

## PROJECT TITLE: SOCIAL AGRI-ENTREPRENEURSHIP FOR PEOPLE WITH DISABILITIES IN THE CROSSBORDER AREA (AGRI-ABILITY)

### **DELIVERABLE:**

## 5.3.1. REPORT ON THE BUSINESS MODELS FOR AGROTOURISM IN CORRESPONDENCES WITH AGRO-TOURISM RELATED ENTREPRISES OF DISABLED PEOPLE IN THE CB AREA (BULGARIAN PART)

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# 1. CONCEPTUAL APPARATUS ON THE ISSUE OF RURAL TOURISM AND BUSINESS MODELS APPLICABLE TO IT

Within the framework of its historical development, rural tourism appears as a phenomenon in the late 18th century in England and Europe. It was defined as a social phenomenon for leisure activities (Krasteva, 2014). Until then, rural areas were used for recreational activities such as hunting, which was mainly a privilege of the aristocracy and other affluent segments of the population. In the last decades of the 18th century travelling for pleasure in the countryside is approved in Europe as a social practice among the wealthy circles of society (mainly the aristocracy) that they had both finance and free time. Travelling for pleasure of the bourgeoisie circles of the society, at that time, primarily aims observation of natural, cultural and historical landmarks. The restorative effects of the relationship with the nature and the romantic orientation combined with aesthetic pleasure from watching the sights prompted many people to visit rural and mountainous areas in Europe. One of the most popular destinations, then and today is Switzerland.

During the 19th century in Western Europe urban industrial centers consume a large proportion of the rural population as a labor force. The extent of migration of people from rural to urban areas with developed industry is great. In their free days, those who are able to return to their homelands are engaged in the cultivation of crops and thus help their relatives. A significant role played the introduction of steam trains, which contributes to more rapid movement to rural areas. Gradually these trips become a tradition and later urban workers began to return to their native places in order to rest. This is not organized tourism, but a social phenomenon which marks the beginnings of a new type of tourism.

In 1920 the resorts of Wengen and Grindelwald (Switzerland) had already become popular summer destinations for rural tourism, and nowadays they accept over half a million visitors each year. Such a development of rural tourism is observed in certain regions of England (ie. Lake area), in Scotland (alpine part) and America (mostly in New England, Pennsylvania and Connecticut).

In the 20th century rural tourism gets greater popularity and massiveness. In the interwar period for the first time many tourists visit rural areas and pay for services rendered



in their residence. Activities such as fishing, biking, hiking become very fashionable and the demand for places that offer such services increases.

Rural tourism was develed more systematic after World War II. Due to the massive influx of cars in the households, rural areas became more easily accessible. Certain requirements for the places offering rural tourism were imposed in terms of quality by the tourists and by the tour operators.

After 1970, however, a trend of decline was observed in the demand for rural tourism due to the bloom of mass sea and mountain tourism.

According to Madjarova (Madjarova S., 1998) and several other Bulgarian authors "the concept of the modern rural tourism appears in 1989 by implementing measures in 1990 to ensure the quality of services in rural areas." A Pan-European Federation, which unites the efforts of individual countries is created. It involved nine countries - Belgium, France, Germany, Ireland, Iceland, Italy, Luxembourg, Portugal and Hungary.

Even in the late 20th century literature on tourism research of tourist markets, there is a serious and growing trend of interest in holidays in rural areas The surveys from this period, ordered by Eurobarometer found that 23% of tourist agencies offered permanent rural destinations (Stankova, 2003). However, in the analysis of the data related to the rural tourism arise many difficulties and contradictions reported even by authoritative organizations like the World Tourism Organization (WTO, <a href="https://www.unwto.org/">https://www.unwto.org/</a>) and the Organization for Economic Cooperation and Development (OECD, <a href="https://www.oecd.org/">https://www.oecd.org/</a>).

In general, they originate primarily from the existence of multiple definitions of the concept of "rural tourism" - in different countries it is interpreted differently and covers a variety of economic and closely specialized tourism activities carried out only in rural areas or in areas outside the urban agglomerations (Roberts and Hall, 2001). Next, there are difficulties in the statistical reporting of the consumers of the rural tourism product due to the fact that they are mostly considered as excursionists / with a stay in the tourist place of less than 24 hours / who do not spend the night and in this connection they cannot be "listed" by the indicator "overnights". Attention should also be paid to the large number and diversity of business structures and informal organizations dealing with rural tourism in Europe in general, many of which operate outside national or regional tourism associations.



For many years, Europe rural environment has been the subject of recreational planning and development. The symbiosis thus created has had a serious impact on both the lifestyle of the local population and the nature of tourism activities. According to Turner , individual areas of the continent were "modeled" specifically to create entertainment for the elite as early as the 17th - 18th centuries (Turner,1996). In the UK, attention is focused on entertainment in the form of hunting in the country estates of the nobles, for which species such as the fox, deer and wild goose are subject to extinction. The situation has hardly changed so far. However, it should be noted that until the end of the 18th century there was no talk about tourism in the village or in the countryside. Traveling to these places is difficult, slow and risky. With the advent of the Romanticism age, the popularity of the quiet and pristine places outside the cities has gradually increased. And while at the beginning of the period they were the privilege of the rich, at the end of the 19th century they became a mass attraction (Roberts and Hall, 2001).

Over the time many concepts have emerged in the tourism practice that define the nature tourism in rural areas - agrotourism, farm tourism, rural tourism, soft tourism, alternative tourism, ecotourism and others that have different meanings in the different countries. For the purpose of clearly and universally defining the essence of the term, in the European Union "rural tourism" is understood as the totality of tourism activities carried out in rural areas. Currently, rural tourism is perceived as a set of activities developed in the countryside and offering an alternative to the dynamic and tense rhythm of urban life. It covers travel and transit through rural areas by car, bicycle, horse, stay in a country house as well as carrying out certain research activities in connection with a hobby or profession. The definition covers the entire agricultural environment, traditions, customs, holidays, visiting museums of agricultural produce, observing and participating in typical agricultural activities and craft industries as well as forms of tourism that are directly linked to the farm in case of longer stays or one-time visits.

Many authors determine the nature of rural tourism in terms of the observations they have. There is no consensus on the scientific definition of the term "rural tourism" since the views of individual researchers are influenced to some extent by their cultural and national differences.



Georgiev (1982) nominates rural tourism as "tourism in the village" and defines it as "tourism travel of urban residents, where the basic motive is to stay in the village very close to nature in order to avoid urban noise and polluted urban environment". Tourists are accommodated in the houses of local residents or in tents or caravans. Often they participate in agricultural work. Gilbert (1989) attends rural tourism as a planned use of resources of the rural environment, leading to increased prosperity of the common environment of local residents and visitors-tourists. European Community (Grolleau H., 1987) formulated the following definition of rural tourism: "Rural tourism is a complex, broad-based activity. It is much more than agrotourism, although it comprises elements of agricultural activities. It is also related with different holiday activities depending on the people's interests and ecotourism, walking tours, climbing and biking, adventure, sport and health tourism, hunting and fishing, educational tours, heritage tourism, and in some cases, ethnic tourism".

According to Medlik (1996), quoted by Marinov (2002), "alternative tourism", "responsible tourism", "appropriate tourism", "soft tourism", "ecotourism", "green tourism" are synonyms. Concepts have a broader sense and refer to such forms of tourism that generate positive social, cultural and environmental impact on the tourist spot, and therefore they are perceived as an alternative to mass tourism. The author looks at rural tourism as a form of alternative tourism. He determines that holiday tourism focuses on environments out of the city. Emphasis is placed on the fact that although, rural tourism is often identified with the farm tourism or agrotourism it is a broader concept, as it covers a number of other activities related to natural pathways (ecopaths), picnics, agricultural and folk museums is tangential along with agricultural production.

Marinov (2002) summing up the interpretation of the term rural tourism believes that first it must be stressed its bilateral nature. On the one hand, this type of tourism involves the stay of tourists in rural environment and their passively or actively interact with it through the exercise of various activities and consumption of various goods and services. On the other hand it is a combination of physical facilities, activities, processes and products, ensured by farmers and rural residents in order to attract and retain tourists in their area and to generate additional income for their business. Later, the author stresses that the essence of rural tourism is reflected in its specifics, and they are: complex motivational basis, short-distance



trips, the dominance of the private car, shorts of extensive construction of infrastructure facilities and residence accommodation. These are relatively less dominant seasonally; concentration of demand and consumption in the week, especially in holiday tourism, lack of high concentrations of the same place, same time; tolerance to local culture and traditions; hosts are small farmers, lack of isolation between host and guests, which implies a high degree of personalised service, rural tourism, as opposed to mass holiday tourism is predominantly individual, uncoordinated, or partially organized.

A similar definition of rural tourism is given by Alexieva and Stamov (2005), defined as tourism in rural regions, which satisfy the interests of tourists to the traditions, customs, culture, agricultural and other specific activities as well as natural, historical and cultural realities of the region, to relaxation and informal human relationships. Rural tourism is one of the chances for a person to be released from the problems of the big city and to join the nature and live in a smaller home and closer to the land to revert to their generic roots by participating in various events organized by hosts. The above authors consider that a feature of the tourism idea in rural tourism is the personal contact with visitors, creating the opportunity to feel the environment and spirituality and to participate in activities, traditions and lifestyles of local people. There is also a strong cultural and educational element in this form of tourism. Rural tourism is special to the local region, for which people locally are caring and are creating the holiday environments. This is a kind of tourism, where there is contact and sharing of expertise and experience. Result of local ownership and management, rural tourism is based on the local landscape and culture Alexieva and Stamoy (2005).

Apart from the diversity in definitions, the form of rural tourism that prevailed in each country is different. In Germany rural tourism has a long history and was identified with tourism in mountainous areas and the very small type of hotels. In Spain the rural tourism is highly developed, mainly due to the implementation of EU programs. A country with a long history in rural tourism is France (Page and Getz, 1997). There the French Government established a legislative, administrative and management framework for all aspects of rural tourism, something that contributed significantly its development (Madzarova, 1998). In countries such as Romania rural tourism, although relatively new, and began to develop over the last twenty years, has essentially supported mainly on the development of cultural tourism.



