

# DEVELOPMENT OF RURAL AREAS THROUGH SUSTAINABILITY IN PRODUCTION AND TRADE IN GOODS AND PRODUCTS

STANEV, GEORGI<sup>1</sup>

## Abstract

In this report, the author wants to raise issues that affect the provision of conditions for increasing the competitiveness of local producers and processors of agricultural products. In order to ensure rapid sales of production, local authorities, in the form of municipalities and regional governments, should take measures primarily in terms of easing the administrative burden, but also in order to shorten the chain producer/processor-end trader (hotel/restaurant/shop)-end customer (tourist).

To achieve the goals of managing individual areas, it is necessary to create and maintain a stable connection and communication between state, respectively municipal organizations, private legal entities and individuals. The participation of more stakeholders in the process is in many cases difficult to coordinate and manage, but it is a guarantee that the discussed problems will reach a wider circle of users, more key issues will be raised and the probability of reaching a solution is many times greater.

The role of the state, not only in taking action in connection with the relevant legislative changes in the field, but also as a controller, is key to supporting local producers/processors. It is through its role as a body controlling the processes and at the same time – a mediator in relation to disputes and misunderstandings that the state can and should contribute to the sustainable development of the sector. The Tourism Act allows tourist areas to be managed by organizations that are voluntary and are subject to the principle of cooperation in the interest of the members. The texts set out in the law largely give relatively broad autonomy to the organizations for managing tourist areas. At the same time, however, the state – in the person of the Ministry of Tourism, limits this autonomy by taking away some of the main functions – development and implementation of a marketing strategy for the tourist area, development and implementation of a tourism development strategy, product strategies and annual plans for tourism development on the territory of the tourist area, etc.

The essential role that the organizations for managing tourist areas should have in the process of imposing quality standards for the produced products, in the mediation between the state/municipalities and private organizations – mainly producers of goods and offering services in the field of tourism, is being undermined. The lack of a clear concept regarding the financing of the organizations for managing tourist areas, including the determination of annual contributions by the state for the maintenance and operation of these organizations, calls into question their existence, and hence the future of the mediation activity that they must perform in the development of tourism in the respective region.

**Keywords:** Management organization of the Rila-Pirin tourist area, tourist service, tourist product

**JEL:** M11

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<sup>1</sup> Assoc. Prof. Georgi Stanev PhD, College of tourism, Blagoevgrad, department „Business administration”, Bulgaria, e-mail: g.stanev@abv.bg

## **Introduction**

The need to ensure sustainability in the production and trade of goods and products, the work of local producers, requires us to talk again about the development of rural areas. In recent years, there has been an increased import not only from neighboring EU member states, but also from those that are not part of the so-called European family and even from China, of agricultural products, the realization of which on the market is at the expense of domestic production, and it cannot be said that it surpasses it in quality.

In the context of the topic, it can be said that the development of rural areas should also be considered as an attempt to preserve the natural resources that our country has, so that they can be used in the economy for a longer time and to ensure the sustainability of ecosystems and prevent the loss of biodiversity.

The search for harmony in the development of individual sectors, the preservation of natural resources, adequate legislation and coordination between the participants in the processes, provides the basis for talking about sustainability. Changes – when they support the interests of consumers, are necessary and even urgent.

## **General provisions**

Setting goals in the management of processes and activities is the basis for the successful achievement of the results we strive for. Compliance with various principles essential for the development of civil society should be the basis for building socio-economic relations in the state. For example, the Constitution of the Republic of Bulgaria (Constitution) stipulates that the country should ensure the protection and reproduction of the environment, the maintenance and diversity of living nature and the rational use of the country's natural resources and resources (Art. 15 of the Constitution). The foundation is the construction of an economy based on free economic initiative, and the law should create and guarantee to all citizens and legal entities equal legal conditions for business activity, preventing the abuse of monopoly, unfair competition and consumer protection (Art. 19 of the Constitution). The law should guarantee the investments and business activity of Bulgarian and foreign individuals and legal entities, and create conditions for various forms of association of the same in order to achieve economic and social progress. (ibid.).

