BABIA GÓRA NATIONAL PARK AS A BUSINESS PARTNER IN THE LOCAL ECONOMY: EXPLORING COOPERATION FACTORS AND BARRIERS

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Abstract: The article is an attempt at diagnosing the factors and barriers of a national park’s commercial cooperation with market operators. For the case study, Babia Góra National Park (BGNP), located in Polish Carpathian Mountains, was selected. The exploratory research was conducted through an interview survey in a group of 50 local market operators who engaged in transactions with BGNP. Diverse legal, organisational, spatial and human factors were identified, which affected the scope and type of these operators’ business cooperation with BGNP. Certain cooperation factors and barriers are universal and are an illustration of issues encountered by Polish national parks in their operation within the new legal environment.

Keywords: national park, business cooperation, local economy, Babia Góra National Park

RESEARCH PROBLEM

Growing pressure from local communities, local authorities and some international institutions on national parks to undertake more social and economic responsibilities makes the issue of economic function of protected areas particularly important today. The model of protected areas’ (including national parks’) operation recommended by the International Union for Conservation of Nature provides for combining nature conservation purposes with social and economic objectives in local development (Beltrán 2000; Borrini-Feyerabend et al. 2004, 2013; Phillips 2002, 2003; Stolton, Dudley 1999; Thomas, Middleton 2003). This is expected to result in a growing number of areas of natural value coming under legal protection with the acceptance of local communities.

There are 23 national parks in Poland, with a total area of 314,700 hectares, thus covering approx. 1% of Poland’s area. Each of them has a buffer zone. The combined area of all parks’ buffer zones is 448,000 ha, thus exceeding the area of the parks themselves. All Polish national parks are also European Union-designated Natura 2000 areas. The respective parks’ areas vary widely, from 2,100 ha (Ojców NP) to 59,200 ha (Biebrza NP).

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Polish national parks are part of the public finance sector and currently operate as State-owned legal entities. A public finance reform introduced between 2010 and 2012 significantly affected the organisation and funding of national parks. Since 2012, national parks have enjoyed broad autonomy in terms of organisation and funding. Legal changes enabled national parks to engage directly in business, including in areas not closely related to nature conservation (Ustawa z dnia 16 kwietnia 2004 r. o ochronie przyrody…). Prior to 2011, business operation was conducted by “auxiliary holdings” associated with the national parks. They ceased to exist at the end of 2010 (Zawilińska 2015).

The national park may be seen both as an area and as an entity. In geographical spatial terms, the national park is an area of outstanding natural value, protected by law, with specific protection regimes in place within its boundaries. In organisational terms, the national park is a legal and organisational entity established by competent authorities for managing the national park’s area. The park’s managing body is empowered to take decisions and has assets, human resources and funds at its disposal to carry out tasks specified in the Nature Conservation Act.

The national park’s natural resources are managed directly by the park’s management. The 2010-2012 legal reform gave the national parks’ managing bodies far-reaching organisational and financial autonomy. Currently, national parks in Poland are financially self-governed and fund the costs of their statutory nature conservation activity and their operating expenses with their own funds and revenue. Viewed as an entity, the national park can be considered part of the institutional system of the local economy. Besides being the managing body of an area, the national park is also an active business entity. Within its local social and economic system, the park is an employer, an investor, a customer for services and goods, and a supplier of services (such as education, tourism services, environment information) and goods (wood, publications, etc.) (Mika et al. 2016; Mika, Zawilińska 2015).

The economic and business significance of national parks is determined, on the one hand, by its natural resources which may be traded, and on the other, by the parks’ funds. These funds come from three basic sources: (a) the State (government) budget, which provides funds to parks through subsidies; (b) the parks’ own business activities bringing them funds known as their “own revenue”, and (c) funds raised by the parks through grant projects, including EU-funded (for which the parks must compete with other applicants). National parks in Poland continue to be financed predominantly from public funds. However, in recent years the proportion between funds provided directly by the State budget and funds raised through grant projects has been changing. The share of revenue obtained directly from the State budget in the Polish national parks’ total budget is decreasing systematically, in line with the trend observed in other countries worldwide (Athanas et al. 2001; Emerton et al. 2006; López-Ornat, Jiménez-Caballero 2006). On the other hand, the parks’ own revenue, i.e. proceeds from their business, is not constant: it may differ largely in each year, as it depends on the extent and amounts of services and goods offered by the park.

