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Sustainable agritourism and circular economy

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1. INTRODUCTION

- agritourism is not just an economic activity, but an entire system of resources (natural, cultural, human and other), which give a destination an authentic identity and a competitive advantage.
- In the context of sustainable development, agritourism has to respect local people, tourists, cultural heritage and nature (UNESCO, 2006).
- To be considered a sustainable sector, agritourism has contribute to achieving the targets of the 2030 Agenda for Sustainable Development.
- One way of turning agritourism into a sustainable industry is to apply the principles of the so called “circular economy” to the sector.
- This lecture has three objectives:
 1. To outline global trends and perspectives in the agritourism industry;
 2. To review the essence and principles of the circular economy;
 3. To suggest possible approaches to applying the principles of the circular economy to the sustainable development of agritourism.

2. GLOBAL TRENDS AND PERSPECTIVES IN THE AGRITOURISM INDUSTRY (SLIDE 1 OF 2)

- More than 280 million households will be travelling internationally by 2030 (Visa Study, 2016).
- The number of tourists in the most popular tourist destinations is forecast to double by 2030 (UNWTO, 2011).
- The rise in the number of tourists and world population may lead to preoccupancy and overbuilding in agritourism destinations.
- New 2,5 billion consumers (mostly young people) are expected to join the middle class by 2030 (Visa Study, 2016).
- Increased demand for “stylish living”, including for agritourism products and services, may be prognosticated.
- This increased demand should not be met through additional use of natural resources.
- As in any economic sector, developments in the agritourism industry are driven by the market forces of demand and supply.
- For agritourism to be sustainable, both the supply of and the demand for agritourism products and services should be sustainable.

2. GLOBAL TRENDS AND PERSPECTIVES IN THE AGRITOURISM INDUSTRY (SLIDE 2 OF 2)

- Sustainability of supply and demand in agritourism may be achieved by training suppliers and consumers of agritourism products and services into sustainable agritourism practices and behavior.
- The demand for “local authentic travel experience” experiences continued and substantial growth.
- Big agritourism companies respond to this demand by developing new brands, partnerships, marketing initiatives and business models to differentiate themselves and deliver unique experiences in a traditional local atmosphere (Skift, 2013).
- This trend could be used to change the behavior of the stakeholders in the agritourism in a more sustainable manner through appropriate policies, media campaigns, support mechanisms and marketing activities.
- Even the least significant stakeholder should be considered since the sustainability of the whole agritourism industry is determined by the sustainability of the least sustainable link in the agritourism value chain...

3. ESSENCE AND PRINCIPALS OF THE CIRCULAR ECONOMY (SLIDE 1 OF 2)

- Definitions of a circular economy :
 1. “An economic system where products and services are traded in closed loops or cycles” [Kraaijenhagen, Van Oppen & Bocken. 2016](#)
 2. “A system that allows for the long life, optimal reuse, refurbishment, remanufacturing and recycling of products and materials” [Ellen MacArthur Foundation, 2016](#)
 3. “An alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life” (<http://www.wrap.org.uk/about-us/about/wrap-and-circular-economy>)
- A circular economy involves decoupling economic activity from the consumption of finite resources, designing waste out of the system and building economic, natural, and social capital.

3. ESSENCE AND PRINCIPALS OF THE CIRCULAR ECONOMY (SLIDE 2 OF 2)

- The circular economy is based on three principles [Ellen MacArthur Foundation, 2016](#) :
 1. Design out waste and pollution
 2. Keep products and materials in use
 3. Regenerate natural systems
- Generating new value from existing products and converting them into resources is the cornerstone of the circular economy.
- The concept of the circular economy involves innovation throughout the value chain, rather than relying on solutions at the end of the life of the product (COM 2014/398).
- The principles of the circular economy may be formulated as the three R-s (reuse, reduce, recycle) <https://www.epa.gov/recycle> :
 1. **Reuse** – instead of build new;
 2. **Reduce** costs at the breakpoints - environmental and financial;
 3. **Recycle** effectively.

4. APPROACHES TO APPLYING THE CIRCULAR ECONOMY PRINCIPLES TO THE SUSTAINABLE DEVELOPMENT OF AGRITOURISM (SLIDE 1 OF 3)

- Nedyalkova (2018) proposed three ways for implementing the principles of the circular economy for a sustainable agritourism development:
 1. Reuse of disused buildings and desolated spaces for more authentic tourist experience;
 2. Reducing logistic and environmental costs in hotels and restaurants while harvesting a trend;
 3. Effective recycling and waste management on a more local level.