Rural tourism has the greatest development in countries with high urbanization, whose urban population exceeds that in rural areas. There is a clearly visible desire to return to nature and rediscover it in the countryside along with new experiences in the field of culture, gastronomy and agriculture.

On the other hand, the identification of rural tourism as a sustainable form of tourism opens up opportunities for economic prosperity in underdeveloped rural areas located in the unspoiled natural environment. Its priority planning and development benefits both business organizations and rural community in general. By encouraging visitors, this type of tourism aims to stress on the contact with nature, the appreciation of its beauty, the coziness and naturalism of the country house, which bring a sense of peace and contribute to good health and mental state.

The rural population quite naturally seeks to preserve its environment which is a major source of income from agriculture. Rural tourism product consumers, on their part, have high requirements for the quality of the residence environment and are particularly responsible in this regard.

In rural-development-oriented villages, the gained experience is positive and finds expression in increasing the income of the local population engaged in tourist services as well as of the others engaged in tourism-related and non-tourism activities. The overall process is sustainable and contributes to the protection of the environment and the identity of the sociocultural life of the local population.

Rural tourism is considered an effective approach for regional development as it contributes to the increase in the market value of land in the respective rural areas, improves regional infrastructure, creates employment and additional income for the local population, provides additional entertainment and amenities, facilitates agricultural production, promotes conservation cultural and historical heritage, local traditions and crafts, stimulates interest in education and foreign language learning, limits the negative consequences of the mass character of tourism.

Practice has shown that rural tourism planning and development requires focused planning and development with the combined efforts of local people, public administration and informal structures. Alternative forms of tourism, such as rural, ecological and cultural,



can be successfully developed only after achieving synergy and coordination of stakeholders' activities.

The objectives of rural tourism in Bulgaria can be realized on the basis of building a relationship of cooperation between the Ministry of Economy, Ministry of Agriculture and Forestry, Ministry of Environment and Water, Ministry of Regional Development and Public Works, Ministry of Education, Ministry of Transport and Communications, local authorities, NGOs and associations of local entrepreneurs. The development of rural tourism as well as other forms of alternative tourism must take its place as an important aspect in the development of National Tourism Strategy. Success in rural tourism can be achieved through the establishment of national planning tools and the development of regional networks for cooperation and coordination of planning and development.

The study of rural tourism experience in leading European countries identifies a competitive cluster as an appropriate business model (Wight, 1994). The concept of a competitive cluster is based on close links between specific industries and sub-sectors in a particular economy. Tourism is specifically related to agriculture, transport, education, nature conservation, cultural and historical heritage, construction, etc. Such a group of related industries is defined as a "cluster". The concept assumes that changes in one of the cluster's industries affect the others and the incentive of the leading industry leads indirectly to the others. As a consequence of its implementation a particular region or country as a whole gains competitive advantage in all clustered industries (Wight, 1994).

A prerequisite for the implementation of the competitive cluster approach is the comparative advantage of the country resulting from the presence of a wide variety of plant and animal species, beautiful landscapes and rich cultural heritage of its territory. Competitive cluster enables SMEs to achieve competitiveness at national and international level, providing them access to information and financial resources and flexibility in a "fierce" competition.

There are four major regions of rural tourism in Bulgaria:

- Western and Middle Stara Planina
- Pre-Balkans and Rhodopes
- the area near Black Sea coast



#### - Rila, Pirin and the border mountains.

Experience and tourism initiatives already exist in each of the regions. Many travel agencies and hotels offer observation and participation in attractive rural activities in the form of one-day programs called "One Day in the Village". In the villages in Stara Planina and Rhodope Mountains can be seen demonstrations of typical crafts such as carving, pottery, blacksmithing, weaving as well as mastering culinary and knitting skills in short training courses. Depending on their location, tourists on the Black Sea coast can choose to visit the villages of Osmar and Lozevo /Shumen region/, Asparuhovo /Varna region/, Kozichino /Pomorie region /, Brushlyan, Bulgari /Strandja region / and to ride a donkey or a horse, see handmade folk costumes, taste local dishes and observe unique rituals such as Christmas, Lazarus and Nestinarian dances. In Northeastern Bulgaria tourists can learn about activities typical for the local rural population - agriculture, livestock breeding, cuisine, as well as visit the only preserved farms in Bulgaria (Dobrudzha region). In southwestern Bulgaria the choice is unlimited among villages located in the mountainous regions of Rila, Pirin and seven other mountains - Vlahina and Maleshevska mountain, Belasitsa, Ograzhden, Sturgach, Slavyanka and Western Rhodopes. The demonstrations offered by Bansko and the surrounding villages tasting of local dishes and drinks, folklore performances of the Dobarski grandmothers and the Banskali male singing groups, "haydushki abductions", observing local rituals, etc. - are just some of the possible tourist attractions in this region.

Many traditional rituals and customs can be observed all over Bulgaria except the ones mentioned above - "Bulgarian wedding", "Kukeri", "Trifon Zarezan", "Lazaruvane", "Peperuda" and others.

Of particular interest is the combination of residence in the countryside and visiting national and international folklore festivals - the national folklore festivals in Koprivshtitsa, Predela, Rozhen, Strandzha, the national festival "Kitna Trakia Sing and Dance", the International Folklore Festivals, Burgas, Smolyan, the International festival of masquerade and carnival games and customs "Surva", Pernik, etc.

Tourists who chose a holiday in Bulgarian village can be identified by the local population and to engage in farming - growing a variety of vegetables, fruit, dessert and wine grapes, and domestic animals and birds. They are welcomed, friendly and respectful. They are



given the opportunity to undertake a variety of hiking tours, horse and cart rides, to make a canvas, clay pot or other item to take with them at the end of their stay. As well as join culinary courses, home-made wine and brandy tastings, observe and study the region's typical folk songs, dances, rituals and customs.

The main accommodation is the country house, most often shared with the hosts. In terms of gastronomy, local dishes are prepared from organic food, taking into account the individual preferences of tourists.

The authenticity of the rural life, the tranquility and the beauty of the Bulgarian village impress and attract tourists. On the international tourist market as elements of the rural tourism product for destination Bulgaria are also offered hand-mowing and milking of pets, production of homemade yoghurt, cheese, home-made sweets and jams - in general activities natural and typical for the everyday life of the Bulgarian peasant.

Considering rural tourism, above all, as a source of sustainable income generation, as well as a tool for safeguarding certain values, puts the need for developing business skills and resourcefulness among the local population. Therefore, its development must take into account the various aspects of successful business development, as a major element of the expansion of the tourism sector.

The development of rural tourism implies carrying out a set of ex ante activities:

- deploying clusters at regional, national and international levels;
- initiation of a special education campaign in the field of tourism and foreign language education among the rural population;
- opening up opportunities for lending to local entrepreneurs' business initiatives;
- stimulating the establishment and efficient functioning of small and medium-sized enterprises in the field of rural tourism;
- raising information security in connection with rural tourism (Roberts and Hall, 2001).

The creation of a set of regional structures of entities involved in rural tourism within a single national network supports the efficiency of the communication process and reduces costs. The establishment of such a national system enables the unification of the criteria of the existing databases in the individual regions of the country and facilitates the exchange of



information regarding the planning and development of rural tourism in the country as a whole and in the individual regions.

At the same time, rural population education is also crucial. Most local communities have tourism potential for rural tourism development, but lack the skills and experience needed to provide specialized tourism products and services to potential users. And even if they understand the benefits of rural tourism in terms of generating significant revenue, they do not have the knowledge to realize it. In this context, it is appropriate to initiate a campaign to inform the population about the problems of rural tourism, as well as to hold a series of seminars on business initiatives in tourism for small and medium-sized enterprises (Peattie and Moutinho, 2000). It is important to develop specialized courses and specializations for entrepreneurs in rural tourism, as an element of the official educational program of vocational schools, colleges of tourism and management and higher education institutions.

For the most part, rural tourism initiatives in Bulgaria are scattered and isolated in terms of location and scale, making funding difficult. The concrete results achieved by local entrepreneurs are not profitable enough to attract investment from the private sector, nor are they profitable for commercial banks. The latter should be encouraged to provide credit lines to entrepreneurs engaged in this type of tourism, reducing their risk through support from government and donor credit institutions. It is also necessary to give priority to incentives and opportunities to invest in local community initiatives in connection with alternative forms of tourism - rural, environmental and cultural. As well as developing and legalizing financial mechanisms that help meet the goals and needs of the population set in connection with rural tourism.

Stankova (2003) believes that in this way the basis for the establishment and effective functioning of small and medium-sized enterprises in the field of rural tourism will be established. In these forms, the business contributes to the sustainable development of the local community by providing opportunities to retain a significant portion of tourism revenue at the point of their generation. In addition, it is necessary to develop a package of incentives-financial and moral - for small and medium-sized businesses, as well as to provide competent advisory services regarding the proper development of projects under EU programs and the subsequent effective absorption of approved funds.



Tourism practice shows that success in the development of rural tourism is to a large extent ensured by the establishment of an awareness system for rural tourism. In order to identify the opportunities offered by rural tourism, representatives of small and medium-sized businesses and the public need to be sufficiently informed. In this context, it is appropriate to develop successful models for interpretation of tourist infrastructure, markings, promotional materials, recreational activities and other activities related to rural tourism. As well as developing programs and plans for training and training of specialists in this field. In addition, a positive image is created by developing a certification system for alternative forms of tourism, in line with the trend of successful marketing of certified products as a basis for customer choice and profit maximization (Frater, 1983).

At the same time, the main focus of rural tourism development and related activities should be taken to serve the domestic tourism market, which for a long time remained in countries of economic interest to the industry as insignificant. It is the first and obligatory step towards successful and quality attraction of foreign tourists. Travel experts are adamant about the fact that quality services in the internal market are the main prerequisite for large arrivals from outside. Surveys show that the rural tourism product market in Bulgaria is relatively diverse.

It is assumed that with the increase in incomes, initially mainly for the inhabitants of big cities, the segment of this type of tourism will grow. Further market studies are needed to specify the target groups. Subsequently, the target segments on the international market should be expanded, for example, by including Bulgaria in international alternative tourism routes.

