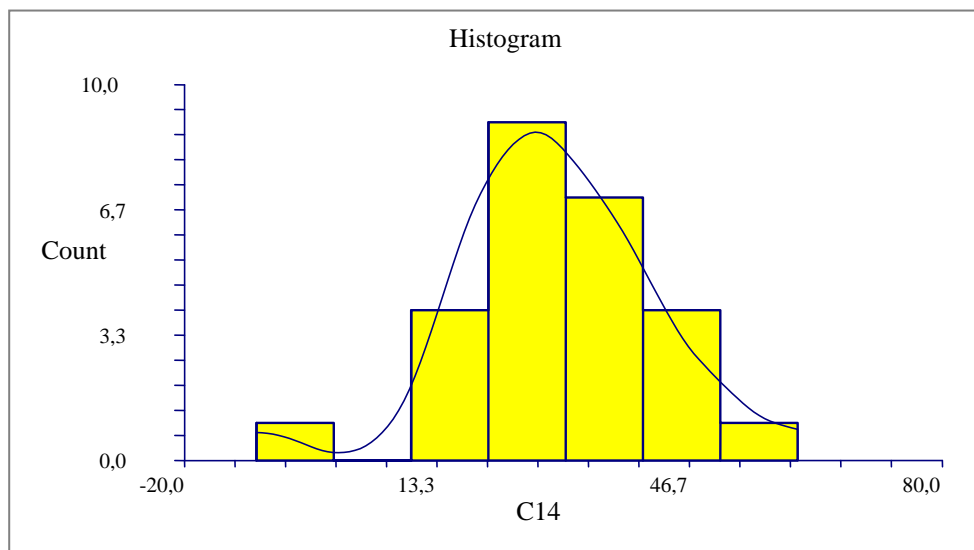


CHART 1. Distribution of Stavropol region according to sales agricultural margins in compliance with block grant and emoluments

In order of soundness, concerned main economic determinants, they are ranked in a certain way (chart 2).

The most stable distribution is distribution on average monthly nominal labor cost of workers in organization, where coefficient of variation isn't more than 27%. In other covered distributions the meaning of coefficient of variation overrun the normal (standard) variability. The most unstable distribution is distribution regions of Stavropol region according to capital-labor ratio, where maximum coefficient of variation reaches 190%.

As the result we have to notice that revelation of regularity's type is prolonged and time-consuming process. This regularity fence definite quantities of appearances and conditions which have influence on variation of investigated indications. General conditions are governing conditions and shaping level of indication. Theoretical distribution curve repulses general regularity of this distribution type in overview with the exception of impact chance factor for this type of regularity. Because of this fact such type of theoretical curve is chosen which the most suitable is for investigated factual distribution. Traced research shows that distributions of main economic index numbers in agricultural industry in Stavropol region come nearer to normal. It gives opportunity to use ascertained regularity for prediction of distributions of main economic index numbers in agricultural industry in Stavropol region.

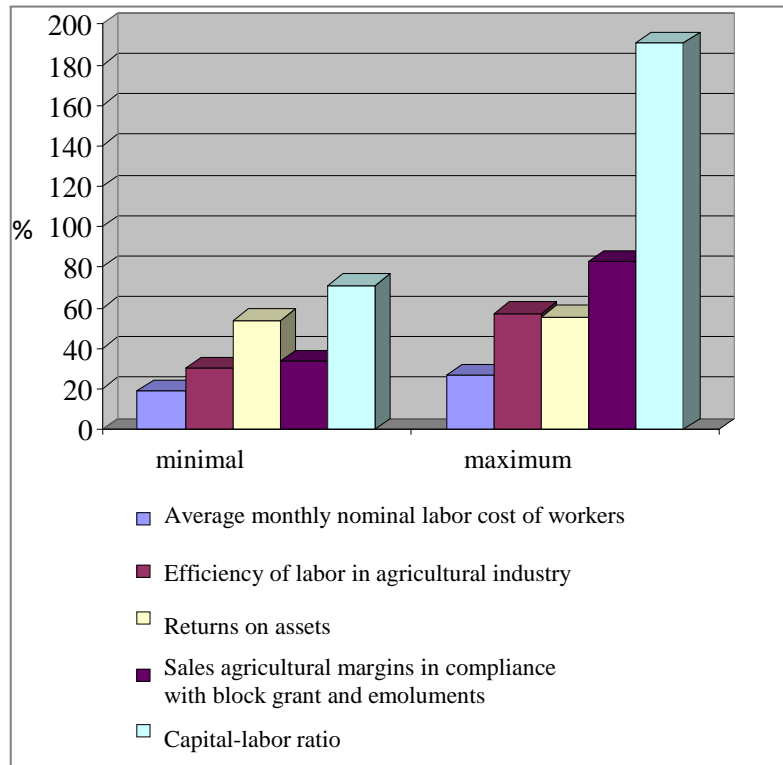


CHART 2. Minimal and maximum sense of coefficient variabilityies of main economic index numbers of agricultural industry in Stavropol region

