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A COMPARATIVE PERSPECTIVE ANALYSIS OF THE ROLE OF AGRITOURISM, RURAL TOURISM AND ECOTURISM FOR THE DEVELOPMENT OF ITALIAN AND JAPANESE RURAL AREAS.

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ABSTRACT

The authors, experienced a three years joint research titled A.T.I.J.R (AgriTourism Italy and Japan Joint Research). The strategy of production diversification, the vertical and horizontal integration, the process and product innovation seem to be a possible option for the vitality of agricultural enterprises. These activities insert a virtuous circle in these farms and in the areas where they are carried out. The authors present, through a theoretical analysis and real cases, the influence of this strategy on a farm in Umbria region of Italy with some final considerations regarding Italian and Japanese agritourism activity and perspective.

INTRODUCTION

Nowaday our society is dealing with the problem of quality of life, development perspectives, and future generations. From the "green movement" of the '70s, today the problem is moving towards a political and scientific discussion. Because of the complexity of our society and the difficulty of evaluating and predicting changes in society, some people have predicted that chaos will be the norm for future generations. But we should not let complexity defeat us; it should be understood and managed in order to achieve the fixed target of a better quality-of-life level, and more equity in the distribution of resources and wealth produced - in other words, sustainable development. Through examining the economy of the environment, the economic sciences began to be interested in this problem, too. Georgescu-Roegen (1982), Tinbergen (1977) and the Club of Rome with Pestel and Mesarovic (1974), discussed the need for a new development model, more sensitive to the problem of using natural resources. Natural resources were beginning to become non-renewable economic goods, which will be limiting for future development. The "bridge" between economists and

environmentalists is being constructed. Today, Pearce (1991), Nijkamp (1974), Romero (1987) have provided real tools and methodologies for evaluation and planning of environmental resources. Economists are now able to evaluate, in monetary terms too, externalities, so that this part of economics is defined as a "New Frontier".

WHAT KIND OF DEVELOPMENT AND LIFE WE ARE GOING TO PROPOSE FOR OUR PRESENT AND FUTURE ?

P. Kennedy (1993) says that the world population in 2025 will be about 8.5 billion; in a similar perspective, mankind must manage development so as to guarantee conservation and the proper use of natural resources.

The stimulus of the GATT treaty in the recently concluded Uruguay Round and the new regulations of the Mac Sharry plan have imposed both a liberalisation spirit and quality agriculture on the markets. In the U.S.A., the LISA (Low Input Sustainable Agriculture) program has been under discussion for many years.

The Brundtland Report (1987) defines Sustainable Development as "development which meets the needs of the present without compromising the ability of future generations to meet their own needs..." *This is a very complex way to define development because sustainable development is aimed at a combination of economic, social and environmental goals.* All different sectors of development are involved in this strategy; for example, sustainable agriculture is already an important reality. Sustainability in forest use and management is a basic concept in the more general understanding of sustainable development. To achieve sustainability, one of the most important rules is to give priority to natural capital stock rather than to the flow of income it could make possible. This concept is the basis for sustainable agriculture: to achieve food products, but also to save natural capital stock, in other words to bring together preservation and development. It is possible to use another definition of sustainable development: *"Sustainable economic development involves maximising the net benefits of economic development, subject to maintaining the services and quality of natural resources over time"* (D. Pearce et al., 1990).

In order to develop rural areas E.U. have elaborate in CORK(Ireland), in November 1996, the document where it is focused the rural integrated and sustainable development.

In the polity of sustainable development that take its consist in the crossing between:

-The policy about the defence and conservation of the environment and of the territory by an inter-generational view;

-The most required change of the development model from a quantity to a qualitative one ;

ù-The need of conciliating the sustainability,the equity and the poverty in many areas in the world,by adjusting actions about the income levels.

After these considerations we deduce we cannot assure to the future a real development without an adequate rural development.

DIVERSIFICATION, INTEGRATION AND PRODUCTIVE INNOVATION: A CHALLENGE FOR THE AGRICULTURAL ENTERPRISES.

