

CULTURE HERITAGE AS IMPORTANT PRODUCT OF RURAL TOURISM

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Abstract. Processes of reduction of the dominating share of agriculture industry in the employment structure, having occurred in the Western Europe as far as in the 60s of the previous century, have taken place in the last decades in the rural areas of Latvia as well. The land owners, who are not able to survive on agriculture production, have involved in multifunctional economic activities, such as tourism, craft, construction, various technical, and social services thus maintaining rural communities and their lifestyle. The research is devoted to the inclusion of the culture heritage in the rural tourism product in order to promote its successful development as diversification of rural economy.

Keywords: diversification of rural economy, rural tourism, culture heritage as tourism product.

JEL code: M31, L83

Introduction

At the end of the 20th century and at the beginning of the 21st century, the rural area as a sub-system of society and its development trends have become an issue of various discussions. Since the adoption of Cork declaration, declaring sustainable rural development as one of the basic development principles of the European Union (Cork ..., 1996), the issues of rural development are in the focus of political and economic institutions. The EU Rural Development policy 2007-2013 is focused on improving the competitiveness of the agriculture and forestry sector, the environment, the quality of life in rural areas and encouraging diversification of rural economy (Rural development..., 2009). The Parliament of the European Union has appealed to continue this policy in the second decade of the 21st century promoting the rural area as a place for diverse and inclusive development of economic and living space to maintain rural communities (European Parliament resolution, 2010). Similarly, the 4th European Congress of Rural Tourism in October of 2012 highlighted the role of rural tourism in the development of rural space, maintenance of rural community, and culture heritage (Innovative Tourism..., 2012).

As regards Latvia, the Agrarian Reform of the beginning of the 90s of the previous century resulted in a large number of small-sized farms, which continue to exist; besides agriculture production is carried out by less than a half of them. The Agricultural Census of 2010 gave evidence that 76.5% of privately-owned farm land did not exceed 30 ha, and 56.5% out of farms did not carry out agriculture production. Thus, only 16.5% of farm residents worked full-time, but 83.5% worked part-time (CSB ..., 2010), therefore a number of people with insufficient work load were able to involve in additional activities. The above described situation enhances the necessity of promoting multifunctional farming and studying the factors that could foster the choice of multifunctional farming. Similarly to the trends of finding income outside traditional farming in the European Union, tourism has become one of the typical forms of farming diversification in Latvian rural areas.

The result of economic activities in farms as in any business activity depends on the external conditions, a farmer's personality, and his/her competence. The relevant knowledge and skills could become a precondition of success in farm diversification, since it is not enough with the knowledge in agriculture production; in addition, the knowledge is required in the chosen form of additional activities of farm diversification. If it is tourism, the knowledge of tourism business is of importance. Latvia has a wide range of tourism resources: the diversity of landscape and culture and historical heritage, areas of rich biological and geophysical systems, which have mainly developed as untouched by civilization. The business success is largely determined by the skill of offering this product to consumers. **The aim of the study:** to compare the historical district farmers' willingness to use cultural heritage as a tourism product and the most appropriate version of the cultural heritage.

The method of research. General methods of research and sociological methods were used: comparative analysis and synthesis.

The study **is based on the documents** of the European Union and the Republic of Latvia, **the data** of Central Statistical Bureau of Latvia, the survey's results of the participants/farmers (N=269) of regional conferences of the Ministry of Agriculture of the Republic of Latvia.

Methodology of the research. The present study is based on the theories of competition, risk management, and networking as well as the study of the perception of culture heritage as a tourism product.

Businesses exist in competitive environment, and competitive advantages of entrepreneurs determine their opportunities in the market. Competition is one of the factors that promotes the launch of new products and services, development and improvement of the existing ones, improvement the quality, safety and design of products, competition in production, sales of one type of products or their substitutes or competition in providing services. It is a battle for a customer (consumer), for the dominating situation in the market or its segment (Porter M., Krugman P., Libermanis G.).