Operational analysis of agricultural industry's gross production in Stavropol region for 2000-2009 years allows to state that in all categories of sectors in 26 regions steady growth trend is observed. Equalization of trends allows to reveal that during the past decade all regions have affirmative average annual increase (chart 1), however, considerable variation should be noted. If in Shpakovskiy region coefficient of regression is 503.000 rubles, in Krasnogvardeyskiy region and Novoaleksandrovskiy region is 497.000 rubles and 460.000 rubles respectively, in Arzgirskiy region, Andropovskiy region and Aleksandrovskiy region is in 5 times lower. Range of variations according this activities is 475.000 rubles (chart 3).

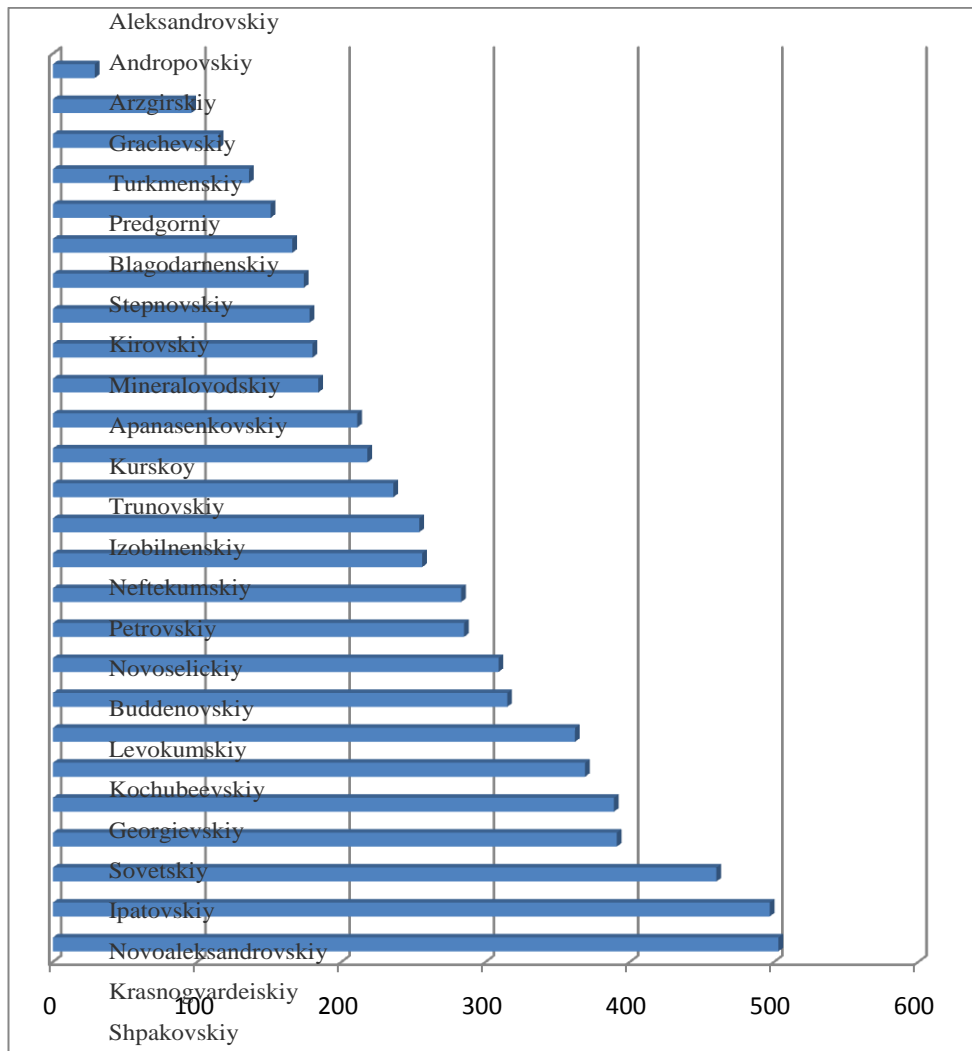


CHART 3. Regions' distribution in Stavropol region according average annual increase of agricultural industry's gross production (all categories of sectors)

Operational analysis of gross production, generated with agricultural enterprise is evidence of improvement. It should be observed that considerably lesser variability of this indicator that means stronger growth of gross production in agricultural enterprises in comparison with sectors of all categories. The comparison of evolution developing production of agriculture in value and physical volume reveals that majority of regions has diametrically opposite tendency. It should be noted that more than 75% of regions have negative increase.

