The Impact of Agro - Tourism on Poverty Reduction and Welfare in the Region of Korça

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Abstract

Given the importance of agro-tourism in Albania, this study is of interest to researchers. During these years the Korça region is very developed in this sector, possibly due to subsidies provided by the central government but also by the farms themselves. Farmers have seen it as an opportunity to increase income and well-being. The study aims to analyze the impact of the development of agro-tourism on reducing unemployment, reducing poverty, increasing incomes and increasing consumption. Problem analysis is based on regression analysis, using statistical methods.

Key words: Agro-tourism, Korça region, impact, income, regression analysis.

INTRODUCTION

Tourism is a priority sector of sustainable economic and social development for the Albanian economy as well. It also generates higher incomes in a range of related economic activities, as well as guarantees employment and self-employment opportunities in the country. With unique natural, historical and cultural heritage assets, Albania has a tremendous tourism potential, which will create a more

recognizable identity for Albanian tourism, improve competitiveness and improve Albania's position in the national tourism market, regional, European and global.

As one of the most important sectors of economic development in Albania, the tourism sector accounts for 8.4% of GDP, while including indirect multiplier effects, its contribution is about 26% of GDP in 2016 and it is expected that in 2017 it will reach a direct contribution of over 9% and an indirect contribution of 27.4%, making this sector one of the key components of the national economy and foreign trade.

The Korça region lies in the Southeast Region of Albania. This geographical position has played a determining role in its social, economic and cultural development. Through the road network, Korça connects to Tirana in the north and the center of the south, Gjirokastra. The geostrategic position of the Korça Region, in a cross-border area with Greece, has made important transport axes crossing its territory linking Albania with the Southeast Balkans and beyond.

METHODOLOGY OF THE STUDY

Secondary and primary data were used in this study. Secondary data were provided through information obtained through meetings held at relevant institutions such as; Regional Statistics Office in Korça, Municipality of Korça, Regional Director of Agriculture.

Primary data were obtained through data collection through questionnaires. The questionnaires were distributed to businesses operating in the Korça region in the field of tourism and agro-tourism in general. 100 questionnaires were distributed, 80 were considered valid during the statistical processing, as the rest were questionnaires filled with errors or incomplete rubrics. So the total sample was represented by 80 businesses throughout the Korça region.

The methodology used for analyzing the data is the regression or statistical analysis of the data. In the regression analysis we studied the impact of factors in this paper some quantitative methods were used, mainly statistical for building econometric modeling which were elaborated with SPSS statistical software.

LITERATURE REVIEW

Globally, agro-tourism is a very important and growing segment in the travel industry. Nickerson, Black, and McCool (2001) stated that the rural area is an essential resource for the development of agro-tourism and that it relies on city resources, individuals' need for peace and outdoor space and recreation.

Agro-tourism is more conventionally used for notions related to products and services, which are straightforward in relation to the agricultural environment, agricultural products and types of farm stay. Such activities include staying in such facilities, educational visits, recreational activities or selling agricultural and household products (Sznajder, Przezborska, and Scrimgeour, 2009). Like many other branches of tourism, agrotourism is practiced in the local surroundings. It has numerous environmental, economic, social and (even) psychological consequences.

The effect of (agri) tourism activities and events on the attitudes and behaviors of locals was explained in several research papers. Some studies have shown that residents think that tourism helps the local economy (Ritchie, 1988; Choi and Sirakaya, 2005), affects the overall increase in a community's standard of living (Var and Kim, 1989; Choi and Sirakaya, 2005), but it also stimulates the entry of foreign currency into a host country (Ahmed and Krohn, 1992).

During the last decade, several important theoretical models of tourism development in scientific literature have been elaborated (Butler, 1980; Butler, Miossec, 1993; Harris, 2000; Kotler, 1991, 1999; Stabler, 1997; Gartner, 1996; McKercher, 1993). Theories and models of tourism development are based on the evolutionary methods of tourism development and the factors that shape it; various factors lead to the successful development of tourism in rural areas at different stages of development. These theories aimed at explaining tourism development can be adapted to the development and analysis of rural tourism.