The state is also obliged to create conditions for balanced development of individual regions in the country and to support territorial bodies and activities through financial, credit and investment policy. (Art. 20 of the Constitution). The country's basic law explicitly states that land is a fundamental national asset that should benefit from special protection by the state and society. The importance of arable land is categorically stated, emphasizing its use only for agricultural purposes (Art. 21 of the Constitution). It is emphasized in the form of a fundamental principle that

citizens have the right to a healthy and favorable environment in accordance with established standards and regulations, as well as their obligation to protect the environment (Art. 55 of the Constitution). Another key commitment undertaken by the state through the text of the Constitution is the protection of the health of citizens and encourages the development of sports and tourism (Art. 52, para. 3 of the Constitution).

The adopted texts in the Constitution of the Republic of Bulgaria demonstrate the desire of the lawmakers of the Grand National Assembly to ensure sustainable development of the economy and in particular that part of it related to environmental protection and agriculture. It shows the values and principles on which they stand to ensure a future for generations in which their children will live and grow up in the management of natural resources in conditions of an assured high quality of life or at least no worse than those in which they themselves grew up.

The linking of goals and legal principles is the basis of the construction of the legal system and the development of civil society. In this direction, Stoilov (2018) also writes – „Legal principles as foundations, principles, guiding ideas, etc. undoubtedly correspond not only to given values, but also to set goals. The latter are not specific legal phenomena, but find their place in law and legal regulation. Many of the legal principles are located between recognized values and set goals. From this point of view, principles are values set and goal-oriented“.

The definition of state policies is achieved by expressing intentions, setting goals and outlining a path that should be followed in order to achieve that conditional perfection of development of socio-economic relations, which would ensure the balance and resource provision necessary for generations.

After the relevant value propositions, principles and objectives have been defined, they should be transferred into specific sectoral policies. Usually, the derivation of objectives is associated with the engagement of a wide range of specialists who should prepare not only the strategic documents, but also carry out the logical and factual linking of individual programs, projects and activities so that they cover the sectors involved in the relevant policies.

Thus we arrive at the way in which the ideas formulated in the form of policies should be implemented in practice and the set goals achieved. How the idea will be implemented and will become an achieved goal depends primarily on the conditions that the institutions involved in the relevant policy will create. According to Sedlarski (2013) „The conditions created by the institutions for predominantly productive or redistributive activity are the prerequisite for the emergence of the relevant type of organizations that specialize in pursuing the given strategy, acquire the necessary structure, organizational culture, etc. The increased pressure of the many organizations and groups with special interests to change the institutional framework in their specific field of activity in order to derive advantages in the competitive struggle (i.e. changing the institutions so as to make the advantages of

a given organization decisive) can lead to an acceleration of the process of institutional acceleration“.

According to the Tourism Act, the state policy in the field of tourism is determined by the Council of Ministers. Upon the proposal of the Minister of Tourism, the Council of Ministers approves the National Strategy for Sustainable Development of Tourism and strategies for the development of individual types of tourism. A mandatory condition for approving the Strategy is the presence of an effective opinion on an environmental assessment for coordination or a decision that an environmental assessment is not necessary, issued under the Environmental Protection Act.

In order to ensure the applicability of the policy for sustainable development of tourism, the same is integrated into the sectoral policies pursued by other executive authorities, within their competence, outside the Minister of Tourism.

The Tourism Act enables the regional governor to develop the regional strategy and participate in the development of programs for the development of tourism in the territory of the region and coordinate their implementation. The strategy and programs are based on the national priorities for the development of tourism, the marketing strategy of the tourist region, as well as local and regional tourist resources and needs. The regional governor also assists the Minister of Tourism in the implementation of activities related to the implementation of the state policy in the field of tourism, cooperates and supports initiatives of state bodies, the organization for the management of the tourist region and the tourist associations for the development of tourism in the territory of the region in implementation of the national policy in the field of tourism, performs control functions in the cases provided for in the Tourism Act.

