

SZENT ISTVÁN UNIVERSITY
GÖDÖLLŐ

RURAL TOURISM

ONE OPTION FOR THE DIVERSIFICATION OF THE ECONOMY IN THE
HUNGARIAN COUNTRYSIDE AND THE AGRICULTURE CURRENTLY IN
TRANSITION

THESES OF THE DOCTORAL (PhD) DISSERTATION

WRITTEN BY

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1. PRELIMINARIES AND OBJECTIVES

In his dissertation the author discusses the emergence and main development features of rural tourism - a rather complex socio-economic phenomenon - since the early 1990s. Rural tourism is approached here as a reunion and interaction between the countryside, the agriculture in transition and tourism, or, in other words, as an opportunity to promote the diversification of the rural economy.

One main objective is to develop a model for the description of the relationships that agriculture and tourism have, together with their interrelationship, including the presentation of the role and importance of rural tourism in the economy of the countryside.

The general objective of the author is to explore the main economic and sociological characteristics of rural tourism as it has emerged in Hungary and - to a certain degree - in Europe, as well as to analyse the most important features, economic characteristics of rural tourism in the transitional society of the 1990s, the composition of its resources and the model of its development.

Taking the historical archetypes of rural tourism and international examples as a starting point and also realising the dramatic changes and crises that the rural society had to suffer in the 1990s, the author seeks to answer the following questions:

- Which social groups are activated by rural tourism?
- What resources are available for them to pursue this activity?
- What are the sociological, economic and business characteristics of rural tourism?
- What kind of policies, management skills, and institutional actors are there to support the development of rural tourism?
- What stages can be distinguished during the development of rural tourism?
- How and to what extent is it possible to apply the methods established in Western Europe to foster the socio-economic transformation of Hungary and Eastern Europe?

The emergence of rural tourism in Hungary and the countries of Eastern-Central Europe in the early 1990s was closely related to the dramatic transformation and revaluation of the countryside and the situation of agriculture. Csíste and Kovách (1995:49) write that „by the early 1990s these rural societies got into such a deep crisis, which can rightly be considered as the most dramatic in our 20th century history. The crisis of the villages and other rural communities coincides with the transformation of their socio-economic structure and the property relations.” This process went parallel with the reinterpretation of the role of the countryside and agriculture in the highly developed countries, the emergence of the landscape and environment conservation function in addition to the production of raw materials and agricultural products, the recognition of the need for preserving the environment and the local cultural heritage, as well as setting these roles as a top priority.

The development of rural tourism was a spontaneous innovation implemented by the families living in the rural areas and also their response to the challenges of the social transition. At

the beginning this spontaneous process was given no support either by the development strategy or the rural development policy. What happened in the early 1990s was the particular venture or innovation of the rural housewives and households, the reaction of the local, regional and national civil organisations to the changing circumstances.

Today rural tourism is a lot more than a micro phenomenon. In my view it has an overall importance not because it enlarges the assortment of products for the tourist trade, or provides additional income for a few thousand families, but rather because it creates new models for management and co-operation, the mobilisation of human and social resources, the organisation of networks through which the local societies become more quickly and successfully capable of adopting the values required for the development of rural areas.

After 10 years of spontaneous development, rural tourism in Hungary has gradually moved on to the next stage. The development of the institutional system and policies for rural and regional development has made it realistic to assume that rural tourism will become a number one priority and target area for these policies.

2. MATERIALS AND METHODS

2.1. The dissertation synthesises the findings of the research the author conducted in the 1990s, and presents the development of rural tourism, its historical and international background, the early domestic attempts, and the main features of its development during the 1990s, using the example of some local models. The study is of interdisciplinary character, using primarily sociological, economic and systemic approaches, but also relying on theories related to geography, ethnography, history and tourism.

2.2. Over the past 10 years the author has conducted several research projects related to rural tourism. The first of these was connected with a FAO seminar and project, studying the composition of hosts in three communities of the Eastern Mecsek Hills: Hosszúhetény, Kárász and Magyaregregy (1993). The second project, sponsored by the Research Support Scheme of the Central European University, focused on rural tourism in 5 municipalities (Nagynyárád, Királyszentistván, Vilonya, Szálka and Tiszalök) in 1994 -1995. The third project, exploring the main features of rural tourism in three small regions between 1995-1998 was financed from OTKA funds. A comparative study performed in 1998-2000 analysed the development and the impact of tourism in Hollókő and Vlkolnec, two villages on the 'World Heritage List.' A research programme conducted in the small region of the Bujáki forest within the framework of a FAO rural development project in 2001 provided further information for use in the assessment of the situation of rural tourism.

2.3. For the purposes of the present analysis the author also used experiences and results he had presented in studies exploring the situation or focusing on the development of various areas, like Kunhegyes and its surroundings, the Bugac-Majsa table-land, the Association of the Gyulaj Forest Area, the Western Mecsek Hills, the small region of Zalakar, as well as the conceptual framework of tourism in the southern part of Pest county.