The challenges of sustainable rural development and the use of existing resources are best addressed through the implementation of the strategic planning approach. Stankova (2003) proposes structuring it through six main elements:

Marketing analysis
Assessment of available resource
potential:
Tourist attractions
Culture

Manpower





Infrastructure and superstructure
Transportation
Accompanying activities
Accommodation facilities
Marketing
Economic and financial analysis
Environment
Social impact

Additional elements such as national and regional planning, territorial zoning, financing and promotion of the specific type of tourism, legally required documents, etc. are outside the basic scheme as they vary by region or state.

The essence of marketing analysis is the in-depth study of the manifestation of past and present trends, drawing up profiles of tourists, establishing habits and preferences, displaying the marketing position and the idea of the specific tourist product.

The assessment of the available resource potential is complex and comprehensive and covers the components of tourist attractions, culture, population, infrastructure and superstructure, accommodation, accompanying activities.

Tourist attractions are the main gravity force for tourists to the specific type of tourism and its developing destination. At the same time, in addition to using the destination, the destination must also endeavor to retain the interest shown. Existing tourist attractions should be sufficient in number and meet the needs of a broad market segment. The strategic planning process must be in line with existing traditions in the service of tourists and this should be reflected in the success analysis for the construction of new attractions.

Culture and cultural heritage are important aspects of the right approach to tourism planning and development, especially its alternative forms. Archaeological and historical places, local craft, local food, ceremonies, rituals, customs, dances and specific architectural techniques are important elements of the nature of the destination and should be at the heart of the planning process so as to create conditions for tourist activities not to confront each other but to support the culture of the local population.

The concept "living force" unites people employed in the tourism sector. It is often easier to construct infrastructure and superstructure in one area than to ensure specialists who are well-trained and have the skills required to the tourism industry. This peculiarity is



observed mainly in rural areas, which are transformed into tourist destinations in a short period of time.

The appropriate preparation and motivation of the workforce implies foreign language learning - knowledge of one or more foreign languages, corresponding to the languages spoken by the main tourist flow, as well as technical knowledge in a number of areas closely related to providing tourist services at a high level.

The term infrastructure refers to "all forms of structures over or below the earth which are necessary for each inhabited area. The forms of structure provide the communication between the area and the surrounding world and construct the basis for a greater people-to-people contact" (Medlik and Middleton, 1973). The infrastructure covers the road transport, public transport, energy and sewerage systems, wastewater and purity, heating system and other additional services within the destination. The construction of the infrastructure precedes the construction of the superstructure, which includes hotels, restaurants, places for entertainment and other similar facilities, commercial network and other buildings. The existence of a superstructure is unthinkable without the presence of a well-planned and structured infrastructure. The lack of infrastructure that is corresponds to the needs and the nature of the tourism activity is the reason for the delayed development and growth of destinations with a capacity.

The movement of people and goods requires a research of the existing and past needs for transport services - air, car, rail and water. This type of information supports planning activity multilaterally - by forecasting the extension of the road network, air traffic or facilitating the transfer between public transport terminals and accommodation facilities, as well as by measuring the influence of tourists' inflow on the main attractions of the destination - historic places, parks and beaches.

An important element in the planning is the consistent development and spatial expansion of the bed places, areas for feeding and places for entertainment. At the same time, specific consideration shall be given to providing a guaranteed set of invisible at first sight associated developments such as maintenance and repair of facilities, police protection, fire protection, health services, banking services, provision of food products. The absence of any



of these activities may cause a problem. Therefore, it is of a great importance to consider manners by which they can be provided.

Marketing, as a third major element, involves selection of target markets, development of a set of strategies and specification of those that can be applied for the tasks accomplishment, helps to coordinate the efforts of all involved in promoting the specific type of tourism and to measure the achieved results and the missed benefits.

As a further element of the planning and development process, economic and financial analysis involves a detailed analysis of economic conditions and financial requirements related to cash flows, available capital and tax rates.

The environment in which tourism develops is of a great importance - tourism activities should be oriented in a manner that ensures the use of nature and natural resources at the same time without causing their destruction. One of the main purposes of tourism and planning is to increase the natural beauty of the area through activities of people.

Countries and entities that take part in tourism planning consider the impact of tourism growth on the local population.

The overall result of analyzes carried out are plans and projects that offer alternative directions for development and are related to rural tourism. From the point of view of the physical resources, only the presence of a comprehensible master plan will allow the identification of the type of users and attractions, the infrastructure security, the dimensions of the passenger flow through the destination, the technical facilities and services intended to serve the specific needs of the tourists. However, returning to the question of business models in rural tourism, a reference to Krasteva (2014) can be made. On the basis of her study the author states that there are three main criteria for defining the rural tourism. Specifically, they can be used as starting points in differentiating model approaches to business, including these one concerning the business initiatives of people with disabilities in rural areas, where the thre most important criteria have been identified as follows:

- according to the performance form of the holida y(organization of the holiday), as a set of services and activities in which tourists are included;
- according to accommodation type and accommodation facilities for tourists practicing rural tourism;



• according to the needs that are to be satisfied by the means of the respective rural tourism types of products;

Following these definitions, six business practices and models in rural tourism can be identified:

- 1. Rural tourism practiced in a rural holiday home
- 2. Rural tourism under accommodation conditions B&B "bed and breakfast"
- 3. Rural tourism with agricultural activities
- 4. Camping tourism on farms
- 5. Rural tourism in protected areas
- 6. Rural tourism in newly built bases as a private investment or project financing which can be developed on a cooperative basis so to be applied to the needs of people with disabilities.



#### 2. LITERATURE REVIEW

In recent decades, the tourism industry has often been identified with development incentives and as Moscardo (2014) states, tourism is often proposed as a "development strategy for rural regions based on assumptions made about the ability of tourists to generate employment and income for local residents and businesses" (Moscardo, 2014). In support of such of a view, tourism in rural and non-urban areas in general can definitely be identified as a social tool. In this sense, its connection with social entrepreneurship and, in our case, with the business models of enterprises of disabled people people related to rural tourism, presented in the specifics of the study in Southwestern Bulgaria - Blagoevgrad District, is evident.

The literature review, made and summarized in this section, provides mainly the thematic connection with the terminological apparatus of the social entrepreneurship, the development and participation of the local community in tourism, sustainable development and the models applicable in the theoretical aspects considered. The term sustainability is found in a large part of the headlines and/or references which are above all made in order to outline the role of the tourism industry as a key factor in the socio-cultural and socio-economic development and change. As a result, from a theoretical point of view, the literature review shapes the concept formation of the social entrepreneurship in the sphere of tourism and its potential as a enabler for development.

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# 3. STATUS AND DEVELOPMENT OF THE RURAL TOURISM IN SOUTHWESTERN BULGARIA - BLAGOEVGRAD DISTRICT

#### Development of rural tourism in Bulgaria

By the National project for agriculture and rural regions in Bulgaria for 2000-2006, as those are definite these regions whose largest city has a population fewer than 30.000 people and a population density less than 150 inhabitants per square km. According to that, rural areas cover a territory of 92, 056 square km or 83% of the total territory of the country with a population of 41, 6% of the total population. From the 263 municipalities in the country 231 are located in rural regions, 34 of which are characterized for their low incomes per capital and high unemployment rates (fewer than 20%). It is evident that a great number of the population lives in small cities and villages. There is a diversity of occupations, which depends on the geographical and climate characteristics and the local traditions. But, the different types of tourism are found in all regions. Rural tourism can be more seen in the villages of Mountain "Stara planina" and the "Rhodope" Mountains.

Bulgarian village has its own rhythm of life, characterized by strong family relationships and divided into neighborhoods. There is a common phenomenon the production of local produce in many of the village gardens along with rearing of domestic animals. Unlike the big cities where the accepted role of animals is only as pets, here in the villages they have their real role. Friendly, hospitable people are willing to help and introduce tourists to the local way of living. Village life is a lot slower, time seems to be stopped and forgotten values from the modern society are coming at the forefront. Those tourists who spent their holidays in the Bulgarian village usually get involved in agricultural activities, becoming close to the nature, exercising different activities such as mountain bike, hiking, horse riding. General speaking the tourist is living the life of a villager, cooking local dishes, taking part in the local customs, in the traditional occupations and learning about the cultural-historic heritage of the region by visiting the churches, monasteries and historical monuments.

Apart from the additional services shown above, and it must be said each area will have its own idiosyncrasies there must be formed a common practice to maintain loyalty of the visitor. Starting with the accommodation, tourists have chosen this type of holiday to get away from the large complexes and plastic environment they produce rather settling for a



more personal service. Although the travelers want a more traditional and relaxed vacation they still demand the modern views of cleanliness and good service. The offer of food produced and prepared by traditional ways expresses the local tastes and is also an important component of the total rural touristic product.

Rural tourism in Bulgaria reflects traditions established over the centuries of cultural and historical development of the Bulgarian village. The interesting architecture, the rich folklore and customs, closely connected to the spiritual life of the local people, as well as the natural heritage give the opportunity for infinite possibilities for the development of rural tourism. The first project for rural tourism in Bulgaria was implemented by Professor Dr Zahari Staykov-economist and sociologist. In the beginning of the transition from communism to democracy (1990), he and his group created a development model and made the sociological research "Opportunities for a market in Bulgaria for rural and Argo tourism as a part of the European chain" (Draganova, 2007, p. 26). At the same time Dr Staykov had explained and promoted the nature and benefits of this type of alternative tourism as a factor for the development of the villages (Draganova, 2007, p. 24). He had clearly expressed his point of view that "tourism in Bulgaria is not only in the sea resorts Golden Sands, Sunny Beach in Black sea or the ski resorts of Pamporovo and Borovets, but all the country with its villages". By his initiative he organized a series of conferences and forums with the aim first of all to show the possibilities of the country and the Balkans in general in the area of rural tourism and secondly to attract tourists and investments in rural regions (Draganova, 2007, p. 25).

As a result of the efforts of Prof. Zahari Staykov, on February 14, 1995, the Bulgarian Association for Rural and Ecological Tourism was established in the town of Byala Cherkva. (BASET) as a non-governmental organization with the main purpose "development of rural and ecological tourism in the non-urbanized regions of Bulgaria based on the overall improvement of their status" (Draganova, 2007, p. 26).

In the town of Apriltsi on March 14-15 1996, a national workshop entitled "Rural and ecological tourism, local administrations and urban and territorial development" was held, organized by BASET, where the main problems of the individual regions were discussed, the role of the urban and municipal administrations was also determined and the establishment



of a National Information System for Identification of the Resource Potential for Rural Tourism was as well proposed.