In first we must to consider the principle that orientates the enterprise management.The administration has moreover, to consider, two fundamental rules for the management:

-The economic and financial equilibrium;

-The development and innovation;

Under this two fundamental rules we must remember that the enterprise is linked to the economic,financial and property cycle.The balance sheet results are depended as by the operative management than (and now always more)extra-operative management.

Diversification,integration and innovation have their specific rule in to improve the balance sheet as in the operative management than in specific in extra operative aspects.

The diversification

We have to turn the diversification and about the level of agricultural production, and about the level of trasformed products and about the activities. The differentiation of the agricultural productions'typology needs to distribute the economic risk that is caused by the price's variations and of the products themselves and of technical means on market. Moreover it needs to distribute the technical risk caused by some climatic turbulence such as: cold, drought, hail, etc on different elements. Anyway, we can observe that, today, the agricultural enterprise that produces the basic, original products only, has no more considered in any country's reality , generally. When the farmer has being to make the. direct sale of his products on the roads, he distributes milk, fruit and fish or small domestic animals to any family; he offers his services to other farmers with his own

implements, sells vegetable and wheat's seeds. Moreover he offers hospitality in his own farm, on the weekend and offers typical products, takes part in management of the natural reserves and parks. What has been said is nothing more than the concrete achievement of the new tendency to the diversification of the enterprise.

The integration

This is an option directed towards horizontal and vertical integration. The farm improves its results of income which the more flexible and dynamic approach through its activities linked to the other sectors and also in the agroindustrial districts in a specific and often advanced rules. In this sphere, also, the farm organizes its activity not more only linked to its products and typical but joint to other activities not traditional and in general for to sale some services in the rural areas.

The innovation

The innovation consists in innovation of the product and of its production process. Regarding the second much important is the enterprise monitoring. To get this one we have to apply the accounting control by changing completely the typology of the approach. Proposing the informative, traditional type's accounting only, means to foster irresponsibly the pseudoscientific and technical chloroformization of the accounting itself. The agricultural accounting has to qualify itself by the "closed, continuous, iterative and interactive scheme". (Ciani, 1992). The need in developing of the information, formation's activities and assistance to management we can activate today with new technologies by information systems.

Rural Integrated and Sustainable Development

Today the agricultural enterprise must be seen as a cognitive system and put itself in a position of the continuous synergy with other productive fields and, in particular, services.

Thus, the agricultural enterprise with its potentialities and its human and natural resources changes into a rural enterprise which united with the traditional activity must be into service of the territory. New other immaterial goods are forming (rustic tradition, ecc.). It is for the agricultural enterprise to be, today and in future, evidence of daily history of most inhabitant of earth. It is not possible to hope to activate this strategy with information programmes above mentioned. On the

contrary, the capability and the will to make progress of the men living in this area must be stimulated. The process of rural development in future must not base itself on the autogenous capabilities of local entrepreneurs. In this context, the U.E. policy move, for example, with the LEADER program. There are problems of territorial equilibrium such as situation of Foot-Print ambiental of Netherlands; the savage destruction of some lands of Brazil or Africa or Asia united with the hunger problem.

Today, the perceptions of the environmental aspects became new goods to sell and add in the agricultural enterprise.

From this point of view, it's puts the "sustainable development strategy". Under this approach and point of view the rural development coming from a concept of "weakness point" of the development strategy to "strong point" all over the world's areas either North or South.

The agritourism, rural tourism and ecotourism are new activities that in the last years started in each rural areas in all the world and them involve all of this above inherent aspect of the rural integrated and sustainable development.

WHAT IS THE AGRITOURISM AS REGARDS THE PRESCRIPTIVE AND EXECUTIVE PLAN IN ITALIAN EXPERIENCE

European Union Legislation

The European Community does not provide a specific definition about agritourism (only in Italy exists a precept on this subject) and, so, a distinct discipline for the rural tourism and for the tourist activity carried out by agricultural enterprises.

But exists, a series of provisions that have been changed into measures turned more or less directly to agritourism after they have been accepted from the Regions of each Community Countries.