2.4. The various research projects required the application of different methods. Field work focused mainly on interviews with the hosts, influential individuals in the communities, tourists, and marketing entrepreneurs. The author also studied the documents of local history, as well as the local press. He took part in the most important events, celebrations, and meetings organised by the municipalities in order to observe the activities of the participants. He even tried a number of rural accommodations by staying in them. He conducted surveys with the help of questionnaires in Szálka, Abádszalók, Zalakar and Hollókő involving stratified and random samples, using open ended and yes/no questions in order to explore local activities, actors and interests. University students from Pécs and Gödöllő were occasionally involved in the field work in some municipalities. Two of these students, Aurél Ignác and Gabriella Molnár wrote a paper on the processing of the data collected in Abádszalók for the national scientific contest of university students and won the first prize. The majority of the data and findings are available in the form of notes and the transcript of interviews. The filled in questionnaires were processed with the SPSS software in order to perform the descriptive and cross-table analysis. The author also organised several seminars and conferences on the topic with the participation of Hungarian and foreign experts. Most of his study trips made in the last decade focused on issues related to rural tourism. These study trips provided excellent opportunities to meet and establish good relations with several foreign experts and consultants, as well as to learn from their experiences.

2.5. The author has served two terms on the board of the National Association of Rural Tourism, which means that he was in daily personal contact with the key actors in rural tourism, up to the late 1990s.

2.6. The dissertation contains the abbreviated version of 4 studies written on local, pilot experiments performed in small regions, but the conclusions and statements are based not only on these cases. The four studies were not written with the purpose of and in a structure suitable for comparison. The main intention was to explore not only the similarities, but also the different characteristics, the specific local circumstances, and the great variety shown by rural tourism.

2.7. The presentation of the relevant literature is not separated in the dissertation from the analysis and the discussion of the results, because in this way the reader may find it easier to follow the logical structure of the work.

3. FINDINGS, MAIN STATEMENTS MADE IN THE DISSERTATION

3.1. Diversification in the rural areas and agriculture

Diversification is the term used to describe the complex process and intervention in agriculture meant to prevent the depopulation of rural areas, to complement low income from agriculture and to introduce new activities with a view of creating jobs. By reactivating their unexploited physical and intellectual capacities, the actors of the economy can be enabled to develop new products and services.

In Western Europe, the problems of rural areas emerged as early as after World War II, and in order to prevent the depopulation of the countryside, the solution they chose was to tie down the free labour within the agricultural households by introducing tourism. In this way it also became possible to generate auxiliary income primarily for the women living in those areas.

In the 1970s and 1980s the large agricultural units implemented a spectacular diversification in addition to modernisation and specialisation in Hungary as well. On the one hand, the basic agricultural activities were complemented with various industrial activities and services, and, on the other hand, the integration of small scale production requiring manual labour input, resulted in the reintroduction of the traditional tools of production, with a view of increasing the income of households.

The appearance of rural tourism in Hungary and the other former COMECON countries after the change of regime, was a kind of self-defence, a survival strategy for the families living in the countryside, a diversification of their activities in response to the changing conditions.

3.2. Tourism and agriculture

Agriculture and tourism are related to each other in many ways. Agriculture and the tangible products of the countryside like foodstuffs and drinks are present in every stage of tourism. The beauty of the well-kept landscape, the healthy environment represent an essential attraction for tourism, a kind of positive externalia. Within the framework of tourism, agriculture and the rural areas offer people the opportunity to get acquainted with the traditions, rural ways of living, or to pursue leisure-time and hobby activities, hunting/shooting, horse-riding, or bird watching. On the other hand, tourism means a market for the above products and activities, it plays an important role in popularising agricultural products and areas, or shaping consumer attitudes and behaviour towards agriculture.

The relationship between agriculture and tourism is based primarily on co-operation, but from time to time they also compete with each other for the various resources, like land, water, labour, etc.

As far as employment and way of life are concerned, tourism differs significantly from agriculture and creates jobs in such forms that are different from the daily or seasonal routine of agriculture.

One important impact of tourism to be taken into account is the exchange of information between the tourists and their hosts.

3.3. The system of tourism and the theoretical model of its operation

Most of the authors apply a systemic approach to the analysis of the operation of tourism. They describe tourism as an open and dynamic system, which actively interacts with its environment. One of its subsystems is demand, represented by the incoming tourists, and the other one is supply, meaning the area receiving the tourists and the services offered. Tourism is a complex economic activity and its essence is best grasped on the basis of the product-market relationship. In the case of tourism it is the 'market' (i.e. people with a desire to travel, or tourists) that goes to the 'product' (i.e. the attractions and services offered by the target area), and not the product is taken to the market as in the other economic sectors. This is the so-called 'market-destination' (or receiving area) principle.

Tourism is an extremely complex socio-economic phenomenon and has become one of the most important economic sectors by our days all over the world. 'Being a tourist is one main feature of modern lifestyle. Not to travel means something like not to have a nice house or a car. It is a mark of status in modern society and is also essential for the preservation of good health.' Tourism is often seen as an escape from the routine of the everyday life, or a way of realising one's potentials. There are important philosophical and ideological differences among researchers and theoretical trends in the interpretation and study of tourism. In his fundamental paper on the sociology of tourism, Cohen (1984) summarises the key issues of tourism in 8 important approaches:¹

1. Tourism, as hospitality turned into commodity
2. Tourism, as travelling made democratic
3. Tourism, as modern leisure-time activity
4. Tourism, as a modernised version of the traditional pilgrimage
5. Tourism, as the expression of basic cultural issues
6. Tourism as a process of acculturation
7. Tourism as a kind of ethnic relationship
8. Tourism as a form of neo-colonialism.