"In the beginning of 1998 BASET differentiated and established as an independent organization the Bulgarian Association for Alternative Tourism (BAAT), which focuses on practical and applied activities, and represents product organizations in the tourism industry" (Draganova, 2007, p. 27).

The diversification and expansion of the diversity of tourism products offered was the result of the activities of these two national civil organizations.

An important stimulating moment for the development of rural tourism is the adoption of the Law on Tourism, which, in its various editions, lays the foundations for its legal regulation.

The different types of tourism are regulated in Chapter One, Art. 3(4) of the Tourism Act of Bulgaria, adopted on 01.10.2002 (as amended on 13.03.2009, 01.01.2011), while rural tourism as a type of tourism is stated in article 3(6).

The main purpose of the Act is outlined in chapter1, art 2(1), namely "to provide conditions for the development of tourism as a priority industry". This is a particularly important aspect for rural areas, which have potential for development but still remains at the periphery of the socio-economic system.

In the same chapter, art.4 (items 1-6) the national tourism policy, its assistance in the development of tourism as a priority sector is set, as in art.4 conditions for the development of holiday, cultural, historical, ecological, balneo, spa and wellness, sports, rural, congress and other types of tourism are established.

This act also protects the rights of consumers (Chapter 1, Art. 2, item 3), thus giving the tourist certainty and creating a balance of the market between consumers and supply. It increases the quality of the tourism product (Chapter 1, Art. 2, Item 5) with the control it exercises.

The Ministry of Economy, Energy and Tourism (the former State Agency for Tourism) is the body that exercises control in the field of tourism (Chapter 2, Section One, Article 5a, Item 2). In Chapter Two, Section One, Article 5a, the main activities of the Agency (currently the Ministry) are laid down, including the development of short-term



concepts and programs for the development of tourism (item 1) and support for the activity of attracting investments and realizing projects for development of tourism at national, regional and local level, as well as its participation in the state policy together with the relevant agencies in terms of training and professional development of the personnel employed in tourism (art. 5a, item 4).

Also, Article 6, Paragraph 1, Item 1 of the same section empowers the Regional Governor to develop strategies and programs for the development of tourism at the local level, using the regional tourist resources. Thus, the law contributes to the development of local tourism policy and the implementation of strategic activities related to sustainable development of rural regions.

1. Resource availability of rural tourism in Southwestern Bulgaria - Blagoevgrad region

After the theoretical consideration of the tourist resources, the natural and anthropogenic resources of the explored Blagoevgrad Region will be presented.

- Blagoevgrad Region
- **❖** Administrative center

The administrative center of the district is the town of Blagoevgrad, situated picturesquely between two rivers and three mountains, located one hundred kilometers from the capital of Bulgaria, the city of Sofia. The district is divided into 14 municipalities, 96 mayoralties and 280 settlements. It is ranked sixth by population in Bulgaria - 325,870 people (as of December 31, 2010) of the country's population.





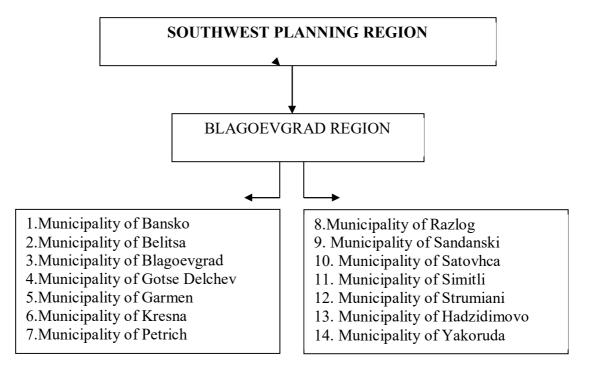


Figure 1: Administrative division of Blagoevgrad region. The Southwestern region consists of the districts of Sofia, Kyustendil, Blagoevgrad, Pernik, but for the needs of the research the Blagoevgrad District is presented.

Source: Krasteva (2014)

The transport and communication network is well developed. There are 4 border crossing points on the territory of the district.

The educational base of the Blagoevgrad Region consists of a well-established school network, which is in tune with the economic development of the district (Department of Tourism, Faculty of Economics, College of Tourism).

Industry occupies a significant place in the economic activities of the district. Its branches form 49.75% of the total realized product and it is profiled in the production of communication equipment, tobacco processing, sewing industry, wood processing and furniture industry, extraction and processing of building materials, leather-fur and footwear industry, production of paper and printing (Siminski, 2008, p. 9). Foreign investments are also important for the local economy.



The favorable climate conditions help the cultivation of heat-loving crops: oriental tobacco, sesame seeds, and peanuts, as well as traditional cereals, potatoes and fruit species. Tourism is an important industry for the area with well-developed facilities.

Tourism is an important industry for the area with well-developed facilities. The natural and climatic characteristics of Blagoevgrad region create conditions for the development of all year-round tourism.

Cultural and historical heritage, traditions, creative heritage and the unique architecture of the area are significant potential for the development of rural tourism. Individual settlements have pioneered this type of tourism and have a well-built material base.

#### ❖ Natural resources

The Blagoevgrad region occupies the Southwestern part of Bulgaria. It is located between the Kyustendil, Pazardzhik and Smolenski regions, to the south it borders Greece, and to the west with the Former Yugoslav Republic of Macedonia. Its total area is 6 449 sq. km and is characterized by a great variety of terrain forms - the relief is from highland to hollow - here are some of the most beautiful mountains in Bulgaria - Rila, Pirin, Rhodopes. Land resources in the area are limited. The arable land occupies only 13.2% of the total area, which is only 2% of the arable land of Bulgaria.

The climate, depending on the altitude of the area, falls into three climatic regions: transitional-continental, transitional-Mediterranean, mountainous. Protected territories can play a complementary resource role for the development of rural tourism in compliance with the relevant legal requirements according to Bulgarian and international (including European legal acts).





Map. 1. Geographical location of Blagoevgrad region

Source: Map of Blagoevgrad District,

"Http://www.bulgariancastles.com/bulgariancastles/en/holds-region-blagoevgrad (accessed 11/17/2011)

According to the IUCN (International Union Conservation of Nature - World Conservation Union, 1994) a protected area is a land or water area intended specifically to protect and conserve biodiversity, as well as natural and associated cultural values, which is maintained through legal or other effective means. The main objectives of maintaining the protected areas are research, the protection of the primary state of nature, the conservation of species and genetic diversity, the preservation of environmental functions, the protection of certain cultural and natural landmarks, recreation and tourism (Georgiev and Apostolov, 2006, p. 210). The great richness of the region are the national parks together with the ten nature reserves - Parangalitsa Biosphere Reserve (Blagoevgrad Municipality, Rila National Park), Bayuvi Dupki-Gingiritsa Biosphere Reserve (Municipality Razlog, Pirin National Park), Biosphere Reserve "Slavyanka / Alibotush" (Municipality Sandanski), Kongura Reserve (Municipality Petrich), Orelak Reserve (Municipality G. Delchev), Sokolata Reserve (Municipality Strumyani), Tisata Reserve (Municipality Kresna), the Yulen Reserve (Municipality Bansko, Pirin National Park), the Horse Valley Reserve (Municipality Satovcha) and the "Dark" Reserve forest "(Municipality" Garmen) (Siminski, 2008, pp. 2-14).



Rila National Park is the largest nature reserve in Bulgaria and on the Balkan Peninsula (Raeva, 2006, p. 21), occupying an area of 81 046 hectares. The name of the mountain is associated with the Thracian name "Rowla" meaning water. Indeed, the mountain gives rise to the longest and deepest Bulgarian rivers - Iskar, Maritsa, Mesta, filled with many waterfalls and over 120 lakes (Raeva, 2006, p. 22), the most famous of which, called the blue eyes of the mountain are the Seven Rila Lakes. The lakes are located in the northwestern part of Rila with an altitude of 2100 to 2500 meters. Located in steps of glacial origin, each with its own specific external features gave their names. They are included in the 100 national sites of Bulgaria. The Parangalitsa Nature Reserve, covering 1500 hectares, was created to protect the spruce forests, which range from 1750 to 2000 meters in height. In the municipality of Belitsa, sheltered on the southern slopes of Rila, there was built Bulgaria's only nature conservation reserve for the re-adaptation of dancing bears situated on an area of 76 square kilometers in the "Andrianov Chark" area.

Pirin National Park covers an area of 40 332.5 hectares, within which there are two nature reserves - Bay holes and Gingeritsa, created to protect the relict forests of white and black pine and natural and animal species. The Yulen Reserve was created to protect the alpine and subalpine ecosystems, and the Orelak Reserve to preserve dense, clear beech forests with an average age of about 150 years and the famous Pirin Tea (Mursalski Tea). In Pirin Mountain is the highest glacial lake in the Balkans - Gornopolezhanskoe - 2710 m.

The Rhodope Mountains stretch across Bulgaria and Greece. The Dark Forest and Horse Valley Reserves protect centuries-old trees, beech and spruce forests, some of which are over 50 meters high. The coniferous forests in the southwestern part of the Rhodope Mountains are the richest and highest quality in the country.

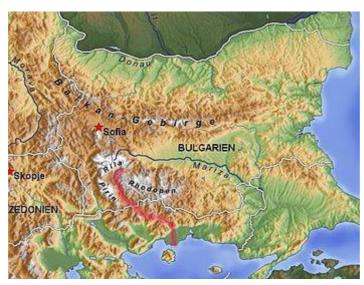
Belasitsa Mountain has also been declared a nature park since 2008. Natural Reserve "Kongura" (1312 hectares of land) was established to protect the natural ecosystems of plain chestnut and beech and is among the ten most valuable reserves in Bulgaria. In the Slavyanka Mountains is located the Alibotush Reserve, which is included in the UNESCO list of biosphere reserves with the largest black stone deposit on the Balkan Peninsula. The Sokolata Reserve in the Malashevska Mountains was created to protect the centuries-old high-stemmed



forest from the Blugun. Many of the animal and plant species are included in the Red Book of endangered species in Bulgaria.

The mountains offer their hospitality to lovers of active and unusual recreation - for them are sightings of rare bird and animal species, horseback riding, hiking, mountaineering, winter sports.