Italian Legislation

In E.U, only in Italy exists a precept about agritourism and consequently we are a national law that is the Law 5 December 1985, n.730. Its fundamental inspiring principles are:

Art.2-Definition of the agritourist activities;

Art.3-Utilisation of the premises for the agritourist activities;

Art.5- Sanitary regulations(law ref. n.283 of 30.04.1962)

Art.6-Regional List;

Art.7-8- Administrative regulations and local licence;

Art.10-Regional agritourist programme and revitalisation of rural areas;

Art.11-12-Formation and promotion activities of agritourist supply;

Art.14-Incentives to the farmers and incentives to the initiatives connected with the agritourism.

Under the decentralisation of Agricultural Policy we are also for each Region a specific Regional Law. Umbria Government approved the first law in 1984 that was abrogated from the subsequent one; Law n.38. 6.08.1987.

The objective of the law are:

-To facilitate the stay of the farmers in the rural areas by an integrative activities of income;

-To balance the different agricultural realities;

-To recover the rural housing;

-To revalue the cultural and natural resources;

-To revalue the typical lines;

-To defend the tradition of the rural area;

-To promote initiatives of the rural area.

It is confirmed the complementary nature of the agritourist activity.-The higher limit of receptivity in every building has to be not superior to 15 beds;

- The higher limit consists in 30 beds in every enterprise;
- The higher limit in the open air for the campers consist in n.4 spaces to roulottes or tents.

THE AGRITOURISM IN CENTRAL ITALY

Characteristics of Umbria Region

In 1994 an followings the authors of this article made some studies about the Umbrian and Central Italy Agritourism and in particularly in Umbria Region .The Umbrian region is characterised by a development that it can be defined fairly homogeneous. There not exist zones with strong differences concerning income distribution, productive activities, know-how, services fruition, access to cultural activities architectonic and to historical and architectural heritage. The urbanisation is a nebula-like process in which it is not easy to identify the typical tertiary, industrial and rural environment. Umbria is a reality strongly integrated into traditional rural environment which has been modelling a very high level of life quality.

This rural model that is installed in Umbria is the most relevant resource of the region since it implies great indirect benefits in the public services management and of their positive quality level which are determinant prospect for the present and future sustainability of the growth and development process. The agricultural farm is strongly transforming itself from a traditional agricultural farm voted itself to the bases production and almost disconnected from the market, towards a rural-type farm where next to the traditional activities of bases production it is enable to supply with different function and task, consulting ,transformation process, marketing, advertising, innovations of products and of work process, moreover the presence of the human been becomes a considerable rule to the safeguard and maintenance of the soil and territory in general. In this prospective it appears fundamental to point out on models of farm organisation linked to a productive diversification (like as agritourism) and with high elastic degree. For these reasons in the last years the agritourism sector has marked an heavy, dynamic and innovative growth and indeed, in Umbria Region it has found in the rural ambience, which is part of the typical characteristic of the region, one of its own peculiarity.

Agritourism feature in a national scale

The agritourism sector represent a relevant phenomenon in our Country that witness the enterprise capacity of re-organising itself from farm to rural enterprise, clearly oriented toward a process of revitalisation involving natural, cultural

historical and environmental resources and also proposing itself as a new way of enjoying free time and foodstuff.

The Umbrian agritourism has a recent story.

According to a national survey ("Il Sole 24ore", July 10, 1994), in Italy there are 7000 Agritourism farms providing a receiving capacity of 100.000 beds and an invoiced of about 700 billions of Italian Liras which puts this sector in a higher position in comparison with the national truffle market.

Compared to other countries such as France, Ireland, Germany with an average of 3% of agritourism farms out of the total farms, Italy has only 0.3%.

Output data of the Umbria Agritourism.

Data regarding the trend of the last seven years highlight that since 1988 to 1994, arrivals have been rising from just a little more than thousand to 3,500 and the presence from, 5,500 to 148,000. In 1994 foreigners were 7,055 out of a total of 35000 and the presence 49000 with the average of presence of them of 7 days against the 3.6 Italian people.

