



NORDREGIO
Nordic Centre for Spatial Development

Small-scale Tourism in Rural Areas

– Trends and Research in the Nordic Countries

Nordic Working Group 1B: Future Rural Areas

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Nordic co-operation

Nordic co-operation is one of the world's most extensive forms of regional collaboration, involving Denmark, Finland, Iceland, Norway, Sweden, and the Faroe Islands, Greenland, and Åland. *Nordic co-operation* has firm traditions in politics, the economy, and culture. It plays an important role in European and international collaboration, and aims at creating a strong Nordic community in a strong Europe.

Nordic co-operation seeks to safeguard Nordic and regional interests and principles in the global community. Common Nordic values help the region solidify its position as one of the world's most innovative and competitive.

The Nordic Council

is a forum for co-operation between the Nordic parliaments and governments. The Council consists of 87 parliamentarians from the Nordic countries. The Nordic Council takes policy initiatives and monitors Nordic co-operation. Founded in 1952.

The Nordic Council of Ministers

is a forum of co-operation between the Nordic governments. The Nordic Council of Ministers implements Nordic co-operation. The prime ministers have the overall responsibility. Its activities are co-ordinated by the Nordic ministers for co-operation, the Nordic Committee for co-operation and portfolio ministers. Founded in 1971.

Nordregio – Nordic Centre for Spatial Development

conducts strategic research in the fields of planning and regional policy. Nordregio is active in research and dissemination and provides policy relevant knowledge, particularly with a Nordic and European comparative perspective. Nordregio was established in 1997 by the Nordic Council of Ministers, and is built on over 40 years of collaboration.

Stockholm, Sweden, 2013

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Preface

Nordic co-operation is well established. It has a long history and covers a number of political fields, of which regional policy is one. To guide this work, the Nordic Council of Ministers adopted a regional policy co-operation programme for 2009–2012. The 2009-2012 programme focused on three priority action areas: sharing experiences and knowledge building, globalization and cross-border collaboration, and third-generation regional policy. To develop these priority areas, the Nordic Committee of Senior Officials for Regional Policy (EKR) appointed four task forces at a meeting on 16 June 2008, tasked with developing proposals for specific initiatives and projects in each action area in dialogue with EKR. One of these task forces (also called working groups) connected to the first of the three themes – sharing experience and knowledge building – is concerned with the development of rural areas. Members of this working group include officials from the Nordic countries and representatives from Nordregio (a Nordic research centre for regional development established by the Nordic Council of Ministers). Denmark, Finland, Norway and Sweden have active members.

This working group was tasked with sharing experience and developing knowledge about rural policy in regional development of the Nordic countries. Its tasks

include improving the conditions for future co-operation among the Nordic countries with regard to development and growth in rural areas. These objectives were addressed in a number of themes.

- Accessibility
- Housing
- Public and private services
- Entrepreneurship and business development
- Governance
- Tourism under the EU rural development policy after 2013 from a Nordic perspective

The working group conducted seminars and research projects on these themes. Most results have been published in the form of reports. Read more about project results and seminars on Nordic Working Group 1B: Future Rural Areas.

This is final publication from a project on small scale tourism in the Nordic states realised by Nordic Working Group on Rural Development Policy between 2009-2012. The editors, on behalf of the Working Group, would like to thank contributing researchers and all presenters/participants in workshop in Lillehammer, fall 2012.

Introduction

One of the themes of the working group on rural areas has been tourism development policy in rural regions of Nordic countries. During a working group meeting in the spring of 2011, the need to co-ordinate experiences and knowledge about small-scale tourism in the rural areas of Nordic countries was emphasized. As a result of this meeting, the working group initiated a project to gather and exchange knowledge about tourism and the experience-based tourism industry in the rural areas of Nordic countries. The intention was to focus on small-scale businesses and the development of businesses in rural areas, and to compile existing research on rural tourism. The working group identified three themes:

- Collaboration between small-scale actors, from fragmentation to co-ordination and destination;
- Nature tourism and outdoor recreational tourism;
- Cultural tourism and experience-based tourism.

In the first phase of the project, researchers in different areas of tourism research were asked to conduct situation analyses of rural tourism in the Nordic states. The aim was to examine current research in the field, identify national trends, and assess the challenges and potential for small-scale businesses in rural areas of the Nordic states. This work generated five contributions written by researchers from Denmark, Finland, Norway and Sweden. The contributions are presented in this report, which was written for the working group.

Report outline and researchers

The first contribution is written by Dieter Müller from the Department of Geography and Economic History at Umeå University. Müller's general research interests are in tourism and regional development, with specific interests in mobility and tourism in peripheral areas. The article provides a short assessment of rural tourism and a critical review of current research in the Nordic countries. It outlines the opportunities and challenges for tourism in rural areas, including potential

directions for tourism development and policy development. Müller has also written the assessment on rural tourism in Sweden.

The third contribution on Denmark is written by Henrik Halkier, Professor in the Tourism Research Unit at Aalborg University. Halkier's research areas are regional development and tourism, with special interests in destination development and branding, as well as territorial knowledge dynamics in tourism development. In his contribution, Halkier describes the conditions for rural tourism in Denmark, with a focus on cultural tourism and experience-based tourism.

