

PRECONDITIONS FOR ESTABLISHMENT AND HISTORICAL DEVELOPMENT STAGES OF LATVIAN RURAL TOURISM ASSOCIATION "COUNTRY HOLIDAYS"

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Abstract. In 1993, entrepreneurs and tourism enthusiasts came together to establish the first rural tourism association in the Baltic countries, which quickly and successfully launched rural tourism promotion in Latvian regions while implementing national and international projects of different scale, lobbying interests of the sector in state institutions and joining European scale organizations. Latvian Rural Tourism Association "Country Holidays" has become one of the largest and strongest tourist organizations in the Baltic countries; the aim of the study was to explore the historical development stages of the organization during the period 1993 - 2016, reflecting on the main factors influencing its development, and the role of the Association in the development of rural tourism. Such study has been carried out for the first time in Latvia; therefore, the main data collection method was the interview with the President of Latvian Rural Tourism Association "Country Holidays" A. Ziemele, and the investigation of the information material and documents available in the Association. One of the authors of the publication J. Smalinskis has worked in Latvian Rural Tourism Association "Country Holidays" since 2002, so his 14 years of work experience has been also used. The study results reflect the historic development of one tourism sector.

Key words: rural tourism, tourism NGO, regional development, tourism product.

JEL code: Z32

Introduction

The history of Latvian tourism development after the restoration of independence from 1990 to 2016 has been studied very little. From the published materials Kurzeme tourism history description prepared by A. Gustovska, M. Rozite, J. Smalinskis etc. can be found, which covers the period 1990 - 2011, as well as the reflection of tourism industry governance during this period in international editions (Druva-Druvaskalne, I., Livina, A 2014; Atstaja, Dz. et.al. 2015). Scientific articles related to Latvian rural tourism area usually do not reflect its historical development and are not related to evaluating the role of Latvian Rural Tourism Association "Country Holidays". Today - a quarter of a century after the restoration of Latvia's independence we are still able to use such important research and information sources as tourism industry professionals who actively participated during that time period in the beginnings of the industry and its further development processes, and who remember such details of facts and events which a few decades from now will not be available even in the archives. For the above reasons one of the authors of the article J. Smalinskis has repeatedly

and publicly turned the attention of tourism industry and academia representatives to the relevance and necessity of Latvian contemporary tourism history research.

When beginning the research, the authors of the article proposed a **hypothesis** - Latvian Rural Tourism Association (LRTA) "Country Holidays" historical development has had several separate periods. The research **aim** resulting from the hypothesis – to identify specific periods of the historic development after exploring LRTA "Country Holidays" historical materials and practical experience. The research **objectives** implemented to reach the aim:

- 1) to explore the historic preconditions of the establishment of LRTA "Country Holidays" in the period 1993 - 2016 (inclusive);
- 2) to create the development periods of the historic evolution of LRTA "Country Holidays", characterizing the different stages of development of the organization and the activities carried out.

Taking into account the specifics of the subject of the study, the limiting factor is the lack of published and scientific information for the realization of research aim and objectives. The

following research **methods** were used to obtain information and conduct the study:

- monographic or descriptive method;
- expert interview method;
- scientific induction and deduction method;
- logical structure and interpretation method.

The **materials** used during the research - LRTA "Country Holidays" archives – unpublished documents – presentations, annual summary speeches (including general meetings), press releases, prepared expenditure and projects' databases, and other materials.

Already during the feasibility study, LRTA "Country Holidays" President A. Ziemele noted the fact that so far none of the Latvian doctoral, master students or historical researchers have approached the Association with the following aim of the research, therefore, one of the most important methods for obtaining information was a face-to-face interview with A. Ziemele as the only leader of the Association since 1993. The publication is also based on the professional experience of the author J. Smalinskis (since 2002 - "Country holidays" employee - tourism and environment expert).

Research results and discussion

The early nineties of the last century (1991 - 1993) in Latvia was the time of rapid political, economic and social change. Year 1991 has been historically entitled the "Barricade" time. The same year "August Coup" took place, thus the political and economic situation in the country was very unstable. 1992 marked the beginning of Russia's withdrawal of the troops from Latvia, which continued until 1994.