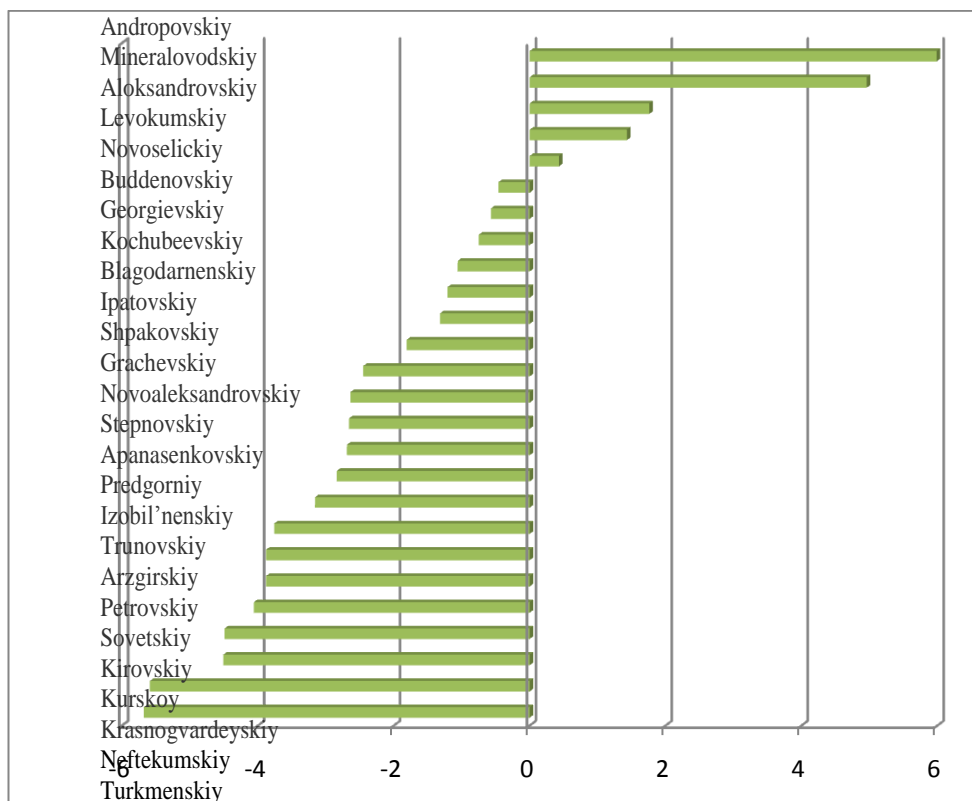


CHART 4. Tendency of indices of physical volume production in agricultural enterprises of Stavropol region (2000-2009 years)

TABLE 3. Tendency and variability of making production's physical volume of agriculture in different sectors of Stavropol region

Indices of physical volume agricultural production	Average annual increase (+), (decrease (-)),pct	Range of variation	Variation coefficient
In sector of all category	-0,489	38,7	28,9
In agricultural enterprises	-0,464	58,5	28,3
In economy populace	0,004	10,4	25,4
In peasant (farmhouse) household	-0,651	56,6	29,1

Source: own calculations.

Indices of physical volume agricultural production is more steady in economy populace, and it is the only category, which has positive growth trend during observable period.

Conclusions

The least stable physical volume production is in agricultural enterprises. In the large in Stavropol region it is reduced yearly on 0,464 pct, and just near 20% of regions have tendency of growth in physical volume production. Thus, the growth of pricing volume of agricultural gross output is accompanied not with growth but decrease of its physical volume.

For increasing of effectiveness in agricultural production need to develop processing sectors and specifically broad building of fruit storage and vegetable processing factories in Stavropol region. in regard to livestock sector, total number of cows (178 600) can not provide region with dairy produce. The major part of cows is located in economy populace, where building of large modern dairy plants is limited. Stavropol region has a great forage reserve for abrupt increase of pigstry, it's the main source of rapid meat production expansion. These facilities are used insufficiently. Rural development is an urgent problem in the context of intensification of economic development in its regional dimension

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