ANALYSIS OF THE PROBLEM

H0: The impact of the development of the agro-tourism sector has no impact on; rising incomes, reducing poverty, increasing family welfare, increasing household consumption.

H1: The impact of the development of the agritourism sector has had a impact on; rising incomes, reducing poverty, increasing family welfare, increasing household consumption

To measure the impact of the agro-tourism development for Korça, socially interviewed families is using linear probability model, given that we are dealing with qualitative data. To measure this impact is used logistic regression methods, which is a useful technique for the analysis of the impact that has had participation in the programs of development of Korça to agro-tourism areas, the social and economic impact of families.

In our case it has provided qualitative data interpretation assistance. This method analyzes the social and economic impacts of agritourism. By essence dependent variable has only two categories, and then the model is analyzed using binary logit model:

$$Li = ln\frac{Pi}{1 - Pi} = a + bx + ei$$

Y= agro-tourism development processes and as independent variables were obtained:

X1 - revenue growth

X2 - reduction of poverty

X3 - increase in welfare

X4 - increase in household consumption

Through SPSS programs, using binary logit model we obtained these results:

			Variables in the Equation				
	Variablat	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1a	Revenue growth	1.445	0.669	4.662	1	0.031	4.243
	Reduction of poverty	-0.994	0.828	1.441	1	0.23	0.37
	Increase in welfare	-0.281	0.71	0.156	1	0.693	0.755
	Increase in household consumption	-0.582	0.74	0.617	1	0.432	0.559
	Constant	1.841	0.36	26.095	1	0	6.303

In the case of logit models, odds-rations are of particular importance. According to the above table are given the opportunity to reports 95% confidence interval. So if one variable increases by one unit and all variables do not change then the chance will change with a factor of type (Exp (B)) called odds ratio (OR), this factor for the variable x expresses the relative amount for which the outcome probability increases (OR> 1) or decreases (OR <1) when the values of this variable increase by one unit.

From the table above we can come to these interpretations:

- The one-unit increase of "X1 has had an impact on revenue growth", given that the ratio of this variable is positive (+4.243 > 1), makes the relative chance of participating in agro-tourism development programs of increases by 4,243 units, which means that the larger the participation, the greater the chance of the households' level of household income rising.

- The one-unit increase of "X2- has affected poverty reduction", as the ratio of this variable is positive (+0.37 > 1), makes the relative chance of participation in the development of the agro-tourism sector to increase by 0.37 This means that the greater the participation in the development of the agro-tourism sector, the greater the chance of reducing the poverty of the surveyed households.

- The one-unit increase of "X3- has influenced the increase in welfare", given that the ratio of this variable is positive (+0.755 > 1), makes the relative chance of participation in the development of the agro-tourism sector to increase in microfinance. Increases by 0.755 units, which means that the greater the participation in the development of the agro-tourism sector, the greater the chance of increasing the welfare of the surveyed households.

- The one-unit increase of "X3- has affected consumption growth", since the ratio of this variable is positive (+0.599 > 1), makes the relative chance of participation in the development of the agro-tourism sector to increase the microfinance of the country. Increases by 0.599 units, which means that the greater the participation in the development of the agro-tourism sector, the greater the chance of increasing household consumption of the surveyed households.

CONCLUSION

From the above analysis we conclude that the process of development of the Agro-tourism sector has had a significant impact on the level of household incomes by increasing them and consequently the level of household expenses. Through this analysis we confirm that the Impact of the development of Agro-tourism has been significant for the surveyed households, thus affecting the increase in annual income and expenditure of these households. We concluded that: the assessment of the impact of the costs incurred in the agro-tourism sector has contributed to the growth of this sector by increasing household incomes.

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