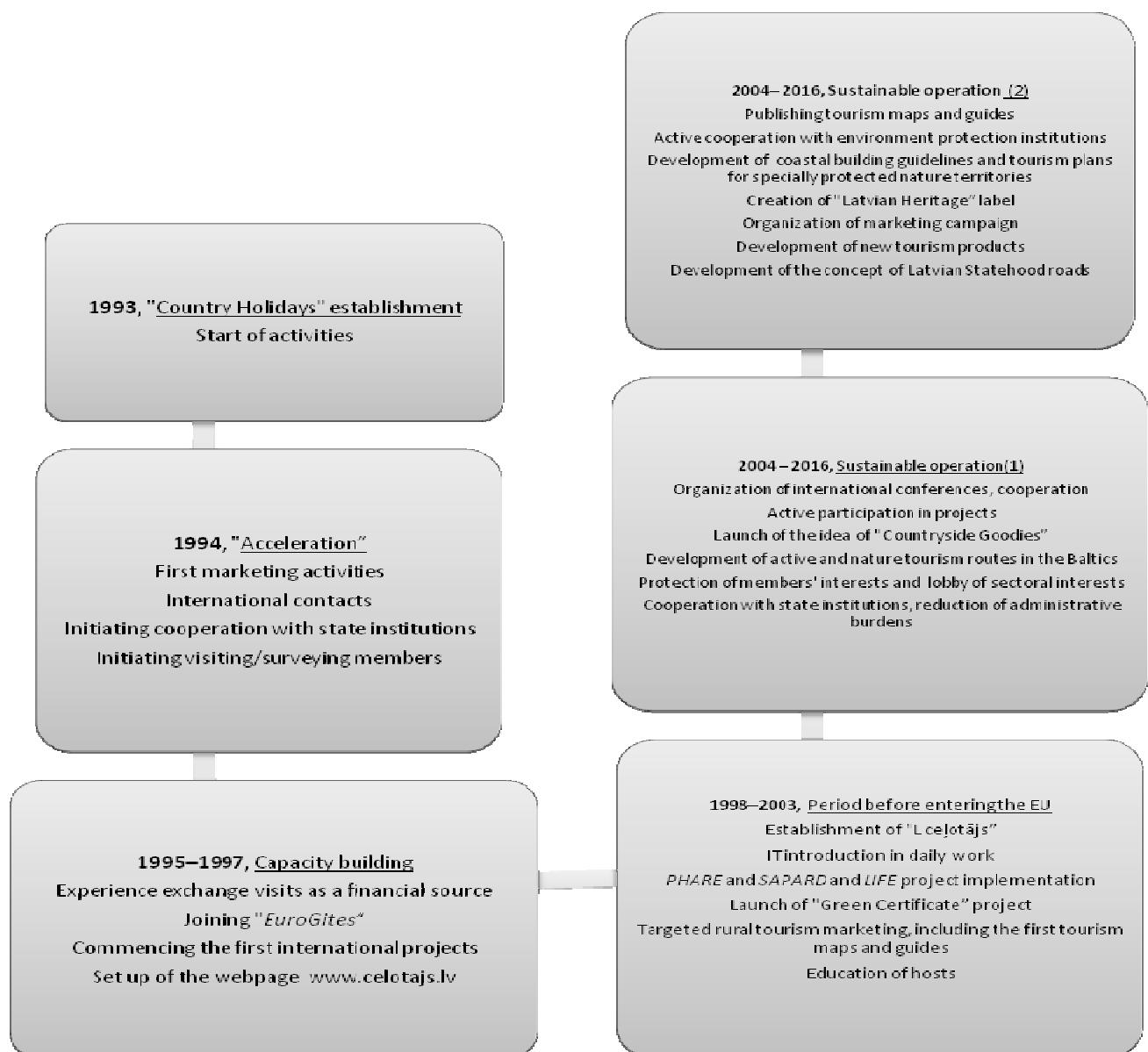
In 1992, a severe financial and banking crisis began. The drop in GDP in the period 1990 - 1993 was approximately 50 % (Paiders J., 2017). On 5 March 1993, Latvia introduced its national currency - lats (The Bank of Latvia, 2017).