The flora is diverse with vast meadows and mountain meadows filled with different kinds of mushrooms, herbs, wild fruits. The fauna in the area is represented by all species occurring in Bulgaria. The forest fund in the district occupies 58% of the territory and amounts to 346 694 hectares.



Map 2. The Bulgarian-Greek valley of the Mesta River

**Source:** Mesta River, www.wikipedia.org (accessed 11/17/2011)

The water resources of the district include the rivers Struma and Mesta. The wild waters of the Struma River, forming the Kresna gorge known as the Via Aristotelis from the centuries-old journey from north to south of thousands of migratory birds, is one of the richest in flora and fauna in Bulgaria, the Balkans, and in Europe. This diversity exists thanks to the strong Mediterranean influence along the river valley. In the Tisata Reserve, which preserves the largest natural habitat of juniper in Europe, there are sub-Mediterranean and Mediterranean plant species.



The thermal mineral waters, which are a prerequisite for the development of balneological resorts such as the town of Sandanski, are an invaluable wealth of the district - the European SPA Association defines Sandanski as a leader among the balneological resorts in Bulgaria. In the villages of Ognyanovo, Simitli, Banya, Marikostinovo, Dobrinishte the healing mineral water and the pastoral tranquillity of the preserved traditional village life are combined.

The rich nature with its impressive mountains, crystal lakes, picturesque valleys, and mineral springs is an exceptional prerequisite for the development of rural tourism in the Blagoevgrad region.

#### Anthropogenic resources

The Blagoevgrad region has a rich cultural and historical heritage (Siminski, 2008, pp. 2-14). Due to its favorable geographical location, the region is inhabited from the deepest antiquity and is a true treasure trove of archeological, architectural, artistic and historical monuments from Antiquity, the Middle Ages and the Renaissance.

Antiquity is marked by the remnants of Roman cities such as Nain, located below the present-day town of Sandanski, near the village of Dolna Gradeshnitsa, Nikopolis ad Nestum in the Municipality of Garmen and the Roman city in the Rupite locality near the town of Petrich. The town of Bansko and the town of Melnik hold examples of Medieval and Renaissance architecture. The city of Blagoevgrad itself is an example of the wonderful coexistence of modernity and antiquity, of bustling boulevards with slow cobblestones on narrow streets, of multi-story buildings and the traditional houses of the Bulgarian National Revival with preserved authenticity (Radomirova, 2005, pp. 30-33).

The traditions in the region are a moral message from the past to the present, a strange mix of paganism, Christianity and modernity. Folklore, folk customs and traditional festivals in the region are unique. Remarkable is the meeting of bread manufacturers from the region on the theme "Rite bread", which is held every year in Blagoevgrad.

Every year in the region are organized and held events of national importance and with international participation such as: the International Kuker Festival (town of Razlog), celebrations of the native tradition of Bansko (town of Bansko), Nevrokop fair and classical



guitar festival (town of Gotse Delchev), international folklore festival "Malashevo sings and dances" (Strumyani village), children's festival for folk songs and dances (Kresna municipality), international festival "Pirin folk" (town of Sandanski), National festival of the old town songs "Golden chestnut" (town of Petrich), traditional folk art fair "Pirin Sings" (Predela locality) (Siminski, 2008, p. 14).

From the centuries-old Bulgarian traditions, we can emphasize the Christian holidays - Christmas, Easter, and Easter. Each town and village has its Christian saint accepted as a settlement protector whose feast is marked with temple celebrations, with the manifestation of miraculous icons, pilgrims and tourists share the sacrament and experience unforgettable moments.

In the Bulgarian renaissance period, the monasteries were fortresses of Bulgarian national spirit. Hidden in inaccessible forests, they preserved and spread the spirit of national identity to the enslaved Bulgarian people for centuries.

The Rila Monastery is one of the UNESCO World Heritage Sites and the Rozhen Monastery is a cultural monument of national importance. At the Rozhen gathering, called the Little Mother of God feast (September 8 - Nativity of the Blessed Virgin), people from all over the region flock, after the solemn liturgy charity food is served to the pilgrims on the meadows near the monastery, followed by folk festivities.

The Ruen Monastery named on St. Ivan Rilski in Vlachina Mountain near the village of Skrino, whose history of the foundation has been lost for centuries, contributes to the popularization of the Bulgarian Orthodox tradition while stimulating mutual understanding and tolerance between peoples from different races, ethnic origins, and religious denominations.

Remains of Christian temples have been discovered in Nicopolis ad Nestum since the 4th century, which are evidence of Christianization in these lands in the early years of Christianity.

The cultural life of the region is enriched by the world-famous Pirin Folk Song and Dances State Ensemble, which has preserved the authentic Bulgarian folklore.



In recent years, youths become increasingly interested in studying culture and customs, and the proof of this is the Faculty of Arts at South-West University "Neofit Rilski". Young people from all over Bulgaria study Bulgarian folklore and traditions at the departments of music, choreography and cultural studies.



# 4. BUSINESS MODELS OF RURAL TOURISM IN SOUTHWESTERN BULGARIA – BLAGOEVGRAD DISTRICT

According to a definition of Prof. S. Rakadzhiyska, tourism supply is "a manifestation of the production of tourist services and goods on the market. It is a value-material expression of the existing opportunities for providing tourist services and goods aimed at satisfying the tourist demand. That is why tourism supply is always a determined and real value, which has its quantitative and qualitative evaluation" (Rakadjiiska S., Marinov S., Diankov T., 2010).

Quantitative assessment of tourist services depends on many factors. For example, the most important factors for a tourism accommodation is the quality of the infrastructure. the distance to the transport networks, the provision of additional services, and all this evaluated in monetary terms.

The qualitative evaluation of the tourism supply is "the evaluation of the actions, intentions, the share of participation, the effectiveness of this participation of all types of sellers that participate in the supply (Rakadjiiska S., Marinov S., Diankov T., 2010).

Rural tourism in the examined regions is generally offered by many but small-sized private sector organizations and structures (hotels, rooms for rent, country houses, xenonas, villas for rent, restaurants, taverns, different companies which offer various sports and leisure activities). Most of the companies merge into larger structures, such as associations for the purpose of stronger advertising and support due to the association. State and local governmental structures offer support for rural tourism development, mainly through projects for financing rural tourism and providing information to interested parties (information centers, municipal tourism councils, etc.).

### • Corporate structure of rural tourism in dictrict of Blagoevgrad

Table 1 shows the organization of rural tourism in Blagoevgrad District - *column one* includes the main local tourist structures, companies and associations and *column two* shows the activities and services they offer.

Table 1. Organization of rural tourism in the Municipality of Blagoevgrad



Organization of rural tourism in the municipality of Blagoevgrad:		
Local tourism firms and	Activities and services:	
associations:		
1. Municipalites Tourism	1. Consolidates tourism information and	
<u>Council</u>	advertising for the area.	
2.Tourism Information	2. Information for accommodation, dining,	
Centers (Blagoevgrad, Gotse	rural tourism destinations. Presentations of	
<u>Delchev)</u>	local attractions.	
	3. Conservation and promotion of the	
3.Bussines Incubator-Gotse	authentic traditions and customs in the	
<b>Delchev</b> Assistance Center for	region. Implementing projects for tourism	
<b>Entrepreneurship</b>	development of individuals or within	
	partnership and collaboration.	
	4. Including various clubs, such as these for	
4.Tourism Association "Momini	hiking, trekking, biking and skiing. Other	
Dvori" (Gotse Delchev),	clubs are "Prilep" for activities in the caves	
"Aigidik" (Blagoevgrad),	and extreme sports, like paragliding. The	
"Vihren" (Bansko), "Kalabak"	associations offers as well and	
(Petrich), "Pirin", (Razlog),	accommodation.	
"Edelweiss" (Sandanski)		
Firms related to:	Activities and services:	
	1. Accommodation at hotels or homes with	



1. Accommodation:	authentic style, traditional Bulgarian cuisine,	
Hotels	barbeque, playground, fireplace, spa services	
Rural houses	excursions including visits to the	
Villas for rent	Renaissance villages in the Municipality of	
2. Gastronomy:	Gotse Deltsev and places with natural beauty.	
Pubs, restaurants	2. Bulgarian national dishes and drinks	
3. Old crafts 3. Tie at the loom, making bells,		
	cookware and ceramics, wood carving.	

The municipality of Gotse Delchev (315, 8 sq. km, with a population of 32 784 inhabitants) is located in the Southwestern part of Bulgaria and borders the municipalities of Bansko, Garmen Hadjidimovo and Sandanski. It covers the picturesque valley of river Mesta, parts of South Pirin and the Rhodope Mountains. It includes the municipal center - town of Gotse Delchev (20 533 inhabitants) and 10 villages: Musomishta, Delchevo, Bukovo, Borovo Kornitsa, Lujnitsa, Breznitsa, Gospodintsi, Banichan and Dobrotino (http://bulgaria.domino.bg/gotsedelchev/index.php?module=Static Docs&func=view).

The municipality of Gotse Delchev is generally a mountainous region, with the least agricultural land in the country. The economic activities that occur on the whole in the area are textile and shoe industry, production of tobacco, tourism, logging, and wood processing. Most registered enterprises are small and middle.

The region is characterized by various landscapes, historical spots and traditional villages which provide the development of rural tourism. Table 2 describes the touristic sites and the activities offered.

Table 2: Touristic sites, attractions and Proposed touristic product:

1.	Touristic sites, attractions and Propose	ed touristic product:
	1.Related to Nature:  Pirin National Park, "Popovi Livadi" –  Natural Reserves "Orelyak", "Alibotush",  "Konski Dol", "Tamna Gora",	<ul><li>1Walking routes</li><li>- Trekking</li><li>- Forest Picnic</li><li>- Bicycle paths</li></ul>



Protected area of "Pavlyuva Padina",
"Momina Klisura" gorge, the rock
phenomena "Cullena and Pirostiata", river
Mesta, lakes Breznishki, Kornishki, the
Breznitsa waterfall, "Chinarbey" natural
attraction, the Twins chestnut trees, the
European walking route E-4.