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Table 1

Evaluation of tourism as a form of farming diversification (% of the respondents)

Territorial location of the respondents	Tourism as one of the forms of farming diversification			
	Positive, I am ready	Positive, I don't want myself	No opinion	No answer
Farmers from Kurzeme	7 – 28.0	12 – 48.0	5 – 20.0	1 – 4.0
Farmers from Vidzeme	12 – 30.0	10 – 25.0	17 – 42.5	1 – 2.5
Farmers from Zemgale	25 – 29.1	22 – 25.6	38 – 44.2	1 – 1.2
Farmers from Latgale	38 – 31.4	37 – 30.6	45 – 37.2	1 – 0.8
Total	82 – 30.1	81 – 29.8	105 – 38.6	4 – 1.5

Source: created by the authors based on the survey

The World Economic Forum identified 12 pillars of competitiveness that mutually interact and influence global competitiveness of an individual, a company, an industry, and an economy. (The Global..., 2010).

The diversification becomes more common in rural areas; rural tourism in addition to agriculture production, is gaining popularity. (Zobena A. etc., 2005; Sustainable Development of ..., 2005; CSB 2010. gada lauksaimniecības skaitisanas..., 2010; Liscova A., 2011; Latvijas Turisma attīstības..., 2008). The growth of participants in a respective market segment influences the significance of competitiveness. M. Porter states that, besides the analysis of conditions of competitiveness in entrepreneurship, competitive environment in the respective industry should be studied (Kalve I., 2005).

Competitiveness of businesses is associated with risk situations. Risks are divided into external and risks manufactured by actors themselves (Giddens A., 1999). The risks caused by activities of the actors are closely connected with the choice of variants, but the choice of a variant is in the hands of an individual (Luhmann N., 1993). In addition, the choice of the variant depends not only on the general knowledge of actors, but also on the professional knowledge and the understanding of improvement of knowledge for successful business activities (Risk and ..., 2007).

Economic processes become more and more mutually dependent, social networks (Ferragina E., 2012) and electronic networks (Castells M., 2006) are increasingly involved in the business activities. The networks are applied in the design, improvement of the tourism product, and they are used to inform the target audience about the product (Latvijas Turisma..., 2008).

Culture tourism is one of the forms of tourism concerned with culture activities and artefacts. However, only a part of culture activities could be referred to as culture heritage. The draft of the Law on National Culture Heritage of Latvia states that the culture heritage refers to "the entity of knowledge, skills, values, models of behaviour, and practice having been created by an individual, group, community in interaction with environment, history and nature and then inherited from generation to generation." (Tradicionālas kultūras..., 2011) Rural tourism, especially agro-tourism, is a branch with the help of which it is possible to retain various aspects of ancient legacy, if the new functional meaning is possible to create in the new context (Vīke-Freiberga V., 2010). The 4th European Congress

of Rural Tourism held in October 2012, Bulgaria, highlighted the same opinion about tourism as the rural population and cultural heritage preservation mode (Innovative Tourism ..., 2012).

Research results and discussion

1. Tourism in rural areas as variant of farming diversification

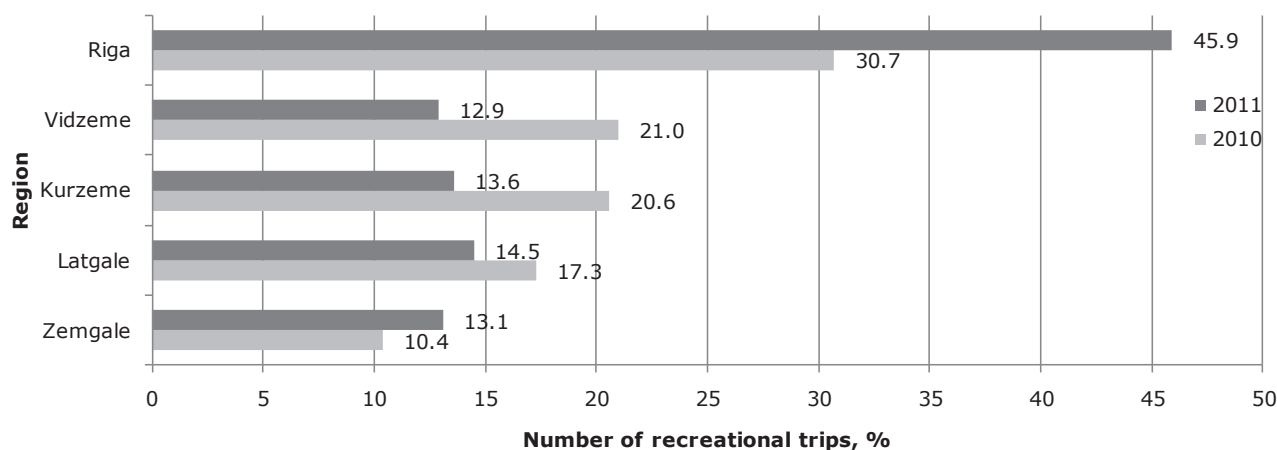
Tourism in rural areas is a type of tourism the aim of which is to offer tourists an opportunity to relax or to use tourist accommodation in rural areas on the basis of local social, culture, and nature resources. Two different terms are used: *rural tourism* and *farm tourism* or *agro-tourism*. (European Parliament resolution (2010/2206(INI)); Helloway J.Ch., 2006). As regards *rural tourism*, it is defined as a type of business for the rural population not involved in agriculture sector; but *agro-tourism* is defined as an additional economic activity of farms involved in agriculture production.