The national parks’ operation as a business partner on a local market is a new issue in Poland. Also internationally this subject has very rarely been discussed. Most studies on the economic aspects of national parks’ operation have focused on the
assessment of their areas’ economic value under the Total Economic Value (TEV) paradigm, the concept of ecosystem services (Costanza et al. 1997; Mizgajski et al. 2014; Phillips 1998; Żylicz 2012), the development of partner cooperation networks, and the exploration of the scale and importance of visitors’ spendings in the parks’ surroundings (Cullinane Thomas et al. 2015; Driml 2010; Huhtala et al. 2010; Job et al. 2009; Saayman, Saayman 2006). This study wants to provide an analysis of the national parks’ business cooperation and its determinants, which has thus far been lacking.

PURPOSE OF THE STUDY

As mentioned above, under the current legal regulations, Polish national parks may conduct their own business on market terms. This has enabled them to enter into dynamic economic relations with market operators, on a local scale and beyond. This article aims at identifying the factors which determine the initiation and development of commercial cooperation between market operators and a national park as a business partner in a local economy. Babia Góra National Park (BGNP) has been selected for the case study.

Babia Góra National Park is located in the Beskid Żywiecki range of Outer Western Carpathians in southern Poland (Fig. 1). It covers an area of 3,394.3 ha. In terms of administrative subdivisions, its area covers parts of three communes (gmina) within the Małopolska region: Zawoja (in Sucha Beskidzka county) and Lipnica Wielka and Jabłonka (in Nowy Targ county). Since 1977, BGNP has been a UNESCO-designated international biosphere reserve.

RESEARCH METHODOLOGY

A group of 50 market operators engaging in transactions with BGNP has been selected for the study. The sample has been selected to include business operators registered in localities adjacent to the Park. The survey was conducted in 2015 through direct interviews with the use of a questionnaire.

In an attempt to identify the factors as well as barriers and limitations of the surveyed operators’ business cooperation with BGNP, the respondents were requested
to freely give their opinions on the subject, based on their experience to date. Further, the respondents were requested to assess, on a five-point scale (1 to 5), selected issues quoted in the questionnaire, potentially important for their cooperation with the Park.

**SAMPLE CHARACTERISTICS**

In terms of the legal status of business operators, as many as 80% of the sample were sole proprietorships; the remaining 20% were partnerships and companies (four civil-law partnerships, three registered partnerships and one joint-stock company). In terms of the operator size (number of staff), the majority (28 operators, 56%) employed 2 to 9 persons; 12 operators employed 10 to 50 persons; 9 operated as a single person and there was one operator with the number of staff between 50 and 200. In terms of turnover, for the vast majority of operators (47) the total value of their transactions in 2014 had not exceeded PLN 8 million. Two operators declared turnover between PLN 8 million and 40 million; one declared the interval between PLN 40 million and 200 million.

Most operators included in the sample operated on a regional scale, limited to a single administrative region (Małopolska only – 66% of the operators) or two regions (Małopolska and either Śląsk or Podkarpacie – 16%); there were several operators (4%) operating in a number of neighbouring regions in southern Poland. Only three operators of the sample declared operating nationwide; two engaged in transactions in the neighbouring Slovakia.

**RESULTS**

**Characteristics and scope of the operators’ cooperation with Babia Góra National Park**

Most of the surveyed operators had cooperated with BGNP for years. Only two of them had only a one-year history of transactions with the Park; 9 had cooperated for two to five years; 23 had cooperated for five to ten years and 16 had cooperated for ten or more years. However, not all operators’ commercial contacts with BGNP were permanent. 23 operators cooperated permanently with the Park; 12 operators declared their trade contacts with BGNP to be “frequent” and 15 described theirs as “occasional”.

From the BGNP’s perspective, there were two categories of partners among the businesses surveyed: one of them was related to the Park’s expenditure (i.e. they were the Park’s service providers) and the other was related to the Park’s revenue (i.e. they were the Park’s customers). The group of service providers for the Park numbered 31 operators. Among them, a slight majority (16 operators) operated each in a single area of services, while 15 had a diverse range of services. These operators represented 10 categories of business activity: construction, trade, forestry, wood processing, crafts, tourism, culture, education, transport, and agriculture. Their cooperation with the BGNP covered a wide range of activities, from executing investment projects undertaken by the BGNP management, to renovation and repair works, forest works, financial services, running BGNP entry fee collection points, and geodetic surveying.
services. The group of BGNP’s customers numbered 19 operators, including 9 operating only as wood processors and 10 providing transport, trade or craft services besides wood processing. The business scope of operators in this group was less broad, limited to four activity categories. Their transactions with the Park were limited exclusively to purchase of wood.