The fourth contribution on Norway is written by Thor Flognfeldt, Associate Professor in the Department of Tourism Planning and Regional Analysis, Lillehammer University College. Among other topics, Flognfeldt has conducted research on climate change and tourism, as well as destination development and tourism route development. In this contribution, Flognfeldt describes the prerequisites for small-scale actors in rural areas in Norway and he discusses the roles of tourism agencies and ministries in the Norwegian tourism industry.

The fifth contribution on Finland is written by Juho Pesonen and Noora Tahvanainen from the Centre for Tourism Studies, University of Eastern Finland, and Raija Ruusunen and Nina Vesterinen from the Working Group on Tourism, Rural Policy Committee, and Tero Taatinen from Karelia University of Applied Sciences. Juho Pesonen and Noora Tahvanainen have interests in rural tourism, consumer behaviour, and tourism marketing. Raija Ruusunen is working as a Senior Specialist in Theme Group on Tourism, Rural Policy Committee where her role is to co-ordinate the development of rural tourism in Finland. Nina Vesterinen has been working as a Senior Specialist in Theme Group on Tourism, Rural Policy Committee and is currently working at Ministry of Employment and the Economy. Tero Taatinen is working as a Project Manager in Karelia University of Applied Sciences and he has interests in cycling tourism and home-based accommodation in rural areas. Their contribution highlights collaboration networks of small-scale actors and entrepreneurs in rural areas of Finland.

Workshop in Lillehammer, autumn 2012

The working group on rural tourism conducted a workshop based on these articles in September 2012 in Lillehammer, Norway. The workshop was arranged in collaboration with the Norwegian Ministry of Environment (*Miljøverndepartementet*) and included presenters and participants from the Nordic countries, including researchers, policymakers, and tourism businesses (the presenters are listed in Box 1; see APPENDIX 1 for a complete list of the participants). The aim of the workshop was to stimulate knowledge interaction between research, policymaking, and businesses, as well as initiating a discussion about the current challenges and potentials for rural tourism in the Nordic countries. The main questions discussed during

workshop sessions were as follows.

- Destination development – How can businesses and policymakers collaborate to create attractive destinations?
- Skills development – How can better conditions be created to attract people with appropriate skills to rural areas?
- Full-year activities and seasonal challenges – How can conditions be created that will make businesses profitable throughout the year?

It was emphasized that these questions should be addressed from research, policy, and business perspectives to facilitate the exchange of knowledge between participants.

Presenters

Dieter K. Müller Department of Geography and Economic History, Umeå University
Småskalig landsbygdsturism i de Nordiska länderna

Bente Rønning, Direktoratet for naturforvaltning, Norge
Verdiskapingsprogrammet for naturarven

Bodil Meldgaard, Udviklingskonsulent, Midtjysk Turisme, Danmark
Det professionelle turisterhverv – fokuseret kompetenceudvikling af turismens aktører i Midtjylland

Roar Werner Vangsnes, Distriktssenteret
Reiseliv som lokalsamfunnsutvikling

Gunilla Wikström, Westerby Gård, Finland
En gårds historia – ett exempel på att driva turistföretag i landsbygden

Johan Stenevad, Lapland Incentive AB – Tärnedalen, Sverige
Samverkan inom småskalig turism – Destination Kangos

With these questions in mind, the key challenges in each theme were discussed and highlighted in the presentations. The added value of Nordic co-operation was also a key issue for discussion, emphasizing the potential for collaborative projects on a Nordic scale. During the presentations and discussions, a number of overarching trends common to the Nordic states were identified:

- Depopulation of rural areas vs. urbanization – decline of local resource bases;
- Large distances and accessibility of destinations – car-dependent tourism;
- High costs in Nordic countries – international competition;
- Access to a skilled labour force, generational change, and seasonal challenges;
- Little interest in research about rural areas and less public interest in rural areas;
- Lack of knowledge about rural tourism.

Challenges for businesses in rural areas

During their presentations and during workshop sessions, the business representatives described a number of challenges for developing small tourism businesses in rural areas. Seasonal changes and access to skilled employment were among the most important challenges for developing tourism businesses in rural areas. The business representatives also underlined the potential for collaborations with local people, using their networks for exchanging services on a local basis. From this perspective, one of key messages for policymakers at the workshop was the need to develop policies for liveable rural regions and places. In addition, the desire for more targeted policies and projects to support local entrepreneurs was discussed.

Potential and added value of Nordic co-operation

Further discussions centred on how policy can support and stimulate small-scale businesses in rural areas.

Some of these issues have been addressed above and are discussed by the researchers in their articles, but they were also broadly deliberated in the workshop sessions:

- Development of better place-based policies adapted to local contexts and challenges –more “targeted policies” with a systematic approach to and focus on destination development;
- Municipalities, regions, and ministries (as well as public tourism agencies) should facilitate collaboration between entrepreneurs and businesses in rural areas;
- Improvement in cross-sectoral integration between national ministries involved with tourism issues to concentrate resources and avoid sectoral conflicts;
- Increase in policy support for research on tourism in rural areas.

Even if there are different challenges and potential for rural tourism in the Nordic countries, one of the conclusions from the workshop was that there is a lack of research on rural tourism on a Nordic scale and that the collaboration between research and policy needs to be strengthened. The lack of a common platform for education and skills development in rural tourism was also stressed. In this context, Nordic co-operation can provide a platform for collaboration between research, policy and business, which would help to facilitate the Nordic dimension in the European Union debate.