### **2.Related to History-Culture-Religion:**

Historical and Ethnographic Museum in Gotse Delchev, ethnographic complex "Delchevo", ancient village Nikopolis ad Nestum, Assumption Church in the village Delchevo, "St Dimitar" church in the village Teshovo, "St. Nikola" in the village of Dolen, the "Fount of life and Virgin Mary" Monastery, 120 archaeological deposits, one prehistoric village - Kochan, 19 ancient settlements - Garmen Novo Leski, Musomishta, Gospodintsi etc, 21 ancient necropolis - Hadjidimovo, Dolen, Kovachevitsa etc., the ancient fortresses of Gorno Dryanovo and Valkosel.

- Green schools
- Paragliding
- Bird watching
- Observing the huge anthills
- Looking for medicinal plants
- Collect herbs and Mushrooms
- 2. Worship in churches, participating in the custom of bride stealing and demonstration of the Wedding bunch, decoration of woven apron (Banichan village), visits to the local "rakidjiinik" (place where a national drink is made) and discover the architectural reserve in Delchevo, fashion show with traditional costumes in the ethnographic museum, exhibition bazaar of handcraft products produced by the women of village Breznitsa, examining the archeological excavations.

The municipality administrations are the coordinators between everyone, who is interested in tourism development for the whole area. This administration has a registered Tourism Council, which concentrates on the information and advertising for promoting the region.

The Business incubator of Gotse Delchev plays an important role in the tourism development of the region. Arranging seminars, training and exchange of experience helps to enhance the professional competitiveness, offering help and advice to all the members. Organizing tourist routes and packages, participation in national and international tourism fairs and exhibitions, are also part of the activities carried out. Strengthening and improving



cross-border, European and international cooperation is one of the main goals, for which the highly professional team of the Business Incubator makes great efforts (<a href="https://www.bi-gd.org/site/">https://www.bi-gd.org/site/</a>).

In the municipality of Gotse Deltsev the accommodation base is well developed and there are well-organized renaissance houses, which combine the hotel's comfort and traditional style. It should be note that some of the villages are formed like architectural-ethnographic reserves. As for the restaurants in Gotse Deltsev the menu and the atmosphere are closely associated with the tradition of the region.

Also part of the Bulgarian traditions and culture are preserved in crafts such are pottery, ceramics and wood carving. Old techniques and colours are observed which intertwined with the colours of nature. This can be seen in many parts of the region.

Well preserved facilities and unique Renaissance houses, which combining hotel amenities and traditional style, are well organized. Taking into account that some of the villages are ethnographic and architectural reserves (Kovachevitsa, Leshten). The setting and menu of the restaurants are inextricably linked to the tradition of the region.

The distinctive Bulgarian tradition and culture is preserved in the ancient crafts such as ringing, copper, wood carving, pottery. Old techniques and colours are embedded in the fabrics that contain the dyes of nature.

The Tradition Development Workshop in Garmen Municipality is created in order to examine, preserve and promote local traditions and also to provide information about them to tourists. The main priority of the studio is to make tourism an alternative activity for the people in the municipality and to provide them opportunities for creative activities and extra income. The Workshop also attracts folkdance specialists, folksong specialists and folk instruments specialists that conduct training seminars for tourists. This Workshop maintains a center for working with children in various areas, organizes tourists' participation in local traditional customs, sells traditional material culture - musical instruments, fabrics, knits, herbs, sweets and many others.

Tsvetnitsa Association organizes the Tsvetnitsa holiday at Belasitsa hut with many cultural events, for example traditionally competitions for poetry, drawing, song and flower arrangement. There si a rich folklore program on this day and many of the events take place in



the surrounding villages. The celebration ends with the election of Miss Bozhur. The Bulgarian Federation of Biodiversity develops thematic routes for children, for example "Butterflies and Flowers of Belasitsa", which starts from the village of Yavornitsa, "Path of the Ant" and the interpretive path "The Life of Chestnut" - the village of Kolarovo.

There are many untapped opportunities in the region. It is necessary to develop new marketing strategies to attract visitors.

Table 2 presents the strengths, weaknesses, opportunities and threats of the municipalities (SWOT analysis) along the Mesta River in parallel .

Undoubtedly, the development of rural tourism along the Struma River depends on a number of factors that could be combined into several categories, such as weaknesses and strengths, dangers and opportunities.

Promoting small and medium-sized businesses in rural areas should be at the forefront of policy. Small and medium-sized businesses are a major source of jobs, a good start for new business ideas, and a lever for social and local activity. In the case of rural tourism, cooperation between businesses (hotels with restaurants, etc.) should also be encouraged.

Table 3. SWOT analysis of rural tourism in South-West Bulgaria – Blagoevgrad Region

	Strengths	Weaknesses
1. Location	Favorable climate and strategic	Small territory.
	geographical position.	
2. Conditions	Preservation of the natural, cultural and	The people engaged with agriculture are in
	historical heritage, well established	middle age or over. Not enough building
	educational and training system for	facilities. Depopulation.
	students.	
3. Resources	Remarkable natural resources, historical	Barren lands. No interest from the local
	and cultural assets.	administrators. Not enough awareness for
		the European programs for regional
		development.
4. Production	Well established production of traditional	Lack of municipal organizations for the
	products.	development of the agricultural
		production.
5. Infrastructure	Existing infrastructure-road and rail	Lack of modern infrastructure- motorways.
	network.	
	Opportunities	Threats



6. Political	Construction of infrastructure utilizing	Cause of environmental pollution. Destroy
	European programs. Creating new	the ecological balance.
	employment. Holding back the	
	depopulation in rural areas.	
7. Economical	Contend and create additional local	Lack of traditional rural activities.
	income. Development of the traditional	Downbeat with firms connected to
	occupations. Affinity of new investments.	agriculture.
	Economical prosperity of the Bulgarian	
	village.	

Source: Krasteva R. (2011)

The findings made above for rural tourism along the Struma and Mesta rivers are also confirmed by the results of the survey on services provided and consumer demand for rural tourism in Blagoevgrad - Bulgaria, and in regional units Drama and Serres - Greece. The survey was conducted between June and August 2011 and includes 21 anonymously asked questions. The received completed questionnaires are total of 1278, of which 477 were received in Bulgaria and 801 in Greece.

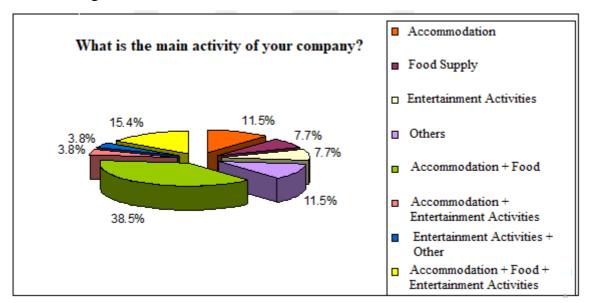


Fig. 2. Main activity of the companies

Source: Krasteva, R. (2011)

The tourist products offered in the studied areas include accommodation, food, entertainment activities, etc.



Regarding the main activity of the companies, 11.5% of the respondents offer accommodation, 7.7% food, 7.7% entertainment and 11.5% others. "Others" includes activities such as sweet and honey production, community service activities and activities related to the development of cross-border cooperation projects.

Accommodation and food offer 38.5%, accommodation and entertainment 3.8%, entertainment and others 3.8%, and accommodation, food and entertainment 15.4%. According to the survey, the majority of respondents (38.5%) offer accommodation and food, which contributes to better customer service and plays a favorable role in the construction of a complete tourist product.

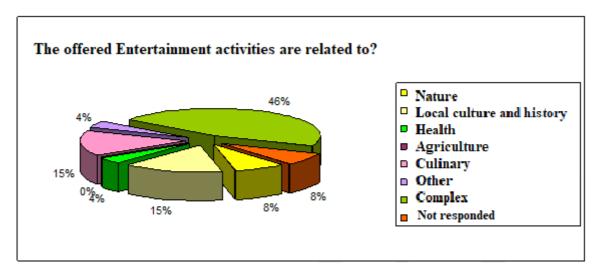


Fig. 3. Offered Entertainment activities

Source: Krasteva, R. (2011)

The potential of the Bulgarian village is limited, as can be seen from the results of Figs. 3. Only 7.7% of the respondents have as their main activity the supplied of additional services. Concentrated supply is related to accommodation and food. There is no innovative activities related to nature, rural life, cultural and historical sites and events, the acquisition of practical skills.



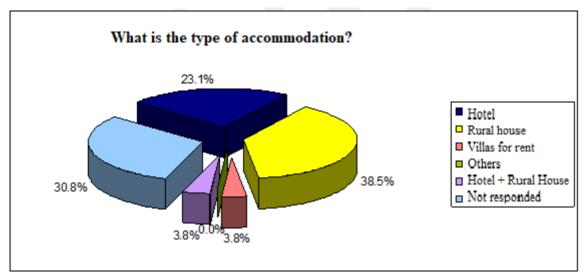


Fig. 4. Accommodations Source: Krasteva, R. (2011)

At the same time, the survey reveals the exact object of the entertainment activities. According to Fig. 3 - 8% of the respondents offer activities related to nature, local culture and history - 15%, health - 4%, culinary - 15%. The most percentage (46%) of the respondents offer complex of entertainment activities that include components as: nature, local culture, history, health, culinary and agriculture.

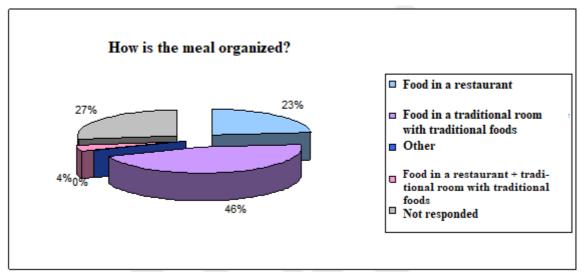


Fig. 5: Meals organizing Sourse: Krasteva, R. (2011)



The survey results show that the accommodations which offer in the surveyed area are mainly (fig. 4) rural houses (38.5%), followed by 23.1% hotels, 3.8% villas for rent, 0% others, 3.8% complex - hotel and country house, and 30.8% did not respond. The fact that most of the accommodations are rural houses is a positive factor for the concept of rural tourism. Non-responders do not have a means of shelter, their main activity is related to the supplying of food and additional services, which is not a disturbing element.

The meal is one of the main components of the tourism product. The survey shows (Fig. 5) that 46% of the supply is in a traditional room with traditional dishes, 23% in a restaurant, 4% in a complex in a restaurant and in a traditional room with traditional dishes. The percentage of non-responded (27%) is due to the fact that this part of the respondents offers another type of service.