Municipalities also play a significant role in implementing policies and achieving the goals set in specific areas of development. For example, the municipal tourism development program should be outlined and separated as a separate section in the municipal development plan. The municipal tourism development program should be in line with the priorities of the regional tourism development strategy, as well as with the National Strategy for Sustainable Tourism Development and strategies for the development of individual types of tourism.

The Tourism Act has provided for the possibility of organizing activities related to the tourism industry, which are managed by structures covering certain territories, usually consisting of several municipalities and on the territory of more than one administrative region. These structures are called tourist area management organizations and their purpose is to create and promote regional tourist products and implement regional marketing and advertising on a certain territory – a tourist region. Organizations for the Management of Tourist Regions (OMTRs) are legal entities that are established and registered in accordance with the Tourism Act. They are voluntary organizations, in which tourist associations entered in the National

Tourist Register, representatives of municipalities and regional governments, scientific organizations, institutes and schools in the field of tourism, consumer associations and other organizations, institutions and commercial companies whose headquarters or place of business is on the territory of the tourist region, national, municipal and regional museums, national and natural parks located on the territory of the region can be members.

According to the Tourism Act, the OMTRs carry out their activities under the control of the state, with the functions of the control body being performed by the Minister of Tourism. The organizations are established without a specific term, and only one organization for the management of a tourist region can exist on the territory of one tourist region.

### **New directions for rural development**

A possible option for finding sustainability in the development of rural areas is to encourage initiatives for the production and trade of goods and products from local producers, which will be implemented by various economic operators engaged in tourism activities. In his monographic work "The State and the Organizations for the Management of Tourist Regions – a Main Factor for the Quality of Tourist Services" with a territorial focus on the Rila-Pirin Tourist Region, the author of this report provides proposals for improving the conditions for the provision of quality services in the Rila-Pirin Tourist Region. The proposals presented represent opportunities for improving the microclimate and promoting the tourist products offered by the Organization for the Management of the Rila-Pirin Tourist Region, but they are equally important for any such organization that has decided to present local tourist destinations and products.

Tourism enterprises such as hotels and restaurants, as independent economic entities that organize their activities in the field of tourism, are those intermediaries between the consumer and the producer of goods and services that satisfy the social needs of customers to the greatest extent. The need to produce quality food and beverages in processed and unprocessed form is largely directly related to the desire of tourists to receive products produced under high requirements, in smaller quantities, which differ from those offered in mass grocery store chains. Local production is very often of higher cost, passes through a chain of intermediaries and, accordingly, reaches the end consumer at a price that not everyone can afford for daily consumption. On the other hand, ensuring high quality of production, using more environmentally friendly raw materials and chemicals in the production of fruits and vegetables, when conducting an appropriate marketing and advertising campaign, can lead to increased demand from consumers – mainly incoming, i.e. tourists. Producers of secondary goods, such as all food products intended for restaurants, can take advantage of the opportunity to sell their products on the

territory of the relevant tourist region, which will minimize transportation costs. Direct sales of products to catering establishments and relevant retailers will save a significant part of the costs for intermediaries-resellers, who otherwise have no relation to the production of food products, but only ensure the placement of finished products for final sale or processing into a ready-to-eat product. This is where the role of institutional support comes in, which should be provided to these small local producers of goods. Support that will guarantee the secure sale of food products to tourist sites and their guests – tourists.