Rural Tourism in the Nordic Countries – A Short Assessment

Dieter K. Müller, Department of Geography and Economic History, Umeå University

Introduction

Rural tourism has often been considered to be a remedy for rural decline. This is true not only in the Nordic region. In nearly all rural regions of the world, tourism development is seen as a tool for creating employment and economic growth (Butler et al. 1998; Mowforth & Munt 1998; Roberts & Hall 2001;). In the Western world, including the Nordic countries, interest in rural tourism development reached new peaks in the global context of restructuring processes in the aftermath of the deregulation of markets following the collapse of the communist bloc. Competition from new markets, often with far better production conditions, put pressure on rural areas – not least in northern areas. This entailed a search for new employment opportunities, putting tourism at the centre of attention.

However, in contrast to the growing societal interest for rural tourism development in the Nordic countries, research has not yet matched this interest sufficiently. Certainly, there has been increasing interest in tourism even in the academic community (Hall et al. 2009). However, rural areas have not been in focus. As a consequence, societal efforts to develop rural areas involving substantial investment have not always been based on sound academic knowledge. Instead, it seems that investments have been guided by best practice and sometimes simply by guess-work.

It is against this background that this paper sketches an overview of current knowledge and challenges for rural tourism development. The text is not based on any systematic approach but rather on the author's experiences in Nordic tourism research. Moreover, the analysis is influenced by the author's background in northern Sweden.

Rural tourism

Before briefly reviewing research on rural tourism, it is necessary to define it. Of course a multiplicity of definitions is available, and in fact, the question of whether

one definition can be agreed upon may be contested because geographical conditions differ around the world, and even within the Nordic realm. Hence Roberts and Hall (2001:1) state that “‘Rural tourism’ is at best an ambiguous term, and most likely a chimerical concept ...”. There are several reasons for such a statement. In part, the definition of the rural is strongly contested, and definitions range from those based on the physical landscape to others based on the social constructions of ruralities. In part, the term “tourism” also creates unease because many rural tourists are rather excursionists, consuming the rural areas in one-day trips. Moreover, not all tourism in rural areas can be considered to be rural tourism. For example, major alpine resorts have increasingly urban characteristics and are not thematically embedded in the traditions of rural areas.

As a consequence, definitions of rural tourism always include fuzzy concepts that must be compromised by various assumptions. In the following sections, some of these problems are discussed.

Rural areas

The definition is a critical aspect for the delimitation of rural areas. First of all, definitions of rural areas vary worldwide. Thus, rural areas in more densely populated countries may be considered to be urban in Nordic countries. In future, tourists from central Europe may consider “urban” areas in the Nordic countries to be rural. This is particularly true regarding the statistical definitions of “urban settlements” (*tätort*) in the Nordic countries. Certainly incoming tourists but also those from major agglomerations in the area consider many of these to be rural. Hence, administrative units are poor tools for defining rural areas.

Major definitional problems also arise on the outskirts of metropolitan areas. Functionally, these areas are often integrated parts of metropolitan areas offering what has previously been labelled as “urbanized country-side” (Johannisson et al. 1989). Hence,

conference facilities commonly available in the urban fringes of Nordic capitals could be seen as part of both urban and rural tourism. Definitional problems also arise with regard to the delimitation of rural areas and wilderness and mountain areas. Here the important question is whether tourism in these areas can be seen as rural tourism. In the Nordic countries, many of these areas have been used for extensive livestock herding and thus can be considered to be rural. However, tourism in these areas is often labelled as “nature-based tourism”, a concept that certainly overlaps with rural tourism.

Tourism

Even the term “tourism” has been debated and contested. Usually tourism is seen as a system involving travel from a home region to a destination and back again. Rural tourism refers consequently to a system where the destination is characterized as rural. However, tourists travel even within a destination, and hence in many cases a holiday combines urban and rural experiences. This implies that rural tourism applies a supply-side approach departing from the tourism products available in rural areas.

Apparently tourism involves geographical mobility, but certainly there is an obvious overlap with migration (Bell & Ward 2000). This is seen not least in second home tourism, which is often seen at the nexus of tourism and migration and is a major form of rural tourism in the Nordic countries (Müller 2002, 2007;

Hall & Müller 2004).

Finally, it should be noted that tourism is a service industry; thus, it benefits from proximity to people. In contrast to other service industries, travel to the point of supply often entails major investments of money and time. Therefore, distance must be outweighed by the value of an attraction, which usually requires high quality and value for money (Prideaux 2002).

The Rural Tourism Product

The range of the rural tourism product is wide, and, at least historically, it has been based on rural resources. Even in the Nordic countries, farm stays have been a prominent feature of rural tourism supply (Gössling & Mattsson 2002). The same can be said about camping and cottaging. The accommodation supply is completed by often small-scale hotels and hostels.

However, this says little about tourist activities. For example, Roberts & Hall (2001) distinguish between touring, water-related activities, aerial activities, sport activities, cultural activities, health-related activities, ‘passive’ activities, hallmark events and business-related activities (Table 1). Other accounts of rural tourism activities are available. However, with regard to the Nordic countries, winter activities such as snowmobiling and ice fishing are usually absent from these accounts.