Tourism is a sector with a lot of actors. In tourism supply is the result of a manifold relationship between the existing attractions and services. Supply in a given area means not only individual business ventures, but also a joint effort made by the local businesses and community. This sector with a lot of actors is composed of a great variety of activities, services and individual decisions, which presents great difficulties in planning, and the analysis, evaluation of its impact. The development of capacities, the presentation and development of the supply in the tourist trade greatly depend on regional identity and community attitudes. Planning in tourism requires extended local communication among the partners and actors involved and is, at the same time, a learning process.

The tourist paradox refers to the strange condition and desire that 'many tourists enjoy the greatest satisfaction when they feel they have ceased to be (regarded as) tourists in the host environment.' They do not necessarily intend to become full members of the host society, but rather aspire for the status of guests, because this allows them to gain authentic experiences in the host environment.

¹ The authors referred to by Cohen are not listed here.

The best solution to the tourist paradox could be found in a kind of tourism which allows the tourist to become part of a host family or community and thus become authentic witness, participant or even actor of things that take place in a given time and place. Rural tourism is perfect for this kind of tourism, because it allows tourists to break away from the 'social isolation' that participants of large-scale tourist trade suffer from in the form of the usual hotels, air conditioned buses, the distance and the lack of opportunity to meet local people.

3.4. On the concepts of rural tourism and bed-and breakfast

In the late 1980s, at the time of the change of regime, there was also an extensive, bottom-up initiative started by the civil organisations to provide accommodation with families and receive tourists in rural areas as well, not only at fashionable resort places.

In addition to the usual supply and demand components of tourism, the intensive development of tourism, services related to leisure-time and recreational activities depends on the fulfilment specific conditions, which played an important role in the revival of rural tourism in the former socialist countries. These conditions include the following:

- the majority of the population lives in towns,
- only a small fraction of the population is engaged in agriculture,
- the proportion of the first generation town dwellers is also on the decrease,
- the environmental values become more and more important for the population
- nostalgia for rural life and peasant traditions
- changes in the values of rural society
- freedom to do business
- low income level in rural areas and from agriculture.

Both bed-and-breakfast and rural tourism belong in the category of private accommodation. Until the 1980s no important distinction was made between the two, it was only in the 1990s that a differentiation appeared in their treatment.

Bed-and-breakfast is a product of the seller's market. It first appeared and is dominant in towns, spas and resort places. The suppliers of bed and breakfast do not have to create or improve tourist attractions because they are already in place. All they do is open their houses to the tourists who flock to the town or region, attracted by the sights or events, and meet their need for accommodation.

Rural tourism is a collective term, including a wide range of activities, actors, business purposes and contents. In the author's view rural tourism is a supply-driven product. It is also a comprehensive category of tourism, because it should not only provide accommodation, but make the area in question attractive as well. In the overwhelming majority of the cases it is not sufficient to offer accommodation in rural areas, because tourist will not be attracted simply by the cheap rooms. They need to do a lot more than that: explore the local attractions, develop the supply available in the community or families, as well as introduce services and programmes.

3.5. Historical archetypes of rural tourism

There are altogether five major archetypes of rural tourism in Hungary, all dating back to the 19th and 20th centuries. The first is tourism related to spas, first emerging some two hundred years ago, as a fashion for the nobility and the royal family, as well as a part of the bourgeois way of life. The second is tourism related to Lake Balaton, which first took swing in the reform era, concentrating in the very beginning around Balatonfüred only, but later spreading all around the lake. The third archetype is the 'spa culture of capitalism' or, the 'second Balaton cult', fostered by the construction of the southern railway line and the establishment of the baths in the second half of the 19th century and considered as a forerunner of modern spa culture. The fourth important initiative was the discovery of folk art in the late 19th century, continued by the emergence of 'Gyöngyösbokréta' (Pearly Bouquet) in the 1930s and, in parallel with it, by the establishment and wide-spread of OMVESZ (Hungarian National Tourist Association), a movement with the function of organising holidays in the countryside. These five historical archetypes all included - although to varying extent and level or management- the offer of private accommodation with families living in the countryside.

3.6. The interpretation of rural tourism and some definitions

One interpretation of rural tourism represented by quite a few Hungarian experts considers it a form of complementary income for families living in rural areas, who simply exploit their existing potentials, primarily by offering accommodation.

Another interpretation identifies rural tourism with tourist activities performed in the countryside, including all the traditional tourist businesses, like restaurants, pensions, catering, leisure time activities and recreation.

The author's approach to rural tourism is not based on the concepts of geography or tourism. He sees rural tourism as an activity aimed at the development and increase of human and cultural assets, giving priority to the needs of the community and rural development. In this interpretation rural tourism is not a static, ready-made product for tourists, but a potential to be developed from the local attractions, and family capacities. The creation and development of supply in rural tourism can be considered a very special undertaking. Those who take part in it, cannot be regarded as properly trained for the tourist business. When they embark on it they usually start a new activity, either by diversifying their existing business or by redeploying the resources available for the family or household.

The new activity they embark on consists mainly in the exploration, upgrading and marketing of the potentials that local people have so far considered as useless, or unmarketable. What is marketable within the tourist trade, partly belongs to the community (clean air, beauty of nature, etc.); the marketing of another part requires a joint effort from the community (facilities for leisure-time activities, programmes, traditions), or are based on the unexploited resources, human assets of some members of the community. The third part is built on the individual host, the resources of his/her family, the capital they accumulated, or the skills, knowledge, dedication and free-time of the family members (accommodation, meals, sale of own products, etc.) Consequently, the 'product' created from the above input is a complex 'product of both the community and the individual'.