In 2010, the survey was carried out among the farm managers of Zemgale Planning Region, and the results showed that 2.5% of the respondents performed tourism activities as a part of their farm's business activities (Liscova A. etc., 2011; Liscova A., 2011).

To proceed with the research and to find out the opinions all over the country, the survey was carried out among participants of the conferences organized by the Ministry of Agriculture in the autumn of 2012 regarding Latvian farmers' opinion on rural tourism. In addition, the opinions of the representatives from all four regions Zemgale, Kurzeme, Vidzeme, and Latgale of Latvia regarding tourism as one of the forms of farming diversification, were compared in scope of the study. The results showed that 59.9% of all respondents gave a positive evaluation to the development of tourism. On the other hand, almost two fifths of the respondents did not have any opinion at all.

The analysis of the opinions concerning the geographical location led to the following conclusions. The representatives of Kurzeme region were more positive towards tourism as farming diversification than the representatives of other regions; those from Kurzeme region, who did not have an opinion, accounted only for one fifth.

As regards general evaluation and willingness to get involved in tourism personally, it is interesting to note



Source: created by the authors based on CSB data

Fig.1. Trends of inland travelling in Latvia

Table 2

The evaluation of culture heritage as tourism product (% of the respondents)

Territorial location of the respondents	Culture heritage as tourism product				
	Very positive	Positive, but insufficient knowledge	Not ready	No opinion	No answer
Farmers from Kurzeme	9 – 36.0	5 – 20.0	10 – 40.0	1 – 4.0	-
Farmers from Vidzeme	13 – 32.5	4 – 10.0	6 – 15.0	16 – 40.0	1 – 2.5
Farmers from Zemgale	22 – 25.6	15 – 17.4	16 – 18.6	32 – 37.2	1 – 1.2
Farmers from Latgale	30 – 24.8	23 – 19.0	13 – 10.7	54 – 44.6	1 – 0.8
Total	74 – 27.2	47 – 17.3	45 – 16.5	103 – 37.9	3 – 1.1

Source: created by the authors based on the survey

that Kurzeme and Latgale farmers expressed a positive opinion but did not plan to get involved themselves in the rural tourism, i.e. they showed less than average interest in it.

The expressed opinions could be connected with recent (2010 – 2011) inland travelling trends. Even though in 2011 the number of holiday travellers around Latvia has increased by 1.4%, the destinations have changed giving priority to nearby places. That is why there is an increase in Riga and Zemgale region, but there is a decrease in Vidzeme, Kurzeme, and Latgale region. A more detailed analysis will be possible after the publication of inland travelling data of 2012 that could show the development of the process in the time period of three years, taking into account that the survey took place at the end of 2012.

The change of inland travellers' destinations could influence the interest of getting involved in tourism as a form of farming diversification, hoping for greater numbers of guests and higher income.

2. Culture heritage as agro-tourism product

The respondents' attitude towards culture heritage as a part of the tourism product was rather positive. Thereby, 44.5% of the respondents gave a very positive or positive evaluation to the inclusion of culture heritage

in the tourism product. However, a positive attitude towards culture heritage as the tourism product does not mean readiness of starting this form of tourism activity, since every sixth respondent having a positive attitude towards culture heritage as the tourism product stated that he/she was not ready for such a challenge and every sixth respondent – that there was not sufficient knowledge.