Reuse of disused buildings and desolated spaces

- Small towns' and villages' depopulation has led to increasing numbers of disused buildings and desolated spaces. Such places and structures could be brought back to life and transformed for the use of agritourism.
- The process of retrofitting old buildings for new uses, which allows structures to retain their historic integrity while meeting the needs of modern occupants, is called adaptive reuse (Dave and Clark, 2008).
- The adaptive reuse policy could act as an integral tool of local regeneration and sustainability. Local governments can protect their environments with the adaptive reuse, as such projects generate much less waste than new construction. Reusing existing buildings saves energy, reduces greenhouse gas emissions and diverts demolition waste from landfills.

4. APPROACHES TO APPLYING THE CIRCULAR ECONOMY PRINCIPLES TO THE SUSTAINABLE DEVELOPMENT OF AGRITOURISM (SLIDE 2 OF 3)

Reducing logistic and environmental costs in hotels and restaurants

- Food systems are a key element of the 2030 Agenda for Sustainable Development (UN, 2015).
- Food is a crucial component of agritourism products, since it often comprises 30% or more of tourist expenditure. (Food and the agritourism experience, OECD 2012).
- Linking small-scale producers to the agritourism industry is a way for enhancing poor regions economic development.
- Around 30 percent of food produced is being wasted (FAO, 2011), 20 percent of which along the supply chain. businesses can save money and reduce greenhouse gas emissions associated with farming and transport.
- Customer demand for sustainably sourced food has never been stronger, as trust in food sources is becoming increasingly linked to the notion of sustainable development (Green Hotelier, 2013).
- agritourism sector could benefit from engaging local producers and communities, which is adding value and authenticity to destinations, making them more attractive. Local food attracts travelers and it contributes to the tourist experience, indicating marketing potential for hospitality industries, agritourism business and regional development. (Björk and Räisänen, 2016)

4. APPROACHES TO APPLYING THE CIRCULAR ECONOMY PRINCIPLES TO THE SUSTAINABLE DEVELOPMENT OF AGRITOURISM (SLIDE 3 OF 3)

Effective recycling and waste management on a more local level

- One of the biggest challenges of sustainable development is waste management. The growing numbers of tourists puts stress on local communities' waste management systems.
- More than 70 % of all waste is biomass, mainly from hotels and restaurant. Biomass is expensive to transport and tends to be stored locally.
- It is advisable that waste management systems be implemented directly at agritourism establishments, which will bring benefits to both businesses and local communities.
- The biggest concern for the hospitality sector is the food waste, which accounts for about 20% of all waste hotels and restaurants (Bohdanowicz, 2005).
- The estimated average cost of avoidable food waste to business is £0.52 per meal (WRAP, 2014). UN Food and Agriculture Organization (FAO) estimated that the carbon footprint of wasted food is equivalent to 3.3 billion tonnes of carbon dioxide per year.
- Businesses can benefit financially from reducing waste. Waste recycling and waste prevention should be promoted in agritourism for transforming waste into useful resources.

5. CONCLUSIONS (SLIDE 1 OF 2)

- An key part of the process of transition to sustainable agritourism is awareness rising.
- Training customers to behave in a sustainable manner is crucial, because they are the weakest link in the agritourism value chain.
- If the demand side in agritourism becomes sustainable, the supply side will follow it and will also become sustainable.
- Tourist consumption follows an unsustainable pattern that should be changed by marketing initiatives, which put an emphasis on sustainable development as a value.
- These marketing initiatives may bear the slogan “agritourism is a different and authentic experience, not just consumption”.
- Future patterns of tourist services should count on consumers' awareness of sustainable development and the new lifestyles in harmony with nature.
- Changing behavior - and in particular motivating more sustainable behavior - is not easy. Individual behavior is deeply embedded in social and institutional contexts (Jackson, 2004).
- Simplification and framing of information is the most important tool for consciously activating certain values and attitudes of individuals (OECD, 2002).

5. CONCLUSIONS (SLIDE 2 OF 2)

- New trends and increasing concerns of society lead to a different marketing approach to customers - a two-way communication.
- This new approach makes customer think about the whole impact of their travel on the tourist destination.
- Sustainable agritourism marketing aims to create awareness about pro-sustainability products, and to increase their purchasing.
- Since sustainable agritourism products are distinct from standard alternatives, a company needs to market these differently (Jamrozy, 2007).
- The responsibility for educating customers is part of the future transition of marketing and promotion based on values not on consumption.
- The outcomes of these future policies will depend also on whether they can provide customers with incentives to make more environmentally sustainable decisions (OECD, 2017).

Thank you for your attention!