3.7. Some figures about rural tourism and accommodation.

The change of the political regime did not go together with a change in the attitudes to private accommodation, but in practice there have been significant changes. In the early 1990s the travel agencies withdrew from selling private accommodation. In 1993, for example travel agencies sold not more than about 10-13 % of the 130 000 private rooms available, or the capacity of 573 0000 beds (i.e. 13 632 rooms and 60 890 beds). As a result, 72 % of the total capacity of about 800 000 beds was sold on a private basis (Hungarian Tourist Board 1993:31).

In the year 2000 border guards reported 31 million foreigners entering Hungary, one third of them from the EU member states, and a significant part came only for one day (commuters and shoppers). In July 2000, the number of commercially available accommodations was approximately 3 000, the number of private rooms offered was 75 000, with 313 000 beds. In 2000 there were altogether 6 million tourists, who spent 18 million nights in various accommodations, the share of foreign tourists being 60%.

As far as private accommodation is concerned, 43 thousand hosts were registered with a capacity of 220 000 beds in July 2000. 85% , i.e. about 186 000 beds were offered by bed-and-breakfasts, and 15 %, i.e. 33 500 beds of 6 100 hosts belonged to rural tourism. The number of nights spent in private accommodation amounted to 3.3 million. The two registered types of private accommodation accounted for about 21 % of all nights spent in commercial accommodation. The share of rural tourism was 1 100 tourists with more than half a million nights, 43% of the tourists coming from abroad.

The regional distribution of private accommodation and rural tourism is extremely uneven in the country. The share of the six counties in the north and south of the Great Plain did not exceed 10 % of private accommodation and 9 % of rural tourism. In the Great Plain nearly half of private accommodation is found in Hajdú-Bihar county, while in rural tourism Jász-Nagykun-Szolnok county has a similar share. 65% of all nights in private accommodation are spent in the three counties around Lake Balaton (Somogy, Zala and Veszprém). The share of Budapest is 4%, which is extremely low. Taking all accommodations into consideration, it has been found that 44% of all nights are spent here by foreign tourists fall in Somogy county. 80% of the total of 1 235 119 nights spent in Somogy county are paid for by foreigners. In rural tourism Vas county seems to have an outstanding performance, with 12% of all the beds available and a 24% of take-up.

3.8 The organisational representation of rural tourism

Back in 1989 it was the Patriotic Popular Front that initiated the development of an institutional background for rural tourism by establishing the Association of Hungarian Rural Hosts. At the beginning the association received support from a large number of hosts and intellectuals. The membership was individual, and built on top-down principles of management.

In November 1993, the National Tourist Board organised a conference in Hőgyész, where it turned out, that the country had as many as 70 organisations, associations (mainly of small regions) established in support of rural tourism. In April 1994, a new umbrella organisation, called the National Association of Rural Tourism was established with the local organisations as its members. Its function was to represent the interests of the local organisations following the principle of bottom-up initiatives. The Association had 34 members at the beginning, but the newly re-established Association of Hungarian rural Hosts did not join it, choosing to maintain its independence. The National Association of Rural Tourism increased the number of its members from the original 34 to 116 by the year 2000, representing several thousands of businesses, interest groups, and research centre, while the other organisation gradually became 'invisible' by the end of the millennium. The National Association of Rural Tourism undertook a lot of responsibilities that in other countries belong to the state, or are assumed by state-NGO partnerships.

3.9. International approaches and interpretations

The European Commission has adopted a broad definition of rural tourism which includes not only vacationing on farms, but a lot of other tourist activities as well which are pursued in the countryside. The motivations for its development include the protection of the local architectural heritage, and the diversification of agricultural activities as well. From the viewpoint of employment, the development of tourism may become an alternative to agricultural production in some areas. Good examples for this can be the farms where domestic animals can be played with, or manor houses transformed to meet needs of tourists (in Portugal, Italy and Great Britain). The main target areas adopted by the Commission include the improvement of services, the development of complex packages and supply for tourists, as well as the improvement of infrastructure and professional skills. The adoption of tourism in addition to agriculture, the main activity is a way diversification.

The definition adopted by the OECD is also rather broad. 'Rural tourism is a complex, manifold activity: its basis is not limited to the farm or agriculture. It includes various special forms of vacation related to nature, like eco-tourism, hiking, rock climbing, horse riding, adventure, sports and healthy life style, hunting/shooting and angling, study tours, arts, cultural heritage and - in certain regions - tourism related to ethnicity.'

The OECD approach focuses on conservation, content with agriculture having a smaller part in it. The emphasis is obviously on the natural and cultural values of the countryside. n

3.10. The system of rural tourism

The systemic approach considers rural tourism to be an open system which can be connected to several other systems, it is, for example a part of tourism, agricultural production and marketing, the protection of nature and the environment, but also of rural development. The supply of rural tourism can also be described as a complex economic and social system. Its economic character derives from the aim to make a profit, while its social features include the

non-material target or output achieved through rural tourism (knowledge acquired by the hosts in the process, experiences with other kind of people, new attitudes).

The components or rural tourism include host families, local communities, marketing businesses co-ordinating the activities, the local and regional civil organisations established by the host families, as well as the local governments. They together ensure the attractions which are at the heart of the system: mediation and exchange of information between the services and the market (tourists). The basic function of rural tourism - which is the key element in the development of supply and products - is guaranteed by the host families.