The flow is continuous during the year, especially in the week ends and in the places located near to artistic towns; peak months are July, August and September which absorb more than 50% of the entire flow. In the same period agritourism farms rose from 17 to 221 and beds from 188 to 2685 with a current average of 12.1. Prices for accommodation amount -for a single room- to a minimum of Lit. 31.000 (about US\$ 20) for the room only to Lit. 81.000 including shower and full board. As for a double room prices range from a minimum of Lit. 74.000 to 93000.

Net income of management (thus gross of family labour and capital payment), for agritourism alone, range in the sample observed from 124 to 170 millions per year. Umbrian agritourism is showing a good vitality; many farms are able to get, for each accommodation, an annual presence of 180 days. From the survey (26 agritourism farms) has emerged that the average days per bed is 79 days with 14 guest per bed; the average presence per farm is 294 and an average presence of 5.67. All the data are well above the national average and show a positive level of image of the sector. The sector seems to demonstrate a policy aimed at service quality. This data can be verified from the total investment of the sample which, for the 26 farms and a total of 540 beds, amount to 13.738 billions and 25.5 millions per bed. The internal rate of return is about 11.5%. (Fig.1)

Translating the data from the sample surveyed into the whole regional reality it can be evaluated that people employed in the sector are about 1500, 500 of which outside the farms with prevalence of temporary employees.

**Fig.1-ECONOMIC FINANCIAL FEASIBILITY OF A-AGRITOURIST
INVESTMENT.**

(BUDGET IN TERMS OF NET INCOME AND OPERATIVE INCOME)

a- INVESTMENTS	VALUES(000.000 L.)
Purchase of immovable	170
Burden of transfers, etc.	30
Reconstruction, furniture and equipment	300
Total invested capital	500
b- PROCEEDS	
Proceeds from overnight stay	80
Proceeds from restoration	40
Extra proceeds (alimentary handicraft)	25
Total annual proceeds	145
c- OPERATIVE COSTS	
Materials of consumption	10
Raw material of restoration	16
Maintenance/replacements	4
Reintegrations	15
Personal extra nucleus	20
Total operative costs	65
d- EXTRA-TYPICAL COSTS	
Refunds interests	15
Tax and contributions	15
Total extra-typical costs	30
e- OPERATIVE INCOME (B - C)	80
f- NET INCOME (B - C - D)	50
g- R.O.I.	0,16
h- R.O.E.	0,14
i--I.R.R.	10,72
l- N.P.V.	88

CONCLUSIONS

We think and have showed that Agritourism is as possible and concrete, diversificate and integrated activity that the farmers can combine with traditional production for an environmental productive strategy in the farm. In Japan the phenomena is not as specific as in Italy. Anyway there is a National Organisation that has associated 650 green farms.

These farms until now are more linked to the tourism country type than to the farmer activities as agritourism in Italy.

The movement is very interesting now and also in Japan in the next future the sector will be able to play a very important role in the rural areas.

Regarding the Italian survey the prospects of the development outlined by national organisations are those of aiming, in the short-medium term, at achieving the average of 3% of the whole farms, which means in absolute numbers about 100,000 enterprises.

In relation to macro analysis as that prospected by J. Naisbitt (1994) in "Global paradox" which may foresee a notable increase in tourism activities especially of niche typologies based on the fruition of natural resources, it can be surely asserted that, given the Umbrian reality which is rich of such resources, it should be possible to reach in the Region in the short-medium term a figure of 2500 enterprises with an employment potential of 12,000 units and an annual G.N.P. of 250 Billions. Moreover, the demand potential existing at the national and international level stimulates rural tourism activities, the fruition of minor artistic, architectural and cultural heritage as well as then environmental and scenery ones.

A virtuous circuit and an osmosis of significant and positive evolution are growing, with the creation of an integrated synergy involving the primary agricultural activity, the self-valorisation of typical products, the promotion of production, image and the characteristic regional rural context. What is starting, and needed to be stimulated, is a process in which the Umbrian "weak rural areas" are changing to "area of strength" for the future model of sustainable rural development.

In such perspective we need to research and stimulate actions for product and process innovation which would allow the sector to pass the current spontaneousness to become a perspective of a solid rural development towards the 20th century.

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