Range of tourism and recreation activities in the country-side

Touring

Hiking (footpaths, fitness trails nature parks)
Horse-riding
Touring in gypsy caravans, wagons
Motorized touring (trail riding, all-terrain vehicles motoring)
Small town/village touring
'Adventure' holidays/wilderness holidays
Cycling
Donkey riding
Cross-country skiing

Water-related activities

Fishing
Swimming
River/canal tourism (houseboats, narrow boats, barges)
Canoeing, Kayaking and (white-water) rafting
Windsurfing
Speedboat racing
Sailing
Facilities of the 'aqua land' type

Sporting activities

Requiring natural settings:

- Potholing
- Rock climbing
- Orienteering

Requiring modified/constructed settings:

- Tennis
- Golf
- Low-intensity downhill skiing
- Hunting

Cultural activities

Archaeology
Restoration sites
Rural heritage studies
Local industrial, agricultural or craft enterprises
Museums
Courses of crafts
Artistic expression workshops
Folk groups
Cultural, gastronomic and other routes

Health-related activities

Fitness training
Assault courses
Spas and health resorts

'Passive activities'

Relaxation holidays in a rural milieu
Nature study in outdoor settings, including bird watching, photography
Landscape appreciation

'Hallmark' events

Rural sporting festivals
Agricultural shows
Business-related
Small-scale conventions/conferences
Incentives tourism short-breaks

Figure 1. Range of tourism and recreation activities in the country-side (Roberts & Hall 2001:2)

Butler (1998) argues that in the touristic consumption of rural areas, there has been a shift from a more passive appreciation to more active use. This change implies not only a change of activities but also a changed relationship with rural areas whereby they are increasingly becoming an arena for activities rather than being the source of attraction for their own sake. Bourdeau et al. (2002) label parts of this development as a sportification of activities and demonstrate the potential consequences. They argue that some activities that traditionally required rural areas have been moved to urban areas; thus, climbing is done in indoor sport centres, and even skiing facilities can be found in urban areas.

The Geography of Rural Tourism

A major factor in the success of rural tourism initiatives is related to accessibility. According to Lundgren (1982), rural areas are not at the top of the destination hierarchy. Most customers depart from metropolitan areas, and so individual transportation is often needed to access the rural tourism product. Hence, location matters for rural tourism. Hall (2005) suggests that demand declines with distance from metropolitan areas. At the same time, the naturalness of the area increases, offering pristine environments and preserved heritage. Moreover, the potential area for rural tourism grows exponentially (Fig. 1).

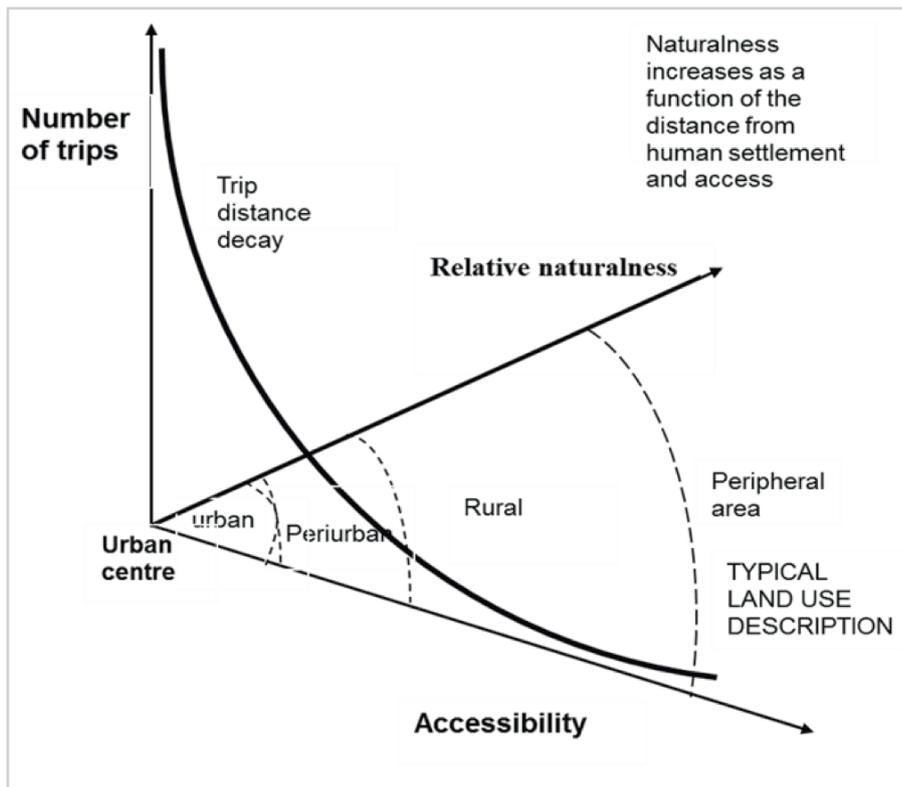


Figure 2. Naturalness increase-ness as a function of the distance from human settlement and access (Hall 2005)

The resulting situation suggests that rural tourism entrepreneurs must cope with distance both to markets and to other service providers in the area. At the same time, particular peripheral areas compete through restructuring, and thus tourism solutions are most prominent there. Lundmark and Müller (2010) have shown the practical consequences for Sweden. They

demonstrate that population and number of guest nights decline rapidly with increasing distance from the country's three metropolitan areas. However, the number of tourism offers found on the Internet decreases much more slowly, so there seems to be a mismatch between revealed demand and supply (Fig. 2).