The fundamental principle governing rural tourism is the intention of selling rural attractions through the tourist trade in order to generate income. The generation of income is, however, often complemented with other benefits: cultural influences, new information, establishment of new relations, new attitudes, etc. Rural tourism makes it possible to sell the attractions of the countryside at the market, contributing new products to the system of tourism, and ensuring new opportunities of employment and income generation within the framework of agriculture, family business, or rural way of life for the system of marketable services and products.

In the framework of rural tourism the 'the supply of products' can only be interpreted in association with the tourist. The result of the 'transformation process' which takes place within the system is far from tangible - it is practically nothing else but the satisfied consumer who has gained new experiences, got relaxed, learned new things and got filled with energy during the holiday.

Rural tourism can also be conceived as a common sub-system of agriculture and tourism, which builds mainly on the agricultural activities, rural way of life and the attraction of the traditions, these help to sell the local products and opportunities at the market of tourism.

Host families and the marketing businesses supporting them are characterised by a spatial network type of organisation. This can mean the voluntary association of several host families in the form of a club or union, or the initiative of some kind of marketing business co-ordinating or managing the market activities of the host families. Each member of the rural tourism network remains an independent decision-maker and risk-bearer. In Hungary the local and regional networks of rural tourism have a loose, unstable structure. The networks of rural tourism are also characterised by the contrasting processes of development and disintegration.

3.11. The economics and resources of rural tourism, the exploitation of social and human assets.

The host family, the main actor of rural tourism lives on the borderline between household economics and the business sector, with a chance of growing to become a part of the business sector. Receiving tourists means the establishment of a special, confidential relationship for a short time, because the tourists get an insight into the private life of the family, or, in other words, they enter the living space of the family. One specific feature of the economy of rural tourism is this inherent exchange process. In the case of rural tourism services have

relatively low prices. The majority of products in rural tourism are sold directly, because the consumer buys them from the producer. It is a specific feature of these products that a part of the costs, both investment and depreciation, but also current costs are relatively low. It can be concluded, then that the products of rural tourism require a less capital investment, which allows lower prices. Returns are also realised at a lower level, i.e. the hosts can calculate cheaper prices. Goods offered for consumption like food and drinks are partly produced in the household, and sales prices are set at the level of cost price plus a little profit, therefore prices in rural tourism are really attractive. Host families tend not to include the cost of their labour in the price of the services.

In the case of some rural products, however, the sales prices are rather high as it can be experienced in some foreign countries. The manor houses and castles offered within the framework of rural tourism, in Portugal by the network called Solares, but also in Italy, around Rome, cost a lot of money because they are considered special products. The material and cultural values accumulated in the course of history play an important part in it. This, together with the privileged situation of the nobility represent an exceptional quality, which justifies the unusually high prices.

Rural tourism, as a service offering leisure-time, recreational activities, is qualified as a peculiar socio-economic form of business. Its peculiarity lies in the special structure and composition of its resources, which also explains the way it operates, the composition of the participants in the business and the profit generated by the related activities. Rural tourism differs from other business in the relatively great role of social and human assets in the realisation of the services. It is also important that most people who embark on this business do not possess any significant capital. They mainly rely on the capacities and skills of the family, the wealth embodied in the family house and the free time which is the pre-requisite of the business.

The role of these assets is explained by Coleman's interpretation of human and social assets (1988). Coleman relates human assets to persons. '.....human assets are created through the transformation of individuals which gives them abilities and skills allowing new forms of activity. Social assets are created when the relationships among people are changed in such a way that they promote the activities.' Coleman (1988:17). He explains social assets as the relationships created among persons or organisations. In his view social assets 'cannot be found either in the actors or the material assets of production. Since purposeful organisations can also be actors (corporate actors) like individuals, the relationships between corporate actors can also create social assets for us.' (1988:14-15).

The proper operation of rural tourism also requires an internal set of relationships and co-operation among the rural hosts, which can be identified as the social assets accumulated by the actors. The principle of bottom-up or local organisation activates these social assets. They can be classified as assets within or outside the family. Social assets within the family include the relationship between parents and children, the supporting atmosphere of the family, the active contribution of family members to tourism. Social assets outside the family are embodied in the informal network of the partners, the exchange of information, common development projects, the definition of requirements and interests (like cleaner village, improvement of the infrastructure, facilities, marketing of the community, etc.) and are also

essential for the success of the business. If rural tourism is not considered important say by the local actors, the mayor, the local government or other civil organisations, or if one of these tries to prevent it, the situation of the host family becomes extremely difficult.

Rural tourism is an important area and form of utilising social assets. A Coleman put it (1988:30) 'Social assets have the nature of public goods, which means that people tend to invest less than necessary into social capital.' Ever since its emergence, rural tourism has suffered from the fact that participants invested less than required into this form of public assets, and the state has also failed to recognise the importance of this capital accumulation.

In addition to the exploitation of social assets, rural tourism also offers excellent opportunities for the utilisation of human resources hidden in the villages - skills, abilities that people have acquired outside the school, from their life experiences.