The surveyed operators engaged into transactions with BGNP either as a result of having won calls for tenders announced by the Park (40% of operators), or only by executing contracts awarded directly by the BGNP (34%), or both (26%). Most of the surveyed operators engaged in transactions directly with the Park; only three operators had cooperated with BGNP in the past as subcontractors for other service providers.

**Importance of cooperation with the National Park for the business operators**

When asked to assess, on a five-point scale, how important the cooperation with BGNP was for them (1: very little importance; 5: very high importance), most respondents (46%) chose either “high importance” or “very high importance” (Fig. 2). “Moderate importance” was selected by 36%; “little importance” or “very little importance” by 18% of the respondents. The sample’s mean score on this scale was 3.4 points. Importantly, there was no statistically significant difference concerning the assessment in this question between the two groups (the Park’s service providers and the Park’s customers). The respondents further declared that, in their view, the quality of cooperation with the Park was not deteriorating compared to previous years: 66% declared it to be stable and 15% found it to be improving.

![Fig. 2: Importance of the cooperation with Babia Góra National Park for the business managers participating in the study](source: own work.)
Factors and barriers of business cooperation

An aggregate list of factors which had led market operators participating in the study to engage in, or maintain, business cooperation with BGNP is presented in Table 1. By analysing the factors quoted by the respondents, they may be grouped into three groups:

– factors independent of the partners, resulting from the objective endogenous and exogenous cooperation conditions;
– factors inherent to the National Park’s operation;
– factors relating to the operators’ operation and range of goods or services offered.

Further, in the analysis of the replies, a group of factors were identified which reflected the specificity of the Park’s cooperation with wood processing operators. These factors are presented separately in the second column of Table 1.

The independent factors resulting from the objective conditions include:

– the operator’s location near the Park,
– the possibility of purchasing wood from the Park as a raw material for further processing and resale, and
– the quality of wood as a raw material.

The location of an operator near the BGNP was assessed as an important factor by most of the respondents (mean score: 4.08). It is important both for the Park’s customers (wood processors) and for its service providers. Statistically however, the assessment values of this factor given by the Park’s customers (wood processors) were significantly higher (Mann-Whitney’s $U$ test: $Z = 2.17; p = 0.029$) than those given by the other respondents. Those operators’ location near BGNP was important in this respect mostly regarding the proximity of the raw material, its availability for purchase, and low transport cost. However, wood can only be purchased from the Park for further processing if it meets the purchasers’ price, type and grade (quality and usability) requirements. In the context of the local wood processing industry, there are further independent factors of cooperation with BGNP: the local market (demand) and price for wood (Tab. 1).

From the perspective of the Park’s suppliers of goods and services, the location factor is related to their ability of adjusting their service range (or at least a selected part thereof) to the Park’s specific needs and profile. The listed factors of cooperation with BGNP which are related to the nature of its operation and organisation include – besides elements relating to purely commercial relations, determined by the demand for specific goods and services as a result of the Park’s investment projects or ongoing activities – also other human and organisational issues.
**Tab. 1:** Factors of business cooperation with Babia Góra National Park (BGNP) as perceived by the respondents