By this rural tourism should be seen as a means of preserving the land and the way of life. The development of this type of tourism can help to revitalize the low-developed regions by creating new places for employment and opening new opportunities for additional incomings. It is an incentive for building and improving the infrastructure. This has a multiplying effect on investment. This may be increased by improving the quality of service, by offering new products and services to meet the growing demand. At the same time we must point out that it is not always the answer to solve all economic and social problems in rural areas. Tourism must be balanced with development of other spheres of economic life, like a part of the model for integrated development, like the subject of service and like providing of the service. It is necessary to underline that in the countries of the Western European area, rural tourism is possible and is offered by a large number of enterprises (companies), each specific to itself, but being in one of the following categories: hotel enterprises, accommodation in rooms of a farm-house, renting separate apartments, camping, food supply, participation in agricultural activities. Characteristic of rural tourism is that in many cases it may be supplemented by some other types of specialized tourism, where more or less it expanded its tourism product with their components. This applies especially for hunting and cultural tourism, ecotourism, wine tourism, etc. Along with the positive moments in the development of this type of tourism there is a danger in its excessive development to the emergence of some negative effects. The great accumulation of tourists leads to



depersonalization of the characteristics of the agricultural region. A strong commercialization may lead to deterioration of services, to their alignment and reducing the quality. Moreover, in rural tourism there are often contradictions between the need to preserve the originality and authenticity of the place visited and the search for comfort of the tourists. And more over they do not have a shelter, their main activity is the provision of food and ancillary services, which is not a disturbing element.

The rural tourism inherently contains all the components to maximize the multiplier effect, with a good local strategy able to stimulate the production of goods and services that will meet the needs of tourists (such as vegetables and fruits, milk, cheese, yellow cheese, wine, bread, souvenirs, etc.).

From demand'point of view for the tourist product, the survey revealed the main reasons why the consumer in Bulgaria selects the given object for their stay.





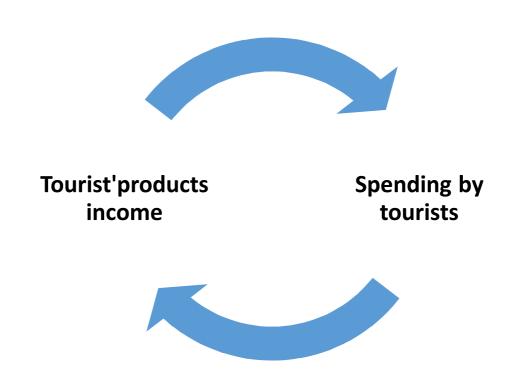


Fig. 6: The multirlier'effect

Source: Ribov, M. (2003)

Especially Fig. 7, shows the many different goods, services and opportunities, the percentage responses reveal the focus of tourist demand - 11.5% traditionally come here, 3.8% prices are low, 3.8% have come on other occasions in in the town and they liked it, 7.7% are attracted to culture-historical sites, 3.8% are attracted to spa services, 7.7% because of culinary offers, 0% of accommodation and agricultural services meet the requirements of consumers for rural tourism, 11.5% due to natural resources, 11.5% for other reason. The main consumer preferences are the complex – 38.5%.



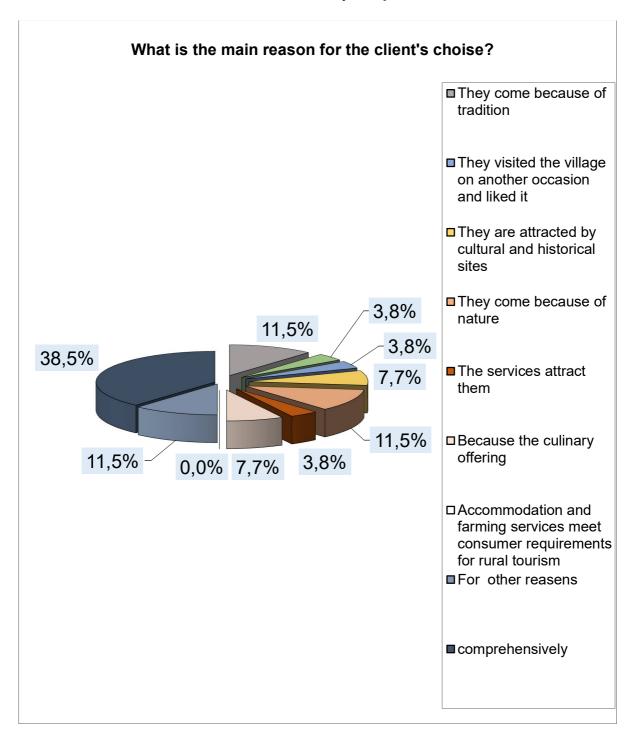


Fig. 7: The main reason for choosing the objects (Bulgaria)

Source: Krasteva, R. (2011)



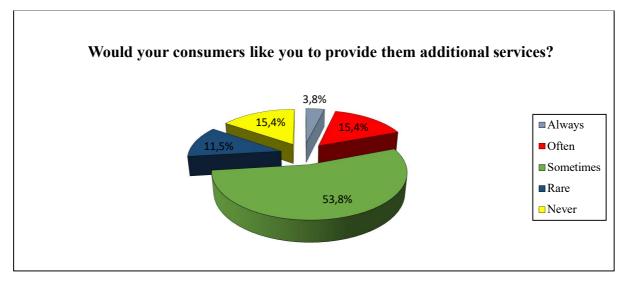


Fig. 8. Consumers' desire for providing other additional services (Bulgaria)

Source: Krasteva, R. (2011)

It is clear from the survey that additional services are an important aspect of the tourism product. 73% (always, often and sometimes) of the users of rural tourist sites have sought additional services.

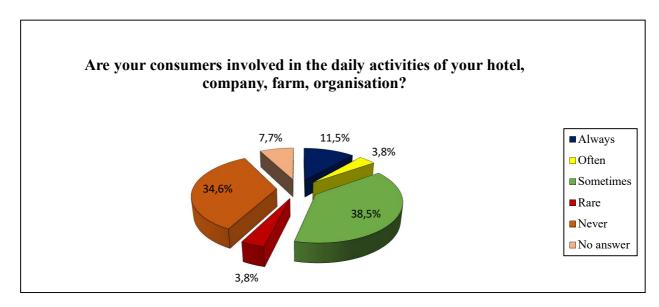


Fig. 9. Involvement of consumers in the daily activities of companies, farms, organizations (Bulgaria)

Source: Krasteva, R. (2011)



The demand for rural tourism could be stimulated by offering additional services, which, according to the survey are: organizing excursions to cultural, historical, religious, natural landmarks, providing various vehicles such as bicycles, bikes, buggies, sports equipment, cultural and ethnographic initiatives developed with specialists from local museums and community centers, organizing thematically focused seminars on the specificity of the rural environment, etc.

Studying the consumer interest in participating in daily agricultural activities, the survey shows that a large percentage of 53.8% (11.5% always, 3.8% often, 38.5% sometimes) get involved in rural life and can identify as an active type of tourists. And the remaining 3.8% (rarely), 34.6% (never) can be referred to the passive type of tourists.

Rural tourism opens wide prospects for setting up social enterprises related to:

- Keeping production of traditional products;
- Offering new and wanted products in the contemporary market;
- Production of bio-clean products;
- Cultivation of bioenergy plantations (Krasteva R., 2014)

Considering the above and according to the conducted research on the possibilities for development of social enterprises in Bulgaria in 2011 in market niches - stable ecotourism and agricultural initiatives (<a href="http://barda.bg/docs/Prouchvane\_pazarni\_nishi\_PA.pdf">http://barda.bg/docs/Prouchvane\_pazarni\_nishi\_PA.pdf</a>), one of the biggest challenges for Bulgaria in the economic restructuring process is to provide a balance between sufficient food production, increasing the employment and preventive protection of the environment. Biological farming and other integrated agri-environment activities are concrete practices that directly contribute to the stable development of rural areas and the country as a whole. They can lead up to the stabilization of ecosystems, the conservation and restoration of natural resources, the development of rural areas and the prevention of the process of land abandonment. It has been established that a very small part of the lands in Bulgaria have been polluted in the past, and no new pollution has been detected in the last 7-8 years. More serious is the problem of soil erosion – a process that affects about three quarters of the country's territory. The expected development of agricultural production as a result of the implementation of European Union programs and



policies in the field of agriculture can lead up to an intensification of the production and, respectively, to damage of the soil. The Rural Development Program is a chance for the development of biological agricultural production and the implementation of environmentally agricultural practices leading to the protection of soil fertility in the country and the creation of ecologically clean agricultural lands. Organic farming is leading to a stabilization of farmers' incomes by entering new, developing markets for quality and healthy food products, which also means reducing the unemployment. This is also confirmed by the conclusions of the European Organic Food and Agriculture Plan. Bulgaria has favorable opportunities to occupy a decent place in the market niche of biological products in the EU and the world.

According to the NSI (National Statistical Institute, <a href="www.nsi.bg">www.nsi.bg</a>), over 90% of the currently produced certified organic production in Bulgaria is exported mainly to Western European countries, the United States and Canada. These are mainly herbs – dried and in the form of teas, fresh, frozen or canned fruits, vegetables, honey, nuts from individual producers, who can offer sufficient quantities of their own production for export. These are companies that are involved in the production, processing and export of organic products. The production of each company is certified by a different European certification organization, most often from the importing country. The technical consultations on manufacturing are also provided by the importing country. This group of companies is characterized by a lack of disclosure of their biological activities in Bulgaria.