3.12. The bottom-up and top-down models of rural tourism

As to the management and organisation of rural tourism, there are two significant models to distinguish. One is the top-down organisation model, that dominated the 1930s and 1980s. The other one is the bottom-up model, which emerged in the 1990s, under the conditions of the new market economy, when the obstacles to individual entrepreneurship were removed. The main feature of the top-down organisation model is that the people concerned have hardly any chance to influence things, while in the bottom-up model initiatives are usually taken by the host families. This, of course, does not mean to say that the professional-political decision-makers, who are responsible for ensuring the proper conditions, have no role to play.

In the top-down model of organisation the host families have limited responsibilities, because the management of the supply side, marketing and other functions are performed by external bodies. Due to the economies of scale, the management of these activities often proves to be loss-making. The institutions do not worry too much about the profit of the host families. Risks are born mainly by the host families, the institutions are hardly affected by them, and the whole activity is characterised by the dominance of bureaucratic and fiscal considerations. The income generated by tourism is only of marginal importance for these organisations, it is only the agent that has a certain interest in it, mainly because they have the opportunity to make special arrangements, or get bribes. In this top-down model of organisation the development of the indirect conditions, like infrastructure, telephone, supporting services, is in the hands of external decision-maker, county-level institutions, etc. and local people play only a marginal role in it. There is no relationship among the host families, the network is operated from outside, by the tourist institutions which maintain the market relations. These institutions have the skills and expertise required by the tourist trade, and local skills or expertise are negligible (or to be neglected).

In the bottom-up organisation model it is the local people, the host families who play the dominant role, and the external organisations remain in the background, providing support when necessary. The activity is embedded in the life of the family, and the income generated by tourism is an important additional source for them. Those who commit themselves to rural tourism have to take the risks as well, although their main goal is to make a profit and realise other, fringe benefits as well.

In principle, the bottom-up model is built on the host families who establish relations with one another at the local level. The tasks are defined according to the existing individual capacities and the potential co-operation, but the definition and development of the external conditions remains the responsibility of the local government or other external organisation, in the conditions of a competitive economy. The host families develop their own network, often in association with external support institutions. In practice, however, it is the external bodies that initiate the development of a network simply because they have the infrastructure required, and the legal expertise. In the initial stage the host families do not have market relations of their own, the only way they can reach the potential tourists is through marketing or travel agencies, and more recently via the Internet. In most cases they have important skills in housekeeping and other fields which are very important for tourism, and these can be complemented with the knowledge acquired at various training programmes.

3.13. The stages in the development of rural tourism

Three main stages can be distinguished in the development of rural tourism, which more or less coincide with the stages of life cycle described by Butler. The stages are the following: stage of *spontaneous development*, stage of *transition* and the stage of *maturity*. The individual stages are distinguished from one another on the basis of their qualities in two dimensions. The local level may include villages, or farms in a small area, i.e. places where communication is possible on a daily basis between the co-operating partners or service providers, and have several common features with respect to traditions, ethnicity, religion, or agricultural activities. The level of policy makers includes all those organisations, ministries, regional, or county level bodies, which are involved in the decisions concerning the support and taxation of rural tourism.

The first stage of rural tourism is characterised by spontaneous development. This covers - more or less - the first two sections of Butler's curve. Tourism or tourists are not present in the region yet, or, in the best case, they just travel across it. The development of tourism-related services is a brand new activity for the local people, meaning the diversification of their primary activities, or the revival of a former socio-economic activity.

Those, who embark on rural tourism in the spontaneous stage of development, often get the motivation for that from outside the community. In most cases even those with the best potentials for receiving tourists lack the experiences and information about the market and marketing. Very few of them consider tourism and catering as a possible business venture for their household. It is often due to the lack of experiences that the expectations concerning the tourists and the potential size of the business are not realistic. There are quite a lot of families who give up tourism well before achieving real business success. At the beginning they usually make smaller investments, the families attempt to make use of the facilities, furniture, etc. they have used earlier. In this stage the quality of the accommodation and services does not seem to be very important for the host families; they are more focused on quantity, e.g. the number of beds available.

Inn the spontaneous stage the exchange of cultural values plays an extremely important part. Tourism can lead to a change in the status of women within the host family. With the help of the tourists the host families can discover values that they have always had but not appreciated so far. The value is discovered only in the light of tourism.

In the stage of spontaneous development there is no coherent development or support strategy and the national, regional or local level of decision-making. At this point the decision-makers do not consider elaborating a support programme for the development of rural tourism. Co-operation among the organisations (ministries, chambers, regional development agencies, and other bodies) which could provide the support required is practically non-existent, or very limited. The development of the support system, market research, promotion and network building happen on an ad hoc basis and not systematically. The quality standards and the monitoring mechanism are also missing. Spontaneous development also means the lack of all the support institutions and financial arrangements that could provide assistance to either the individual businesses or the local networks.

With the increase in the number of tourists and host families and the experiences gained in the process, the quality of the services tends to improve and rural tourism leaves the stage of spontaneous development to enter a transitory stage where it gets *firmly established*. The duration of this stage depends on the support measures that are taken and the ability of the local communities to manage their activities. In this stage rural tourism gets more and more recognised by the decision-making bodies and some measures are taken to support it, although not always in co-ordinated way.

The authorities start taking steps towards the co-ordination of responsibilities among themselves, but the particular interests of the individual ministries or sectors may often hinder this process. At the local level the supply and demand gradually reach the state of equilibrium, and get stabilised. The deficiencies of the infrastructure which earlier hindered or delayed the development of rural tourism get eliminated. More and more host families enrol in training programmes or various courses, and recognise the importance of good quality. Co-operation and networking improves continuously. Some host families may even decide to implement certain investments and enlargements allowing them to continue their activities as an independent business venture.