<table>
<thead>
<tr>
<th>BGNP’s service providers</th>
<th>BGNP’s customers (wood processors)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- BGNP’s location near the operator’s seat</td>
<td>- BGNP’s location near the operator’s seat</td>
</tr>
<tr>
<td>- Type and scope of projects undertaken by BGNP</td>
<td>- Possibility of buying wood from BGNP</td>
</tr>
<tr>
<td>- BGNP’s financial situation (ability to raise external funding for investment projects)</td>
<td>- Low transport costs</td>
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<tr>
<td>- Financial terms of contracts awarded by BGNP</td>
<td>- Wood quality (grade)</td>
</tr>
<tr>
<td>- Clear contractual terms</td>
<td>- Appropriate wood type (spruce)</td>
</tr>
<tr>
<td>- Reasonable contract execution deadlines</td>
<td>- Local market for sale of wood</td>
</tr>
<tr>
<td>- Support (information) offered by BGNP</td>
<td>- Market price for wood</td>
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<tr>
<td>- BGNP’s image as a reliable partner</td>
<td>- Wood price quoted by BGNP</td>
</tr>
<tr>
<td>- BGNP’s financial stability</td>
<td>- Problem-free transactions</td>
</tr>
<tr>
<td>- Financial security of the project execution</td>
<td>- Timely payments by BGNP</td>
</tr>
<tr>
<td>- BGNP’s support and expertise during project execution</td>
<td>- BGNP’s image as a reliable partner</td>
</tr>
<tr>
<td>- Timely payments by BGNP</td>
<td>- Having won a call for tenders announced by BGNP</td>
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<tr>
<td>- BGNP’s willingness to cooperate</td>
<td>- Experience of previous cooperation with BGNP</td>
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<tr>
<td>- Having won a call for tenders announced by BGNP</td>
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<tr>
<td>- BGNP’s demand for the type of services offered by the business in question</td>
<td></td>
</tr>
<tr>
<td>- BGNP’s demand for the type of goods offered by the business in question</td>
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<tr>
<td>- Common activities (goals and interests) with BGNP</td>
<td></td>
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<tr>
<td>- Having obtained a direct contract from BGNP</td>
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<tr>
<td>- Experience of previous cooperation with BGNP</td>
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<tr>
<td>- Awareness of BGNP’s needs</td>
<td></td>
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<tr>
<td>- Individual approach to BGNP’s expectations</td>
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</tbody>
</table>

*Source: own work.*

The human and organisational cooperation factors include:

- BGNP’s image as a reliable partner, resulting from its financial stability, the financial terms of contracts it awards, timely payments, clear contractual terms and reasonable execution deadlines. These factors seem crucial for the low financial risk of cooperation with BGNP, as assessed by the respondents (mean score: 1.62).
The Park’s ability to raise external funding for its projects, which is also linked with its ability to ensure financial security of the projects.

Possibility of obtaining selected contracts from the Park without the tendering procedure.

Common interests and goals in the area of information, promotion, education etc., which is important for “soft” partnership project.

Positive experience from past cooperation, as evidenced by favourable assessments by most respondents (mean score: 4.08). This included the elements mentioned above as well as the support and information provided by the Park during the execution of projects. The respondents emphasised the Park staff’s expertise and commitment in relations with partners and described the Park staff’s approach as competent (45%) and/or respectful (46%).

These human factors created an atmosphere of trust which was found to be very important in cooperation with the Park and was highly assessed by the respondents (mean score: 4.24; Fig. 3). The operators participating in the survey usually described their business contacts with the Park as friendly (56%) and/or purely business-focused (39%). Also the openness of BGNP’s management for cooperation with local operators was assessed above average (mean score: 3.78).

Fig. 3: Importance of selected factors of business cooperation with Babia Góra National Park as perceived by the respondents

Source: own work.

The group of cooperation factors attributable to BGNP’s business partners include, most importantly, their ability to meet the criteria and terms of contracts awarded by the Park through public calls for tenders, which is decisive for engaging in cooperation and signing a contract. The respondents also emphasised the importance of their awareness of the Park’s needs and their individual approach to the Park’s expectations. These factors were particularly relevant for companies which offered their own services to the Park and which set great store by their staff’s expertise and competencies (mean score: 3.93) and their own ability (or “ease”) of adapting their services to the Park’s needs and contract terms (4.05) (Fig. 3).
The respondents, in general, assessed highly their own staff’s qualifications (the “lack of own qualified staff”, as a barrier, had a mean score of 1.52), which allowed them to overcome the challenges posed by a relatively high complexity of the cooperation (1.87) and complexity of legal regulations (2.13) as potential obstacles in business relations with BGNP. The operators participating in the survey did not encounter problems with accessing information on investment projects or purchases planned by the Park (1.79). The risk of competition from other operators, either from the local market or from beyond, as a potential threat to their cooperation with BGNP, was perceived as moderate (mean scores: 2.98 and 2.86) (Fig. 4).

Tendering procedures, while being judged as of relatively little importance as a barrier for cooperation (mean score: 2.02), is a more serious obstacle for BGNP service providers than for its customers (wood processors) (Fig. 4).