Despite the economic situation in the country, urban people wanted to relax "in nature" in the summer, therefore the rural population,

Jelgava, LLU ESAF, 27-28 April 2017, pp. 221-221 particularly on the Baltic Sea coast, by rivers and lakes rented separate rooms in their private homes. Rental of rooms to summer residents was also offered previously - during the Soviet era when such activity (private business) was considered illegal. These historical facts formed the backdrop of the establishment of the first rural tourism related non-governmental organization in Latvia – a tourism association (Smalinskis J., 2017).

In Figure 1, the authors, based on LRTA "Country Holidays" unpublished materials and the expert A. Ziemele interview, using inductive and deductive method and separate historical facts of information, created a logical systematic scheme of LRTA "Country Holidays" five periods of historical development characterizing different development stages of the organization and the activities carried out.

The first period – the establishment of "Country Holidays" (1993). The above mentioned political and economic conditions and people searching for work after the gradual closing of large industrial enterprises and collective farms catalysed the development of alternative forms of business. This was also a suitable period to legalize the hosting of guests practiced already during the Soviet time, or start it as a new form of economic activity. The 18 June 1993 can be considered the official date of establishment of Latvian rural tourism as a separate tourism sector after the country became independent. Entrepreneurs and other tourism representatives gathered and the public organization "Country Holidays" was founded. On A. Ziemele's initiative, Ogre district was surveyed and the first tourist accommodation booklet was prepared. Already in the beginning, the interest in this alternative type of business in rural areas was very large - newly founded "Country Holidays" received around 300 applications from people who wanted to actively participate and welcome guests.



Source: created by the authors, based on the interviews and the documentation of LRTA "Country Holidays"

Fig. 1. LRTA "Country Holidays" historical development periods and investment in rural tourism development from 1993 to 2016

The second period – "Year of acceleration" (1994). 1994 can be considered the year of rapid development. On one stand together with other 7 Latvian districts LRTA "Country Holidays" participated in the international tourism exhibition "Balttour", which took place in Riga. This event can be considered the first targeted nationwide major rural tourism marketing activity. In parallel, the first foreign contacts were made and foreign visits organized; the information obtained there was adapted and invested in the further development of the organization and the industry. That year the catalogue "Holidays in the countryside" was

prepared for the first time, issued in Finland. During this period one of the restrictive factors of business was poor telephone services - many rural tourism hosts did not have a phone and could not be reached. In order to understand the overall situation and the quality of rural tourism services at a particular moment, there were active member visits.

The third period – capacity building of "Country Holidays" as an organization (1995 - 1997). In 1995, the first general meeting of members was held discussing further development goals of rural tourism. In Latvia, as in other post-Soviet countries, people lacked

experience in business, local governance etc. sectors, so LRTA "Country Holidays" started to organize group experience exchange visits to various European countries. The resulting profit obtained from such "business tours" was invested in strengthening of the Association and preparation of marketing materials. 1996 was a year of international recognition as LRTA "Country Holidays" was admitted in the European Federation of Rural Tourism "EuroGites". In the mid-nineties of the last century, Latvia was still little-known, therefore the positive decision on the admission of the Association in "EuroGites" did not follow immediately. At the end of 1996, 46 rural tourism farms, serving around 2.5 thousand customers during a year, were included in the catalogue "Holidays in the Countryside". In 1997, the Association implemented the first European scale project which envisaged preparing training materials for rural tourism entrepreneurs. This was one of the first significant rural tourism entrepreneurs' education activities. In 1997, the first website was created, which was nominated as the best page in "Golden Hammer". That year A. Ziemele as the tourism representative of three Baltic States spoke at the conference in Reykjavik. It should be noted that in 1997 Lithuanian Rural Tourism Association was established (Zabaliunas L., 2016) – later a cooperation partner of LRTA "Country Holidays" in European projects.

The fourth period – the period before entering the European Union (1998 - 2003).