In the sage of maturity, a whole range of support and credit schemes and other type of assistance is available for the actors of rural tourism. At this point rural tourism gets integrated into various programmes of regional and rural development, environmental protection and enjoys various forms of support. The authorities have already agreed on an efficient division of labour in the field of rural tourism. At the local level, the host families now focus on the development of their own trade marks and specialised services.

In this stage the quality of the services is considerably higher, and sophisticated marketing techniques are used to attract the various target groups. The host families work in close co-operation with one another, because they have already recognised that this can generate value added for their business. Instead of product development priority is given now to marketing and quality. Thanks to the generous support available to them, the newcomers can also develop their services to the required level in considerably shorter time and abbreviate the introductory stage of development.

Table 1. Stages in the development of rural tourism.

Stages of development	Level of political decision-making	Local level
SPONTANEOUS	Neglected, political jargon Lack of efficient measures Lack of co-operation	Not fully developed products Insufficient infrastructure No or limited co-operation Changing expectations Little, inefficient marketing Quality is less important
ESTABLISHED	Increasing recognition Some support actions Preliminary co-ordination	Balance of supply and demand Improving infrastructure Better quality products Intensive training High quality requirements Considerable income for some host families
MATURE	Institutional and financial support Integrated development programmes Good co-operation	High quality products for special market segments Good co-operation among the host families High quality requirements Trade-marks Well developed marketing Entrepreneurial spirit in the host families

4. NEW SCIENTIFIC FINDINGS

4.1. The presentation of the 5 historical archetypes of rural tourism and their interrelationships with rural tourism emerging in the 1990s. The first archetype dates back to the days of the Hapsburg rule, and is related to the spa culture of the nobility, the use of private accommodation at the time. The second is the tourism around Lake Balaton, mainly in Balatonfüred. The third is the spa culture of the capitalist times, the development of the 'second Balaton cult' in the second half of the 19th century, due to the construction of the southern railway line. The fourth archetype is the connected with the discovery and fashion of folk art at the turn of the century, continued in the Gyöngyösbokréta movement. The fifth archetype is the system of rural accommodations in the 1930s, which has its impact even in our days, and serves as a model for modern rural tourism.

4.2. The demonstration of the relationship between agriculture and rural tourism in the form of a model. Mutuality is the main feature dominating the complex relationship between agriculture and rural tourism is. On the part of agriculture this means the sale of products by way of tourism, the ensurance of the well kept countryside as a positive externalia, the opportunities for hobby, leisure-time and learning activities offered by agriculture and the rural area, the pleasure offered by the traditions, cultural and natural heritage. At the same time, tourism ensures consumers for the products and services offered by agriculture, contributes to the promotion of the agricultural products and the development of a conscious consumer behaviour towards agricultural products and producers. In addition to mutuality the relationship of the two sectors is also characterised by a certain competition for the resources (water, seaside, land, labour) in certain areas.

4.3. The analysis and exploration of the product components in rural tourism and the economics of rural tourism, the role that human and social resources or assets play in it. Rural tourism exploits the already existing natural, cultural or man-made attractions, resource, which have so far been unused, or have served the households or its members without commercial benefits. Rural tourism emerges when these attractions are transformed into products for sale at the market. Rural tourism uses not only the accumulated capital of the host families, but their human resources as well together with the social assets that are created through the interaction between the host families and the actors of the local community. The particularity of rural tourism lies in the fact that it is based partly on the already existing, unused, but easily renewed tangible assets and the products of the household, and partly on the intangible but income generating human and social resources. The services are sold directly, without intermediaries, therefore the service providers can afford to keep prices at a competitive level even under unfavourable market conditions. _

4.4. The description of the two models for the management and organisation of rural tourism . One is the top-down organisation, in which the management, marketing, product development and the development of the infrastructure required are performed by external institutions, and the role of the host families is marginal. This also goes together with low income, the activity is governed by bureaucratic and fiscal considerations. In the bottom -up model the main role is played by the local actors and the host families. The role of the external bodies is limited to support or auxiliary activities. This form of rural tourism is embedded in the life of the

families, the income is of complementary character and in addition to the financial advantages, the host families also enjoy fringe benefits, cultural and social input.

4.5. Exploration of the stages in the development of rural tourism. The presentation of the individual stages - spontaneous, transitory and mature - together with a model of their qualities. The development of rural tourism, as a form of tourist trade with low intensity of supply - is best described as being in the stage of spontaneous development in Hungary and the countries of Eastern Europe.

Spontaneous development is characterised by the fact that the rural tourism is a new activity for the host families, in which they rely mainly on their existing resources and assets. They appear at the market or tourism as amateurs, and their priority is the quantity of the supply. In this stage there is no policy or program for the development of tourism, and co-operation between the institutional actors is at a minimum. The financial and professional support schemes, as well as the monitoring and evaluating mechanisms are also missing.

In the transitory stage, when rural tourism is getting established, the quality of the services improves, the number of tourists increased, while the institutions and authorities begin to identify the tasks and co-ordinate the activities. There is a considerable improvement in the infrastructure and the former deficiencies do not hinder the development of tourism any more.

