

Resilience of entrepreneurial ecosystems during and after Covid19 in three gastro/wine tourism destination – a comparative study

for the Special Session: Local Rural Perspectives on Disparities in a Digitalising (Post-COVID) Europe

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Promoting rural and wine tourism is a widespread strategy for territorial development. The development of food and wine tourism can reinforce local economies by attracting visitors and new inhabitants into small and picturesque rural areas. Wine production and gastronomy have always been important elements of rural tourism since they meet the needs of (urban) tourists looking for authenticity and 'rural idylls' (Csurgó et al. 2019). On the other hand gastro/wine tourism can contribute to the development of the local economy by generating employment and income for locals, protecting their cultural identity (Byrd et al. 2016; Güzel 2016; Scorrano et al. 2018; Güzel et al. 2021) and promoting the strategic development of rural tourist destinations (Getz and Brown 2006).

The EU's regional development policies treat entrepreneurs as the engine of economic development. In rural areas, entrepreneurs play a significant role in development. Wine- and gastro tourism entrepreneurs promote rural development and contribute to the region's image by investing in local values. Early studies assumed that newly arrived urban lifestyle entrepreneurs (Stone-Stubbs 2007) who have the social capital to connect rural settlements to supra-regional development flows are important elements of change and development.

In recent decades, scientific opinion has increasingly recognised that entrepreneurs are not isolated actors, but that entrepreneurship is rather a contextual process: A potential enterprise depends on local information and resources, where ideas worth undertaking are the product of local demand, financed by local banks and investors (Kalantaridis and Bika 2006). Rural entrepreneurship is typically based in a specific rural area and embedded in the local community and local social networks (Akgün et al. 2011; Gülümser et al. 2009; Bosworth and Farrell 2011). Embedded operation means that local enterprises and the local entrepreneurs themselves are personally committed to their community – they not only keep its welfare in mind while managing their economic operations (Bosworth and Farrell 2011), but also take responsibility for it.

In recent years, the concept of entrepreneurial and innovation ecosystems has emerged as a framework for understanding the characteristics of places where entrepreneurial activity flourishes. Spigel (2017:50) defines entrepreneurial ecosystems as "combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative start-ups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and

otherwise assisting high-risk ventures". The wine sector has many of the characteristics of an innovation ecosystem, as it consists of producers, suppliers, consumers and other stakeholders that depend on each other in order to reach a common goal (Marques et al. 2021).

The COVID-19 epidemic resulted the influx of urban immigrant into some specific rural locations, significantly reinforcing earlier rural gentrification processes. Social distancing practices resulting from the pandemic, enabled many intellectual and office workers to work from home. As a result, changing their typically urban dwellings to rural second homes became a realistic opportunity. Meanwhile, the quality of the home and its surroundings has been appreciated by families spending most of the day there, as well as the garden and proximity to nature, since the lack of urban cultural and entertainment opportunities. All these factors can strengthen the demand for the properties of already gentrified rural settlements and areas that provide a beautiful natural and built environment. At the same time, rural tourism, catering and the organization of wine and gastronomic events which is a typical livelihood (or at least part of it) of lifestyle entrepreneur family businesses (Tomay, 2019) decreased radically in the pandemic years, which made it uncertain / impossible to implement one of the most attractive forms of moving to the countryside: running a small local tourism and catering business. How the changes in these structural conditions, the combination of attractive and repulsive factors shaped the life, livelihood, and possible motivations of those already living in the gentrified villages, and how it affected the interest towards the villages? Are there any new potential gentrifiers, or some of the former gentrifiers plan to move away?

The presentation will explore and compare the resilience of entrepreneurial ecosystems in three urban gastro/wine tourism destinations – initiated by lifestyle entrepreneurs - in Hungary. The case studies are based on semi-structured in-depth interviews.

Our first case study, Grapevine is a small village in the South-West of Hungary, located in a wine region enjoying both a good reputation and a rich harvest. This region pioneered the production of high-quality wine right after the collapse of the communist regime in 1990, however, Grapevine only started to develop in the 2000s. It became well-known in Hungary only during the 2010s as a result of persistent development in food and wine tourism. Rural gentrification (Philips 1993; Tomay 2019) – the migration of urban artists and intellectuals to rural areas – started in the village quite early, during the 1990s. Grapevine not only attracts new inhabitants but also encourages locals to start their own enterprises, as a sign of an entrepreneurial ecosystem.

The second settlement Oldstone is located near Lake Balaton, a significant tourism destination. It built its touristic image around gastronomy, wine and landscape. The small village have six or seven fancy restaurants, wineries, and many guesthouses.

The third settlement Woody is located in the historical wine region of Tokaj - Hegyalja. The production and trade of wine, as well as the trees of the surrounding forests have in the past given abundant work to its residents, however nowadays it is an economically - socially disadvantaged area with a poor labour-market situation. The urban migrants started to buy the properties and vineyards from the mid-2000s, and started to organize a new wine-festival in the settlement.

In the first part of the presentation we will examine the local contexts and particular histories of the locations in becoming gastro/wine tourism destinations. We will present the role of urban incomers in initiating gastro/wine tourism events and business, where did they come from, what skills and capital were needed to succeed? How the local entrepreneurial ecosystem functions, how co-operative and competitive strategies relate to each other, etc. The second part of the presentation examines the effect of Covid19 pandemic and the connected restrictions on the local tourism

business, including resilient and adaptive strategies and innovations undertaken by individual enterprises and their networks. We also explore the evolution of Covid19 stricken tourism through following immediate and longer-term effects. Finally, we will compare how local contexts, individual skill sets, capitals and networking cultures are affecting resilience and the success of adaptive strategies of entrepreneurial ecosystems during a significant external shock of the system. At the end of the presentation we plan to answer questions like: will after the crisis, rural life return to the pre-COVID rhythm, or the influx of urban migrants bringing new life and resources, blending rural and urban cultures into a viable basis for local prosperity? How could central and local policies lessen negative and enhance positive effects?