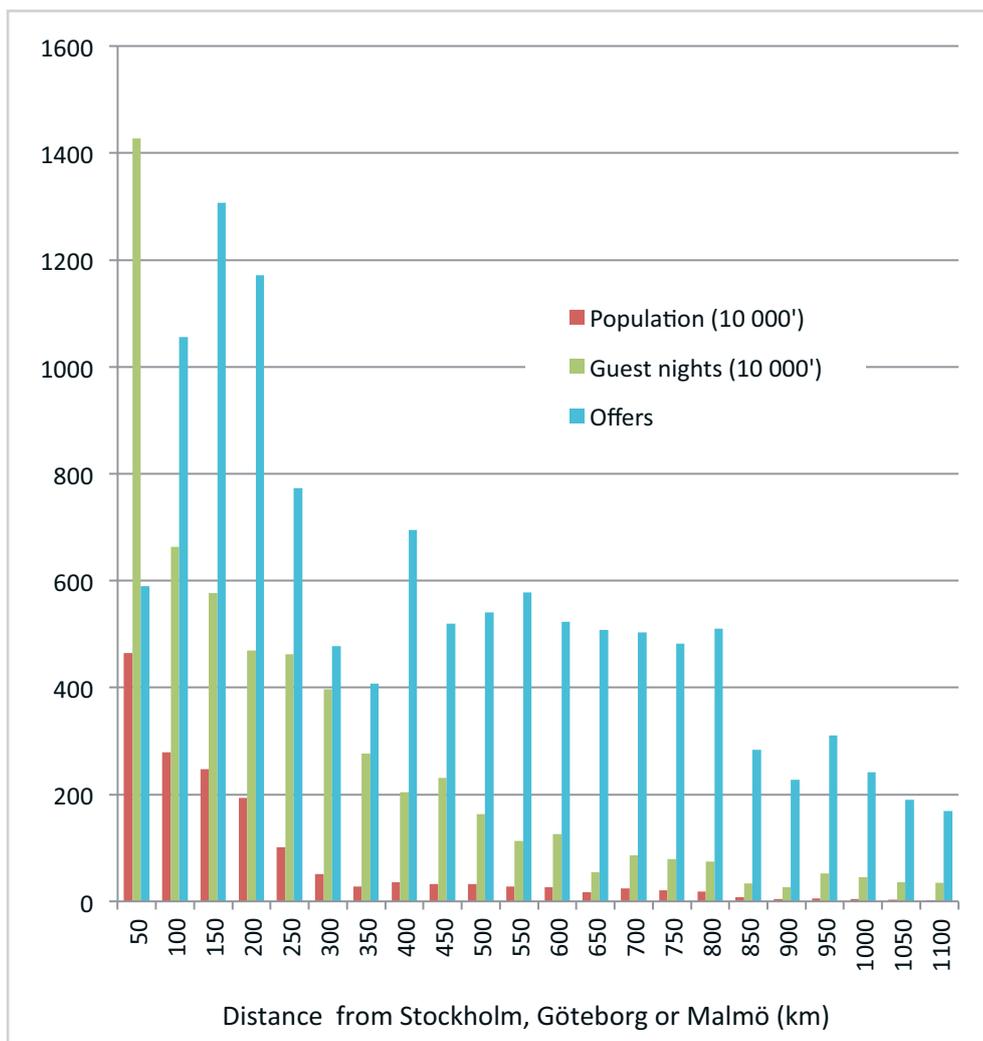


Figure 3. The geography of population and demand and supply of rural tourism (Lundmark & Müller 2010)

Investment in rural tourism increases with distance from the metropolitan areas. According to Turistnäringens utvecklingscentre TRIP (2012), a total of 891 million kroner were invested in winter sports facilities in 2011. Additionally, EU funding, including money managed by the Swedish Board of Agriculture and the Swedish Agency for Economic and Regional Growth, yielded another 514 million kroner, most of which was spent in rural areas, particularly in northern Sweden. Three counties – Norrbotten, Jämtland and Dalarna – received a total of 51% of these investments. However, it should be noted that these mostly public investments are surpassed by private investments in urban tourism. For example, costs for the construction of new arenas amounted to 2,138 million kroner in 2011.

Nevertheless, the importance of rural tourism should not be underestimated. As Müller and Ullrich (2007) showed, rural tourism plays a significant role in rural labour markets. In many rural areas, particularly

in the North, tourism accounts for more than 2.5% of local employment (Fig. 3). In some peripheral areas, the share of tourism employment increases to more than 5%, while in alpine resorts, tourism employment accounts for more than 30% of all local employment. There are two possible explanations for the relative importance of rural tourism employment; rural tourism may be, on the one hand, a sector where employment opportunities develop or, on the other hand, one that was resilient to decline in other sectors of the economy. Rural tourism is also an important sector for in-migration because it offers jobs with low entrance barriers (Müller 2006). Hence, young people in particular may choose employment in rural tourism in order to become established in the rural labour market. Nevertheless, seasonal work in tourism remains a major hindrance for people moving permanently to rural areas and causes rural municipalities to lose tax income from work performed locally (Lundmark 2006).