Conditions required for improved cooperation

As many as 80% of the respondents, when asked to assess the prospects of their future business cooperation with BGNP, expressed positive assessments (mean score: 4.06, standard deviation $\sigma = 0.74$), with 18% of average or moderate assessments (Fig. 5). Within these assessments there were no statistically significant differences between assessments by BGNP service providers and those by BGNP customers (wood purchasers). Importantly though, most of the operators participating in the survey had been cooperating with BGNP for years and were well prepared for that cooperation.

Despite the generally favourable assessment of the business cooperation between Babia Góra National Park and business operators there is room for improvement of at least some aspects of their commercial relations. Other than proposed legal changes, some business managers thought that, in order to improve their cooperation with BGNP, additional external financial support should be provided for businesses engaged in maintenance of roads and tracks, especially forest tracks.
Fig. 5: Answers to the question How do you assess the prospects for your future cooperation with Babia Góra National Park?

Source: own work.

Businesses executing investment projects in the Park emphasised problems resulting from the legally prescribed duration of contracts awarded through calls for tenders. In their view, their duration was too short (a maximum of 6 months), which made any cooperation seasonal and required businesses to mobilise financial and human resources in a short time. In comparison, similar contracts for investment projects (such as maintenance and upgrade of forest tracks) awarded by the State Forests could be carried out in longer periods (3 years) and were consequently perceived as more attractive. Accordingly, the need to adapt legal regulations to the economic environment was quoted as one condition for improvement of businesses’ cooperation with national parks. The demand for legal changes did not only relate to tendering and contracting procedures and eliminating seasonality. The business managers expressed their opinion that the National Park, as a business partner, should have more freedom in using its resources and entering into long-term contracts, including in order to ensure permanent supply of wood for processing in the local (or regional) industry, consisting mostly of family-run businesses.

The possibility of concluding long-term contracts (for one or more years) with the Park for supplies of wood as a raw material would be particularly important for wood processors. This group of operators also pointed out to other important issues, such as fixing or decreasing wood prices quoted by the Park or the availability for purchase in the Park of large-sized wood for sawmill processing.

BGNP service providers believed that, in order to adapt to the Park’s activities, they would have to engage in different types of cooperation between them, especially for executing projects managed by the Park but financed from external sources through competitive grant projects. They also believed it necessary to improve the clarity of contracts concluded other than through calls for tenders and expected even more support (information and guidance) from the Park’s staff.
CONCLUSIONS

There are numerous spatial, legal, economic and human factors affecting business cooperation of the Babia Góra National Park. These factors are rooted both in the specificity of the National Park’s functioning as an institution and in the operation of the Park’s business partners. Although the factors and barriers described here relate to a specific national park, many of them apply universally to all national parks in Poland. This is especially true for legal and organisational issues. The results discussed above lead to the following conclusions.

1. The cooperation of local businesses with BGNP has been affected mostly by legal regulations on public procurement (tendering procedures), requiring them to meet the requirements specified in calls for tenders. However, despite the formal and administrative constraints as well as relatively short duration of cooperation contracts with the Park, the tendering procedures have not been a significant barrier for the local businesses.

2. For businesses purchasing wood, the proximity of the Park is the key advantage. The problem is that the amount of wood offered by BGNP is not constant over the year and depends on numerous natural factors, such as the weather (e.g. strong winds causing windthrows), the quality and type of the wood material, or the spread of pests destroying tree stands, which then require felling.

3. BGNP has usually been described by its counterparties as a reliable, and therefore attractive, business partner mainly thanks to its financial stability and low financial risk entailed by the cooperation. An important factor in this respect has been the Park’s active attitude in raising funds for investment projects from sources other than the State budget.

4. Another crucial factor in the business cooperation has been the trust between the partners, i.e. BGNP staff and the business managers, and the social capital which the BGNP management has earned itself in the local business community.

5. When we compare the current situation with the one prior to the introduction of the new legal and organisational arrangements in 2012, it is difficult to decide whether or not those changes have had a positive effect on BGNP’s economic function in the local economy. BGNP’s links with the local businesses have been well established for many years. Also, the cooperation is still, to a large extent, subject to requirements and constraints resulting from the tendering regulations. The legal and organisational changes introduced in 2012 may prove important for the Park’s business activities once the amount ceilings for transactions which do not require a call for tenders are shifted upwards. In such a case, more potential suppliers of goods and services for the Park, capable of competing with the external suppliers, might appear on the local market. The cooperation with all national parks could also be stabilised if the time periods for execution of contracts by their service providers selected through calls for tenders were extended.
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