As regards the ideas for the product that could attract tourists, the respondents suggested food (26.8%), handiwork (24.4%), craft (24.4%), traditions (24.4%), historic places, places of attraction and landscapes (11.0%) thus offering a wide range of options.

3. From opinion to action

A positive attitude towards tourism as an economic activity does not signify that all such opinion holders are involved in it or are ready to be involved in tourism business. According to the results, 30.1% of respondents dealt with tourism or were ready to do it. The authors studied the profile of respondents of the above mentioned group in order to outline further steps in evaluation and promotion of rural entrepreneurship.

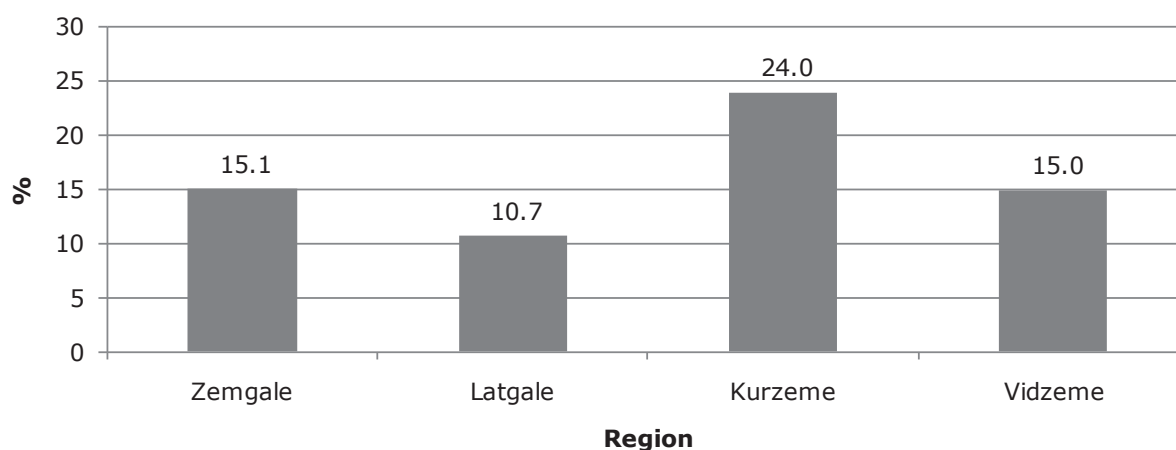
However, the results show that the group ready to start this business activity was not homogeneous:

Table 3

The opinions accepting tourism as farming diversification and inclusion of culture heritage in the tourism product (% of respondents in the respective group)

	Total	Incl. territorial location			
		Kurzeme	Vidzeme	Zemgale	Latgale
Very positive	38 – 46.3	6 – 85.7	6 – 50.0	13 – 52.0	13 – 34.2
Positive, but insufficient knowledge	13 – 15.9	0 – 0.0	1 – 8.3	3 – 12.0	9 – 23.7
Not ready	4 – 4.9	1 – 14.3	1 – 8.3	2 – 8.0	0 – 0.0
No opinion	27 – 32.9	0 – 0.0	4 – 33.3	7 – 28.0	16 – 42.1
Total	82 – 100.0	7 – 100.0	12 – 100.0	25 – 100.0	38 – 100.0

Source: created by the authors on the basis of the survey



Source: created by the authors based on the survey

Fig. 2. The share of respondents with readiness to start business in tourism and to involve culture heritage in the tourism product

46.3% of respondents had a positive opinion, 15.9% pointed to the lack of knowledge, but 4.9% were not ready to get involved in this type of business even though they were interested in using culture heritage as the tourism product. Consequently, at least 20.8% of the group's respondents were potentially ready to start tourism as a form of diversification with culture heritage as the tourism product after the improvement of their knowledge or strengthening confidence thus increasing competition in this sphere of economic activity.