It is essential for the development of the economy as a whole and of the individual industries in particular, is the determination of indicators for sustainable production and consumption of goods and products. In this direction is the opinion of Stoyanova (2019), according to which „many organizations are trying to develop a set of indicators to determine the sustainability of a business or company and to answer the question – whether the production has been resilient“. One of the indicators that are referred to as used in Bulgaria is areas with organic farming. „Organic farming improves the condition of ecosystems, animal health and humans, increases the generated revenue, as well as the confidence of communities“ (Stoyanova, 2019). Tourist management organizations are a trace of assisting agricultural producers to develop organic farming. With the help of the state and the municipalities, farmers, OMTRs must make the processes of production and marketing of the produced goods accessible not only to manufacturers but also to consumers. The cost of production depends not only on the direct but also on the indirect costs that manufacturers have. The reduction of the administrative burden or the provision of services at lower prices, which can be provided by the OMTRs, would have a beneficial effect on determining the final price of the product and increasing the consumption of biologically manufactured goods. Affordable prices and high quality of production must be among the leading strategic goals not only of manufacturers but also of the OMTRs as a mediator and main participant in the manufacturer/transformer trader (hotel/shop) – a client (tourist).

The joining of efforts by state and municipal organizations, on behalf of local producers of food goods and products, as well as companies that process food goods into final products for trade and consumption, will be the first step in the process of ensuring quality production at affordable prices and promoting local products on the tourist market. This is also the thesis of Petkova (2024) – „Our perspective aligns with institutional theory, but the challenges and dynamism of the environment necessitate a flexible decision-making approach with opportunities for autonomy. A comprehensive approach, considering regional characteristics and the expectations of local communities involved in project proposals, should be adopted when establishing control mechanisms“.

The implementation of control over the activities of both traders and, of course, producers of goods, is a fundamental accompanying process that should not be

neglected on the way to finding sustainability in rural areas. The production, which will be with a guaranteed high level of achieved quality, should undergo the relevant inspections by authorized and certified companies. These inspections should not be formal and only based on documents, but real, according to the relevant quality standards. This is also the place of the Organizations for the Management of Tourist Regions, which will have to organize, monitor and implement the processes of control and providing guarantees for the quality of the production in unprocessed and processed form. This is also the place where municipal administrations should provide the necessary regulatory support to the members of the OMTRs and to all those who, although with a secondary role in the processes, will offer their services to end consumers, namely tourists.

The production of products for the food industry is largely carried out in rural areas. The processing of the products and their final delivery to the consumer, to the market, is also largely carried out in rural areas. It is for these reasons that the efforts of lawmakers, especially at the local level, should focus on ensuring the necessary regulatory conditions to support local producers and processors of goods and food. In support of what has been said, Petkova (2024) can be quoted, who claims that „By promoting local producers and services, contracting authorities can stimulate economic growth in regions and encourage innovation. The focus on sustainable practices may encourage companies to develop new technologies and solutions. On the other hand, emphasis is also placed on social responsibility, where contracting authorities can establish themselves as leaders in social responsibility, which is essential for public trust“.

The advantages that should be provided in terms of the provision of administrative services by municipalities and regional administrations to alleviate and even prevent the administrative burden should stimulate producers, processors and tourist operators.

Imposing additional conditions and giving priority to importers and wholesalers over local producers and retailers will lead to difficult realization of local production and increase in prices, and hence a lack of interest on the part of customers, respectively. stagnation of agricultural production and impossibility of its realization on the market. Similar consequences will demotivate local producers, who will be forced to realize their production through other mechanisms, and not a few of them will prefer to terminate their activities or lower the criteria for quality of production and processing of the production.

## **Conclusion**

The idea of promoting local production through various methods and improving the quality of products produced by local producers/processors will certainly find support from a wide range of representatives of individual industries. At the other

extreme – categorical denial and sabotage of such initiatives, will be the bearers of cheap and low-quality goods and products. Here, as the arbiter of the upcoming dispute, not only the state should intervene, but also the entire civil society, as the end consumer of the produced products. It is in the interest of all that each of us should have access to food products produced in local farms, guaranteeing not only quality, but also ensuring sustainable development of the four types of capital – natural, man-made, social and human.

Despite some theories that agriculture has a negative impact on the environment, and from there on the population, the author believes that by taking reasonable measures and with the help of the state, agriculture can develop in a direction that is favorable both for the environment and the population, and for the economy as a whole.

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