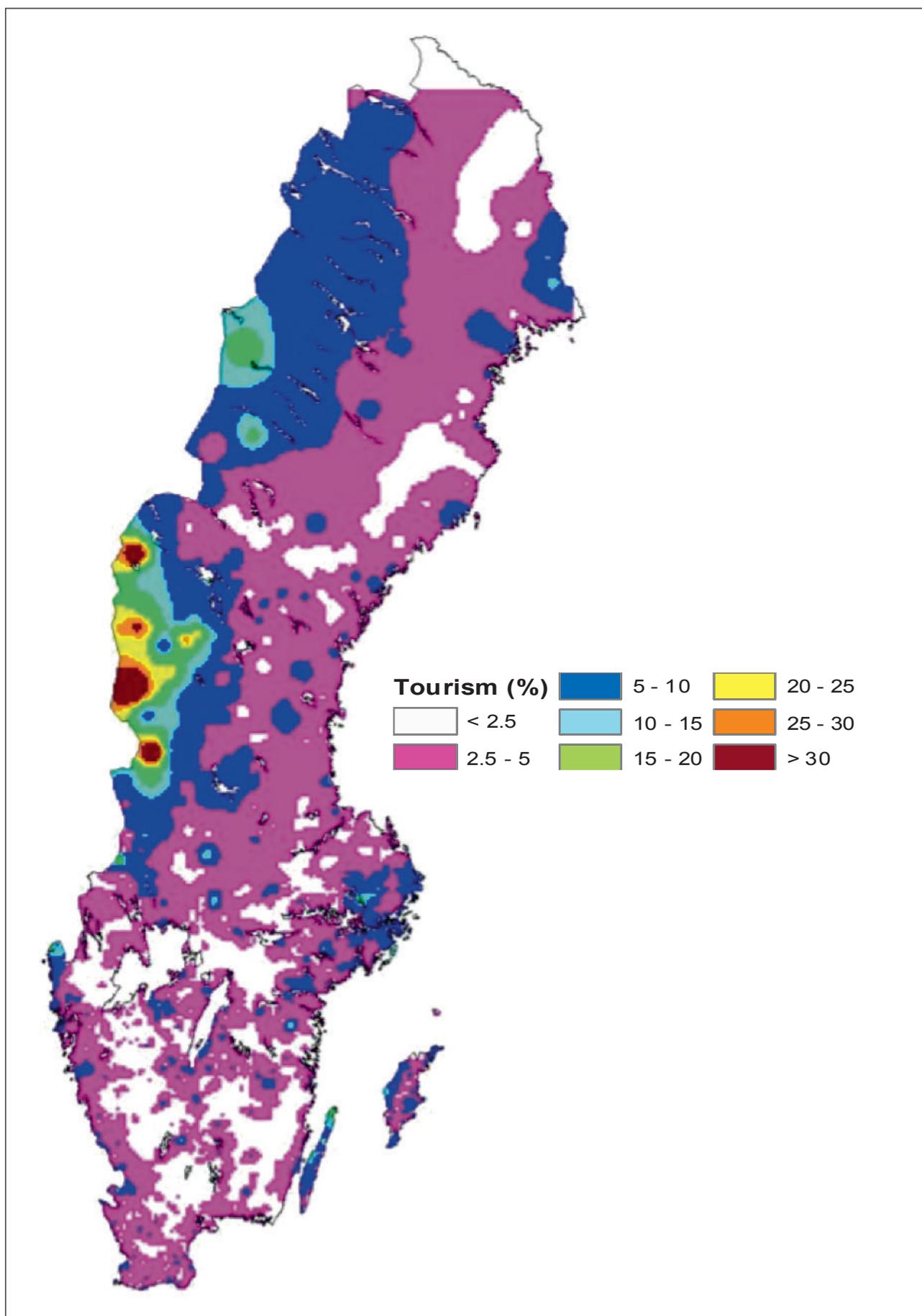


Figure 4. Share of tourism in local labour markets 1999 (Müller & Ulrich 2007)

Challenges in Nordic Rural Tourism

Despite recent attention to rural tourism in the Nordic countries, there seem to be considerable weaknesses that still qualify the sector for various forms of support from governments. As mentioned above, little systematic research has been conducted focusing on rural tourism. Thus, the following account is assembled from occasional observations and undocumented conversations with various stakeholders.

From demand-led to supply-led tourism development

Tourism has only recently been identified as a tool for rural development in most areas of the Nordic countries. Certainly, there have always been visitors to rural areas, and visits to farms and hostels in attractive mountain and seaside resorts in particular were early forms of tourism development in the Nordic countries, as were people's visits to their own second homes (Nilsson 2001, Löfgren 1999, Müller 2007). Often this early rural tourism development seems to have been demand led. However, it offered complementary incomes to farmers and other rural dwellers who opened their homes to vacationers from urban areas (Löfgren 1999).

During the 20th century, political changes, including regulations about paid holidays, created preconditions for greater demand for rural vacations. Self-catering accommodation, such as camping and cottages, became an important form of domicile (Nordström & Mårtensson 1966).

First, during recent decades of the century and particularly since the 1990s, tourism has become an option for rural development. This is because rural restructuring has caused decline in rural areas, which are characterized by emigration and unemployment. However, with the exception of alpine resorts, systematic approaches were seldom used to develop rural tourism. Instead, rural tourism is often driven by single entrepreneurs lacking formal education in the field. One significant motivation is to make a living in rural areas that have lost other job opportunities. Moreover, lifestyle entrepreneurs seek to convert their own hobbies into viable business ideas so as to lead their lives in the country-side (Helgadottir & Sigurðardóttir 2008). Still tourism development has been supported by government in nearly all western states (Jenkins et al. 1998).