In 1998, around 80 members had joined the Association. During this time, the material and technical basis of LRTA "Country Holidays" developed - the electronic bank payment terminal was introduced, e-mail introduced and used in communication with customers. In this period, such serious work as lobbying interests in the sectoral ministries began. One of the benefits of lobbying work was the fact that 37 rural tourism entrepreneurs received subsidies for rural tourism product development of a total amount

Jelgava, LLU ESAF, 27-28 April 2017, pp. 221-221 of 80 500 EUR. In 1999 LRTA "Country Holidays" declared itself as a serious candidate in the project field, getting approved its first project in PHARE programme, which resulted in an online reservation system facilitating communication with clients and hosts. This year the project was launched on the "Green Certificate" in rural tourism establishments that operated in an environmentally friendly way. In 2000, thanks to LRTA "Country Holidays" lobby, SAPARD programme became available to rural tourism entrepreneurs in addition to PHARE programme – another so-called pre-structural fund, which initiated significant changes in quality improvement of infrastructure of rural tourism accommodation. In 2000, Estonia founded the Rural Tourism Association "Eesti Maaturism" (Mengel R., 2016.), which later became a cooperation partner of "Country Holidays" in common rural tourism cross-border development projects. In 2001, the Association launched the LIFE programme project for the first time, which anticipated that the environmental quality label "Green Certificate" was taken up at the national and European level. In 2001, the Association had 150 members. In 2001, the number of customers served – number of people staying overnight in rural tourism establishments - had grown by 20 %, compared to the year 2000. Annual number of visits at LRTA "Country Holidays" website had already reached 80 000, and there was a section "Professional information" developed, which was mainly aimed at entrepreneurs and other industry stakeholders as a significant source of information. In 2002, the number of members reached 210. That year an educational film about the "Green Certificate" was made, which was meant to be a methodical material for rural tourism entrepreneurs. Year 2003 marked the 10th anniversary of LRTA "Country Holidays", and during this period since its foundation the Association had managed and participated as a partner in 87 projects with a total amount of 707 440 EUR. In 2003, the idea

of "rural farms of countryside goodies" came up - farms open to visitors, which later gained widespread popularity in Latvia in the tourism sector. As a result, the first "Countryside Goodies" guide was published.

The fifth period - LRTA „Country Holidays“ sustainable operation period (2004 - 2016). In 2004, Latvia joined the European Union. This year LRTA "Country Holidays" finished three large-scale projects and organized an international conference, opened by the World Tourism Organization representative. The conference was attended by representatives from 30 different countries (in total - 120). In 2004, there was a 30 % increase in the number of customers in rural tourism. In 2005, the employees of LRTA "Country Holidays" worked on active tourism routes for hikers, water tourists, cyclists, cross-country skiers and motorists throughout Latvian territory while visiting and testing them themselves. One of the reasons for this activity was the goal to change the customer and the rural tourism entrepreneur understanding that rural tourism "is not just a bed and a roof over your head." In cooperation with the Association, a new nomination "Eco-tourism farm" was created in the long-lasting competition "Sower" of the Ministry of Environment and Agriculture; it successfully operated until the economic crisis in 2009. In 2006, LRTA "Country Holidays" came up with an appeal "do not kill Grandma pancakes" meant as a protest against the administrative burden created by the state institutions affecting small rural entrepreneurs. On February 3 of the same year, a resolution was adopted in which the Association put forward requests of the Prime Minister of Latvia A. Kalvitis and several ministries relating to incentives in taxes, construction, food circulation, competition etc. areas. In collaboration with the Food and Veterinary Services, LRTA "Country Holidays" developed simplified guidelines in the area of food circulation, which was an important foothold

Jelgava, LLU ESAF, 27-28 April 2017, pp. 221-221 for small-scale catering enterprises. In 2007, on the basis of the Association webpage rural tourism hosts could already build their own business pages and easily and quickly replace the topical information. In 2008, LRTA "Country Holidays" started Latvian river surveys, which resulted in the water tourism guide; the principles and ideas incorporated in it later were taken over by other project promoters in this area in the Baltic States. In 2009, a new project was launched in LIFE programme, during which the Association was able to gather nature protection, tourism and local government representatives at one table. One of the major results of the project was "Slitere Travellers' Days" which is still organized - even after the end of the project. This idea was later taken over also by Kemer National Park in organizing the annual "Kemer National Park Travellers' Days". In the framework of the above mentioned project, Latvian and Baltic National Park travel guides were developed, as well as many other tourism publications. Many of them – for the first time in Latvia. In 2010, one of the most visible successes of the Association were the amendments adopted regarding Handling of Alcoholic Beverages Law under which rural tourism entrepreneurs were allowed to manufacture and sell home-produced wines and alcoholic beverages to their customers. As a result of that, Latvia experienced a "boom" in wine producers. In 2011, LRTA "Country Holidays" organized an international nature tourism conference which was attended by 258 environmental protection and tourism industry related representatives from 18 countries. At the same time 4 tourism plans of specially protected natural areas were prepared, as well as the bestseller, as called by the industry of that time, – "Military heritage tourism map". In 2012, A. Ziemele was elected in "EuroGites" board. In cooperation with the Latvian Fund for Nature, "Forest Guide" was published in order for rural tourism service providers to explore the components of biological diversity in their farms