These are companies that are involved in the production, processing and export of organic products. The production of each company is certified by a different European certification organization, most often from the importing country. Technical consultation on manufacturing is also provided by the importing country. This group of companies is characterized by a lack of an announcement of their biological activity in Bulgaria. Most of them are firmly convinced that it is still early to offer organic products on the Bulgarian market due to the economic status of consumers. Exporters also belong to the group of organizations that buy production from many farmers and collect the quantities needed to export them as raw material or after processing. Usually most of these companies are specialized in gathering of wild berries or herbs and processing/packaging. Another part of this production remains in the territory of the country, but it is bought from processors and



traders who are not certified as organic and it is launched in the domestic market in the form of conventional final consumption. After all, the share of Bulgarian organic production on the Bulgarian market is below 5%, forming less than 1% of the total food market in the country, with this percentage approaching to zero. These facts are complemented by the fact that the presence of imported certified organic products, which enjoy significant sales and advertising, is gradually increasing in retail channels. It is true that the strong marketing of companies producing such products helps to promote the "philosophy" and nature of organic products in general. Bulgarian products are lagging behind in terms of marketing, which is caused by problems with bad design of the commercial type of the goods, the lack of communication support, weak channels of distribution and the slight difference in retail prices, which in their entirety make the already minimal Bulgarian bio-production not competitive enough in the market. All this testifies to a germinal stage of trade with Bulgarian organic foods on our market.

The volumes and nomenclature of Bulgarian organic foods present on the domestic consumer market is too small compared to the produced quantities and varieties. Small forest and shrubbery fruits (raspberries, strawberries, chokeberry) appear on the market in the form of jams or frozen. The reason for this is the fact that, for the most part, these products are intended for export and undergo appropriate processing to increase their shelf life, as the unrealized quantities is traded off in store network in our country. The views are expressed by producers and processors show that there is not enough consumer demand in the internal market to offset the costs of selling this type of food and in each way seek export opportunities. As an alternative to unachieved export, the sale of fruits and fruit products in the conventional form, which is in demand in the country, is also practiced. Fresh fruits were completely lacking at the time of gathering information and conducting the studies for this report on the retail consumer market, which could be mainly due to the longer production cycle. The proportion of organic produced vegetables is significantly smaller compared to that of fruits. Generally, manufacturers are looking for a way to realize by their own efforts on the produced products, but due to small production volumes and lack of resources, they are not in a favorable position and have to disposal the products at the place of production or in family hotels, on stalls, etc.



#### Chain Model

The idea is to look for an approach that will provide the shortest way of the production from the field to the Bulgarian consumer. This will ensure a higher quality of the market, given the short shelf life, while reducing the threat of exporting products or putting them into conventional chain production. Making these types of products available on the market can be achieved by concentrating efforts and encouraging the conclusion of an agreement for purchasing the production between large retail chains and manufacturers, something that retail store chains are interested in.

The advantages of the model are:

- Ensuring optimal storage conditions and commercial type of the products;
- Faster turnover and presentation of products to a large number of customers with relatively higher incomes;
- Additional communication support by brochures and other forms of advertising for marketing chain;
- Possibility to increase the level of confidence in the natural origin of the products by presenting them in a specialized section of a large chain of work standards;
- Encouraging the production of guaranteed sales of the produced fruit and vegetables for small farms.

The opportunities for imposing and development of this model are first and foremost related to stimulating the key unit – the distributors. The inclusion of distributors in the model is a good solution, given the lack of sufficient logistical and transport capacity to supply retail chains to small farmers. It should also be taken into account that a large number of Bulgarian food distributors have already paid the entry fees for the chains and thus do not have to do this by farmers who do not have sufficient resources and they often cannot afford such an expense. Their promotion can take the form of grants for promotional activities at points of sale and contact with consumers – placement of promotional billboards and banners, organizing tastings and promotions of seasonal products – "Organic Apple Month", "Organic Cherry Month", packages of organic vegetables for the preparation of "Bio shopska salad", the promotions and bio products in the brochures of the store chain, the organization of raffles and others. These grants should be granted on the basis of actually performed and paid



activities, which should be reported by the distributor with a document issued by the relevant trade structure. Producers must also be initially supported in the purchase of seeds and propagating material, methodologically and technologically encouraged, trained, so that, to provide sufficient volumes of production to supply the distributor and respectively, the chain.



# 5. CONCLUSIONS AND RECOMMENDATIONS ON BUSINESS MODELS IN SOUTHWESTERN BULGARIA – BLAGOEVGRAD REGION

The advantages of the sustainable rural development and the use of existing resources is an important precondition for building a competitive tourism business in Southwestern Bulgaria, oriented to specific consumer requirements and tailored to the market needs.

Unfortunately, the Bulgarian village has a lot of problems, and it should also be taken into account that the infrastructure that does not provide an easy access to the rural areas. The migration to the bigger industrial centers is big, and this leads to depopulation of the Bulgarian village. This in turn opens an opportunity for young people who can successfully direct their efforts towards creating new livelihood in the rural regions and developing rural tourism reflecting the traditions established during the centuries-old cultural and historical development of the Bulgarian village. The geographical situation, the climatic characteristics, the natural resource potential, and the agricultural activities in the sphere of agriculture and livestock breeding influence the development of rural tourism in Bulgaria. The unique examples of Bulgarian architecture, specific folklore, lifestyle and customs are directly related to the spiritual life of the Bulgarians. All of these assets together imply inexhaustible opportunities for rural tourism in all its forms.

The southwestern region is characterized by favorable climatic conditions, which create precondition for the development of year-round tourism. Depending on the altitude, there is a transition from the trans-continental, trans-Mediterranean and mountain climates. The existence of protected areas in the region plays a complementary role for the development of rural tourism.

Mountains with their variety of existing flora and fauna offer their hospitality to lovers of active and non-traditional recreation activities - rare animal species watching, horseback riding, hiking, alpinism, winter sports.

Anthropogenic resources, which characterize the rich cultural and historical heritage of the region, furthermore add color to the opportunities opened for development of rural tourism. Traditions are a moral message from the past to the present, a strange mixture of



paganism, Christianity and modernity. Folklore, folk customs and traditional holidays give a unique aspect. Every year in the region are organized and held events of national importance with wide international interest and participation.

It is necessary to pay attention to the fortresses of the Bulgarian spirituality - the monasteries.

Blagoevgrad district has traditions in the sphere of culture, preserved in the well built museum network.

The unique Bulgarian tradition and culture is retained in the preserved handicrafts, which take the guests into the Renaissance.

Considering the advantages of the region as an area rich in cultural and historical heritage and the range of natural and climatic features, it can be said that rural tourism emerges as a serious asset for the development of the region. At present, rural tourism is generally offered by many in number but small in scale organizations and private sector structures. Most of the companies are united in larger structures, such as trade groups and associations, in order to increase the advertising presence and support of associations. Examples of such in the Blagoevgrad region are the Municipal Councils for Tourism, the Tourist Information Center and the Business Incubator at the Center for Support of Entrepreneurship (Gotse Delchev), a number of tourist companies. They all act in this direction:

- Provision of information and advertising in the area;
- Provision of information on accommodation and meals, as well as opportunities for tourism and entertainment;
- Preservation and promotion of authentic traditions and customs in the region.
- Supporting the realization of tourism development projects and business relations with partnership and interaction, etc.

However, it is also necessary to take into account the main problems that hamper the private initiative and the development of rural tourism and as such can be mentioned:

- Lack of coordination at national level between the strategy for the development of tourism as a whole and in particular rural tourism. Inadequate national measures and programs to support and develop rural tourism.
- Lack of coordination among all stakeholders in the development of rural tourism;



- Insufficient promotion of rural tourism destinations and lack of a comprehensive marketing strategy for the development of rural regions
- Inadequate resource assimilation and non-compliance with the principles of sustainability and environmental friendliness;
- Conflict of interest and lobbying for specific companies;
- Lack of attractive consumer-oriented suggestions to help building visitors' loyalty;
- Lack of uniform standards for tourist services and imposing a system for categorizing guest-places in rural areas;
- Depopulation of rural areas and lack of initiative among the local population;
- Lack of good road infrastructure;
- Lack of qualified staff as a result of the deteriorated age and educational structure of the local population;
- The range of tourism products offered is too limited;
- It is observed that the Bulgarian consumer is been neglected, as the offers and packages are oriented mainly to foreign tourists;
- Lack of mountain and landmarks maps, guides and promotional publications to boost
  the importance and to guide tourists to rural tourism either there are no such, or they
  do not meet the requirements of tourists.
- There is no uniform web portal of the Bulgarian tourism.

All this, along with the existing threats to the development of rural tourism, including inadequate legal framework regulating the tourism industry; inaccessibility of financial resources or failure to secure preferential loan terms and conditions for the tourism industry; lack of professional competence of the employees in the tourism business; the comparatively low price levels which create a foreign consumer's image of our country as a cheap destination make the industry unattractive despite all the natural assets and opportunities we have for development of the tourism sector.



# 6. GUIDELINES OF IMPROVEMENT OF BUSINESS MODELS IN SOUTH-WEST BULGARIA – BLAGOEVGRAD REGION

There are a number of opportunities for development of rural tourism in Bulgaria, and they are in the still unused and unexplored natural and cultural-historical resources.

Conducting systematic marketing research on tourism sector development, changes of the market conditions and consumer tastes will enable the possibility of adapting the tourism products supply to the market expectations to the most possible extent.

Enhancing the qualification and training of those involved in the industry will lead to creating a comprehensive product which will fully meet market needs. Rural tourism has the potential to develop into a tourism subcategory of national importance. This requires meeting the interests of the private sector and the state by activating entrepreneurship initiative on one hand, and on the other hand, by increasing the role of the state by applying different stimulating tools and adopting legal regulation which regulates and offers security to the private initiative.

The analysis of the state and development of rural tourism in Southwest Bulgaria shows that this region is good for the development of such tourism, but it is not done enough in this direction. At the forefront of policy must be the promotion of small and medium-sized businesses. Small and medium-sized businesses are an important source of job openings, good ground for trade ideas, and leverage for social and local activity.

Nowadays, the rural tourism enterprises provide apart from accommodation at least one of the following services: traditional food, tour in nature, environmental education, acquaintance with the culture of the region, with traditional works, with rural production and farming methods, with the daily activities and habits of local residents, structure and participation in outdoor recreation and sale of local and traditional products. Depending on the agricultural products the enterprises offer, they are classified into: rural accommodation, stands of local and traditional products, restaurants, cafeterias, travel agencies, organizations, which prepare programs for outdoor activities and tours of ecological and cultural interest, farms, enterprises of production and enterprises that supply services for showing the local, cultural heritage. Rural tourism enterprises can play a key role in the development and regeneration of rural areas in the region, meeting at the same time the demands of modern business environment.



Financing rural tourism investments is crucial for the development of rural tourism and the stimulation of rural economy.



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