Knowledge and quality issues

A common feature of many of these entrepreneurs is

their lack of knowledge of tourism. Skills and knowledge are often acquired by trial and error. Hence, awareness of customer expectations is limited, so sometimes workers have only basic skills in hospitality and service. Moreover, as discussed above, a rural location sometimes entails limited supplies and uneven quality in the services available. This is particularly true in cases where public transport and public food services, often offering a junk food menu, are the main providers. This is critical, because prices in the Nordic countries are rather high, and the competition is nearly global (Svalastog 1992).

Previously, the need to access markets required co-operation, not least with public stakeholders that organized marketing activities. Now ICT and the Internet allow companies to address potential customers directly. The role of public stakeholders, who in addition to other functions run the local tourist office and represent rural areas at trade shows and fairs, is also contested. Increasingly, private initiatives are favoured to minimize public interference and competition from rivals. However, rural tourism is conducted in the public sphere, so the total discontinuation of public participation in planning and supporting tourism has been questioned (Müller 2007a). Moreover, public stakeholders have frequently failed to present viable strategies to develop tourism, and comprehensive strategies for rural tourism development are not available in all Nordic countries. An exception is Finland, which has presented a rural tourism strategy (Roberts & Hall 2001).

Economic issues

The Nordic countries have high costs, making tourism a rather expensive enterprise not only for incoming but also for domestic tourists (Svalastog 1992). Recently, the general economic development in the Nordic countries diverged. Sweden in particular benefitted from a relatively cheap currency, making tourism in the country attractive to international and domestic visitors. In contrast, the other Nordic countries have become less attractive owing to increasing price levels. High costs, especially for labour, require high turnover from rural tourist businesses, which must be based on high-quality products to be competitive. In this context, the public right of access to private land is sometimes blamed for eroding the businesses' ability to develop exclusive products (Kaltenborn et al. 2001). However, it can also be seen as a competitive advantage luring people to the North.

Another problem is that rural tourism in the Nordic countries usually suffers from a lack of investment. To

a certain extent, a poor track record and relatively low revenues repel potential investors. Moreover, high costs for insurance and a rather rigid framework of regulations are other reasons for relatively limited engagement in rural tourism. Hence, dependency on public investment and support programmes is high, not least because private capital for investments is absent.

Rural issues

However, many challenges for rural tourism can be found outside the realm of tourism and are related to the current state of the country-side. Rural depopulation thus means a limited access to labour for tourism. Similarly, the decreasing supply of public and private services in rural areas affects rural tourism businesses and moreover has potential impacts on the rural economy. Instead of creating direct and indirect impacts in the rural economy, a lack of local suppliers implies that tourism businesses have to look for business partners in urban areas. However, this means a leakage of economic impact. Additionally, the ageing of rural populations contributes to challenges regarding the recruitment of future entrepreneurs in rural tourism.

The ongoing concentration of population in a limited number of larger urban areas entails not only that the number of inhabitants in most rural areas is declining but also that the number of people with knowledge and interests in rural affairs and the country-side is at risk of decreasing. In the long run, this could cause declining domestic demand for rural tourism. The extent to which this decline can be balanced by international tourism is questionable (Lundmark & Müller 2001).

Ironically, at the same time that tourist interest in rural areas is declining, interest in rural resources such as timber, ore and wind power obviously increases. This means a growing competition for scenery, land and labour (Müller 2011). In this context, it appears doubtful that tourism is a competitive option for development, considering its relatively low economic value in comparison with mining, forestry and energy production. Thus, public interest in tourism may decline when other sources of livelihood are once more available. Moreover, critics of course also claim that many of the alternative land uses mentioned erode the attraction of the countryside, which is at least a relatively pristine environment.

Opportunities for Rural Tourism Development

Despite the great number of challenges discussed above, there are also trends in society that seem to assist rural tourism development. Currently, the Nordic countries seem to be fashionable in the international tourism market. The ageing of western populations implies an increasing number of interested potential tourists with the time and economic resources for travel in Nordic rural areas. An increase in worldwide tourism and a tendency to travel more frequently result in more short breaks to various destinations in Europe. However, so far only metropolitan areas appear to benefit from this development. Peri-urban areas in particular could gain from spillovers into the country-side and thus profit from a generally growing tourist market. In this context, new transportation links, and especially budget airline connections, could also open new markets to satisfy demand.

In addition to these changes, a growing awareness among public and private stakeholders regarding the potentials and constraints of rural tourism development further provide a good base for development. Among private companies, attempts to develop viable high-quality products for an international market are important steps towards increased competitiveness. Various quality labels – for example, Swedish Nature's Best Ecotourism Scheme – contribute to product development and prepare companies to meet international requirements. Hence it seems that the quality of rural tourism products in the Nordic countries has improved considerably during the past decade, as has the awareness and the professionalism of entrepreneurs. Despite this welcome progress, the total supply of high-quality products still appears to be too small for developing destinations with a varied supply of homogenous quality everywhere in the North.

Hjalager et al. (2010) argue that tourism has only limited access to innovation resources; hence, funding and systematic approaches to tourism development are not found everywhere. However, on the national level, a growing awareness of the need to professionalize tourism development can be seen everywhere in the Nordic sphere. Even at the regional and destination levels, a need for change seems to be widely accepted.

However, destinations are struggling to find organizational forms allowing long-term funding and development schemes. Currently, substantial resources for development initiatives are available, but because this funding is often channelled through EU programmes, work is often organized in projects, which implies that most initiatives must be changed after the end of the funded project period.