and their surroundings. In 2013, in collaboration with the Ministry of Culture a cultural label "Latvian Heritage" was initiated; it is still granted to entrepreneurs that keep the Latvian traditions and exhibit them for visitors. It is expected that by the 100th anniversary of Latvia, the number of entrepreneurs who have received the label will reach one hundred. In 2014, a large-scale project "Marketing campaign to promote rural tourism and develop rural tourism products in all Latvia regions" was initiated; its aim was to involve even more new players (including farms, craftsmen and other rural entrepreneurs) and exhibit their activities and products to tourists, while promoting the development of entrepreneurship in rural areas. As a result, a number of events were organized - "Open days in the countryside". In 2015, there was a number of significant activities - LRTA "Country Holidays" developed a new product for local and foreign seniors - the so-called Silver Suitcase, organized a conference on green farming, but the president of the Republic of Latvia Raimonds Vejonis became the patron of the "Green Certificate". The next year – 2016 – was marked by a negative trend (for the first time after the economic crisis) – the income in rural tourism industry had decreased by 10 - 15 % due to state tax policy, rise in prices for services, including electricity etc. The board of LRTA "Country Holidays" sent a resolution to the responsible ministries entitled "Legislators turn the lights off in the Latvian countryside". At the same time, active work was done on Latvian Statehood road project, "Latvian heritage" label etc. The guide "Tasty cheese road" was released.

Conclusions, proposals, recommendations

1) As a result of political and socio-economic changes, in the early nineties of the last century there were the first seeds of rural tourism as entrepreneurship in Latvia and conditions for establishing the public organization - LRTA "Country Holidays".

- 2) In a short period of time, LRTA "Country Holidays" as a non-governmental organization strengthened their capacity and leadership role in rural tourism development area in Latvia, and along with the establishment of related organizations in Lithuania and Estonia - on the Baltic level.
- 3) Experience exchange visits and the adaptation of the acquired knowledge in Latvian conditions played an important role in further development of the Association and the rural tourism industry, as well as the international contacts and activities, and the first projects implemented on European scale that resulted in development of the facilities of the Association and the education of rural tourism entrepreneurs.
- 4) Active rural tourism marketing and information technology in their daily work in communication with clients and farm owners established the popularity of LRTA "Country Holidays", which contributed to the attraction of new members in the organization and the increase of the administrative and financial capacity of the Association.
- 5) Owing to the EU pre-accession funds and their acquisition, the quality of rural tourism infrastructure and product improved significantly in Latvia regions.
- 6) Many of the initiatives started by LRTA "Country Holidays" - "Green Certificate", "Countryside Goodies", "Latvian Heritage", "Slitere Travellers' Days" etc. are still active and can be nominated as national scale activities, pointing to the sustainability of these projects both in space and time.
- 7) LRTA "Country Holidays" lobbying activities and collaboration with various state institutions - in reduction of administrative barriers and proposing other legislative initiatives should be mentioned as significant; as a result, incentives have been created for small-scale business, which has facilitated entrepreneurship in Latvian rural areas.

- 8) The tourism products developed by LRTA "Country Holidays" - active, nature, cultural and culinary heritage routes and products for seniors have gained wide application in Latvian regions, promoting the influx of tourists.
- 9) LRTA "Country Holidays" has prepared and published more than 50 different travel guides, tourist maps and brochures in Latvian, German, English and Russian, which has made a significant contribution to promoting Latvia as a tourist destination on European and Baltic level.
- 10) The work of the Association can be assessed as sustainable, because it is still active, integrating both rural socio-economic development and new policy initiatives in its activities, as well as care for preservation of the natural and cultural resources; this makes

Unpublished materials

Professional experience of Juris Smalinskis as a tourism and environment expert of LLTA "Lauku celotajs"

Document archive of LLTA "Lauku celotajs"

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