4. Main directions of action

In the survey, 14.0% of all respondents, participants of the conferences organized by the Ministry of Agriculture expressed the opinion that they were involved or they were ready to get involved in tourism as a form of farming diversification and the use of culture heritage as the tourism product. However, the readiness of respondents varied significantly regarding the territorial location of respondents.

The respondents from Kurzeme showed the highest rate of willingness to start tourism business, but the respondents from Latgale were the most unwilling. The opinion of the respondents from Zemgale supported the results expressed in 2010, however, with a slight increase

that could be explained by gradual involvement of people in the tourism business during two years.

Two restrictions for starting tourism business were mentioned by the respondents with positive evaluation: first, the lack of knowledge; second, the level of readiness to start a new business form. Thereby, 4.8% pointed out the lack of knowledge, and 1.5% expressed the view that they were not ready for such a step. The data in the group selected by the authors were noticeably higher.

The respondents required integrated knowledge (41.5%), the knowledge of specific questions (20.7%). As regards the territorial location, the willingness to improve the knowledge was shown by the respondents from Kurzeme (85.7%), they were followed by the respondents from Vidzeme (66.7%), Zemgale (64.0%), and Latgale (55.2%). The respondents' awareness of the necessity of knowledge was very significant. In comparison, the results of the survey of 2010 among farm managers from Zemgale Planning Region involved in rural tourism working with profit, showed that 42.1% of respondents noted the lack of knowledge and skills creating obstacles for successful business activities (Kruzmetra M. etc., 2012), and thus the motivation to improve knowledge was enhanced.

Restrictions for starting business activities (% of respondents in the respective group)

Respondents	I evaluate the use of culture heritage very positively	I evaluate positively, but I do not have sufficient knowledge	I am not ready
Total number of respondents (N=272)	14.0	4.8	1.5
Selected group of respondents (N=82)	46.3	15.9	4.9

Source: created by the authors based on the survey

It is obvious that the expansion of business diversification is closely connected with sufficient amount of necessary knowledge, in this case, in tourism business, in which culture heritage is included in the tourism product, therefore the knowledge should include at least three viewpoints: culture heritage as the tourism product, competitive environment as a result of boom of inclusion of culture heritage in the tourism product, and specific management techniques caused by diversification of business in the sphere of tourism.

Conclusions

The first part of the conclusions touches upon methodology. The official documents of the European Union and a range of European countries suggest two types of tourism in rural areas: farm or agro-tourism that is implemented in addition to agriculture production and rural tourism that is carried out by rural residents not involved in agriculture production. The first type is defined as farming diversification, the second type is defined as economic diversification in rural areas. This division has not been observed yet in the rural areas of Latvia.

The second part of conclusions refers to the analysis of the results obtained in the survey and characterizes the perception of agro-tourism or farm tourism and inclusion of culture heritage in the tourism product. It would not be correct to consider that the obtained data are true for the whole community of Latvian farmers; however, the obtained insight into the problem permits to make several conclusions.

1. The interest about tourism as a form of diversification is sufficiently high in all the four regions of Latvia. The survey's results highlighted the resources (not enough knowledge, I am not ready) for the potential increase of farming diversification in all the Latvian regions. However, from the economic point of view, it is important to be aware of the amount of potential participants in this diversification type, since the number of tourists is and will be restricted.
2. The interest in the improvement of the tourism product, including culture heritage, is sufficiently high. However, the lack of knowledge mentioned by respondents, especially by the selected group, suggests that a clarification of the term *culture heritage* is necessary concerning what tangible and intangible culture values should be included in the tourism product and how it should be offered to users of a product or service.

3. The respondents' opinions regarding tourism as a form of diversification with culture heritage included in the tourism product, are influenced by territorial differences in the number of interested individuals, the amount of knowledge, and readiness to improve it. Institutions, promoting business diversification, should disseminate information to farmers of Latgale, the region with the lowest number of positive answers in this question of the survey.
4. The analysis of survey's results of the participants of the conferences of the Ministry of Agriculture identifies the future directions of the research: the in-depth analysis of culture heritage from the point of view of the content and a territorial place; the innovation of the tourism product with the economic return of culture heritage; the characteristics of farmers and farms involved in this form of diversification, the level of cooperation of farms involved in the diversification to identify a niche. The significance of each of the above mentioned aspects depends on the number of participants in the niche.

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