In the stage of maturity the host families are able to offer high quality, special products or services, and the institutions provide a wide range of support schemes - financing, marketing, counselling, and training - in order to assist the further development of rural tourism. In this way rural tourism becomes an integral part of the tourist trade, the system of agriculture and rural development.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Rural tourism is one of the most exciting developments in the Hungarian countryside in the 1990s. It means the transformation of the potentials of the family, community or the region into products for the tourist trade, the restructuring of the resources of the families involved with a view of enabling them to provide tourist services. In the broader meaning of the term rural tourism is identical with tourist activities taking place in the countryside.

The main characteristics of rural tourism with respect to its development:

- In most of the cases, rural tourism is an activity generating complementary income for the host families;
- It is closely related to the household, less frequently to the family holding;
- The tourist trade is a complex activity, requiring many different skills from those who are involved in it;
- It is checked by the local people (people know, what is going on and how);
- Most of the host family members have a higher level of education than the average;
- Some of the attractions are hidden, or need developing;
- Only a small part of the hosts can be considered primary producers or agricultural entrepreneurs;
- The hosts usually have modest tangible assets, but significant human and social resources;
- A part of the income generated by rural tourism is reinvested in order to improve the infrastructure;
- Rural hosts develop network-type relations;
- The best host families become capable of starting their own business after a longer period of capital accumulation.

5.2. The Hungarian villages with the abundant attractions of the countryside and the Hungarian hospitality are able to develop high quality and in some cases exclusive supply for the tourist trade. However, this requires further investments. The spontaneous development that rural tourism has shown so far should be replaced by an integrated, long-term development programme. This development programme should focus on the practical aspects of tourism, and contribute to the best possible exploitation of the inherent values of rural tourism, the human, natural, environmental, physical and intellectual resources of the countryside. Rural tourism should be developed to a level that could make it equal to all the other forms of tourism.

5.3. Besides governing production, agricultural policy should also pay attention to the recreation needs of consumers, with special regard to the potentials of the countryside and agriculture.

5.4. In the early 1990s many people believed that rural tourism could be a tool used for developing or revitalising the backward rural areas. After the spontaneous development observed in the last ten years it can be stated that the impact of rural tourism on the development of villages or rural areas is rather modest even in the medium term, and fails to reach the critical mass, which could justify the above statement. Rural tourism represents 6.7

% of the Hungarian capacities (number of commercial accommodations+ private accommodations), and its share in the tourist trade is less than 2.4 % (number of nights). Its importance does not come from the complementary income it can generate for the host families, but from the experience, and knowledge, the accumulated human and social assets which are required for the successful operation of rural tourism and which can prove to be most valuable in the application of the European Union's regional and rural development policies.

5.5 The results achieved so-far by the bottom up organisation of rural tourism make it clear that the time has come for the state to develop a new concept of private accommodation, to get a better picture of the actual situation, to elaborate a development strategy and provide the funds necessary for its implementation.

5.6. According to its official interpretation rural tourism consists mainly in providing accommodation, although many different ideas, products and practices have developed behind this narrow-minded legislative approach. Better results could be achieved if a more complex set of objectives could be defined focusing on the manifold exploitation of the rural potentials, together with a more differentiated product and brand development, regulation, and promotion.

5.7. In the countries of Western Europe people engaged in rural tourism related to agricultural production, enjoy the same tax allowance as farmers do, up to a certain capacity and level of income. In this way services offered within the framework of rural tourism are not strictly bound to accommodation, as is the case in Hungary. A family living in the countryside, or a farmer can offer a great variety of products made by family members or the local community to the tourists in addition to accommodation.

5.8 Rural development which includes rural tourism as well, requires bottom-up programme planning, an institutional background that is within easy reach for the people involved and is empathetic if problems arise, as well as the proper level of decision-making. The present system of supports should be decentralised with the competencies related to decision-making delegated to the level of the small regions. The savings co-operatives, the only financial institutions that have branches in practically all the villages should be involved in the management of the financial processes required for the development of rural tourism. No financial institution has appeared so far as an actor in rural tourism, although granting loans or credits for its purposes would represent a very low risk considering the specific nature of this sector.

5.9. By our days quite a lot of experiences have been accumulated in the field of rural tourism, but researchers have paid very little attention to them. There have been very few research projects either basic or applied, focusing on the study of the life cycle of business ventures in rural tourism, or the investment - financial, intellectual, physical or in time - and labour input required, the profit to be expected, and the income level where it can turn from complementary activity into a real business venture. The implementation of the projects supported by various grants is not assessed in public.

5.10. The training programmes preparing for rural tourism are rather varied, yet they lack the participative attitude to adult education, a kind of hands - on teaching. The teaching and methodological materials, based on the domestic conditions and meant to disseminate the practical skills and experiences are still to be written. The methods of development tested and applied in the developing and highly developed countries have not been adapted to the Hungarian circumstances.

5.11. The responsibilities assumed by the civil organisations in rural tourism are out of proportion with their opportunities, the state, however, has done significantly less than it could have. In the author's view a good partnership and division of labour would mean a more active involvement of the government in the development of products, the marketing of rural tourism, the development and maintenance of quality standards, and the financing of the associations established by the NGOs.

5.12. The support system available so far has focused more on providing the missing capital than on the development of human resources (providing skills and training programmes) and social assets. These are given priority both in the field of product development and the training programmes in the countries of Western Europe. In addition to the maintenance of the financial support provided so far, more attention should be paid to the sharing of experiences and co-operation, i.e. the accumulation of cultural and social assets as well.

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