Concluding Remarks

Although this account has highlighted numerous problems related to rural tourism in the Nordic countries, it must be acknowledged that development has been very positive over the past decade. This is not least the result of a growing awareness of a need for professionalism in a rather complex industry. Developing rural tourism remains a complicated undertaking, especially in peripheral parts of the Nordic countries. In

these areas, rural decline, including depopulation and competition for labour, are major challenges that must be met. A further problem is limited attention to rural tourism research. While there is growing willingness among public stakeholders to support regional and local tourism initiatives, there is insufficient research upon which to base initiatives. This creates a situation where many funding decisions appear to be random and not based on knowledge or strategic planning.

Against this background, rural tourism appears to be at a crossroads. On the one hand, promising development and positive demand circumstances open new opportunities for further development. On the other hand, a lack of strategic planning as well as short-sighted funding opportunities and general rural decline appear to jeopardize future development. Greater production and integration of knowledge into rural tourism seems to be a good step towards realizing the potential of rural tourism for sustaining rural communities.

National Trends in Rural Tourism-Denmark

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Rural Tourism in Denmark, Focusing on Culture Tourism and Experience-based Tourism

Rural tourism has received increasing attention in regions across Europe and the Nordic countries, often seen as either a supplement or even a replacement for primary sector economic activities that no longer generate sufficient income. In other words, the drive towards rural tourism has been driven by non-touristic concerns (income substitution, counteracting demographic decline) rather than an analysis of trends in demand among potential visitors. To a considerable extent, rural tourism has been producer driven, either by small private actors looking for new ways of generating income or by public policymakers seeking to support economic development in their locality.

While a growing demand for such rural experiences is evident, expectations would sometimes seem to be overly optimistic, especially among policymakers, and development efforts to be not sufficiently informed by knowledge of preferences and trends among consumers. The somewhat romantic notion of rurality as attractive in itself is a poor guide for deciding whether a standardized (accommodation-oriented) product such as farm tourism is preferable to more culture-based experiences. This is an important dilemma that needs to be addressed but unfortunately is not often considered in sufficient depth.

Public policy initiatives, often sponsored by EU programmes, have focused on stimulating the provision of tourism services and attractions in rural areas across Europe, and for this reason, the provision of building blocks for culture-oriented rural tourism has undoubtedly increased, although the actual use of these new facilities has not always been what was hoped for. Some of the reasons for this may be the project-based funding for new activities that supports investment more

than continuous running costs, and the types of entrepreneurs that the programmes have encouraged, often with little experience of the visitor economy because they have been driven by financial hardship (e.g. farm tourism) or some special interest in a particular cultural activity (e.g. pottery).

It is uncertain whether the sometimes disappointing results of existing initiatives will lead to a shift in another direction or to a more sustained second-generation approach with emphasis on knowledge-based business development, networking and branding.

SWOT Denmark

By way of background, it is important to know that the main form of rural tourism in Denmark is coastal tourism, primarily based around the rental of summer houses to domestic and international visitors, the latter overwhelmingly from neighbouring countries (Germany and Norway). Much more limited activity can be found inland, in the form of scattered farm tourism, but the coasts that appeal most to tourists are located in rural areas some distance from regional cities, which makes it possible in practice to equate rural tourism in Denmark with coastal leisure tourism.

The traditional drawcard for tourists visiting Danish coastal destinations is the natural environment; that is, access to sandy beaches and the pursuit of outdoor activities in the rural/non-urban hinterland. The majority of visitors are families travelling with children. The combination of outdoor activities in a Nordic climate and visitors with school-aged children has made this form of tourism highly seasonal, with June–August being very busy and other months much less so.

Strengths

The main strength of Danish rural-coastal tourism is that the destinations are well known by the national and (close-by) international markets. In terms of cultural/experience-oriented attractions, many (mainly very small) private and public actors are already en-

gaged in related activities, and at present, these providers primarily supplement the main nature-based activities in the main summer season. In some localities, public destination management organizations (DMOs) have exerted considerable effort to further these activities, because they are seen as a key to enhancing the appeal of the destination, not least outside the main season.

Weaknesses

A significant proportion of the cultural experiences currently available are highly seasonal, because they rely primarily on being add-ons to the main nature-based activity. While this may suit some actors with a lifestyle-oriented approach to their activity, it also contributes to the relatively weak base of economic and human resources that can be committed to development projects. Moreover, the fragmented nature of the firms and organizations involved means that the need for co-ordination is high, and for a variety of reasons (lack of financial and human resources, unwillingness of firms to engage). DMOs have not always given priority to innovation and development efforts in this

particular area but instead prefer to underpin the existing main (nature-based) product through marketing activities.

Opportunities

With activities dominated by small-scale actors, entry barriers for new firms are relatively low, and hence the potential agility of the sector as such should not be underestimated. Moreover, stagnant visitor numbers in recent years would seem to have increased both the innovativeness and willingness to collaborate of private actors. Because the coastal rural destinations in Denmark are well known in domestic and neighbouring international markets, the task is not to create awareness but “only” to add new dimensions to the existing image. Current cultural trends towards “simple living” may also create more demand for this kind of “slow yet cultural” holiday, as opposed to the more hectic and now widespread practice of “city breaks” in which cultural experiences are also important.

Threats

Cultural trends such as greater appreciation of city life (caffè latte culture) may make this kind of holiday obsolete in the eyes of many customers, and hence this particular product needs to be developed and marketed with a view to attracting a carefully segmented group of customers.

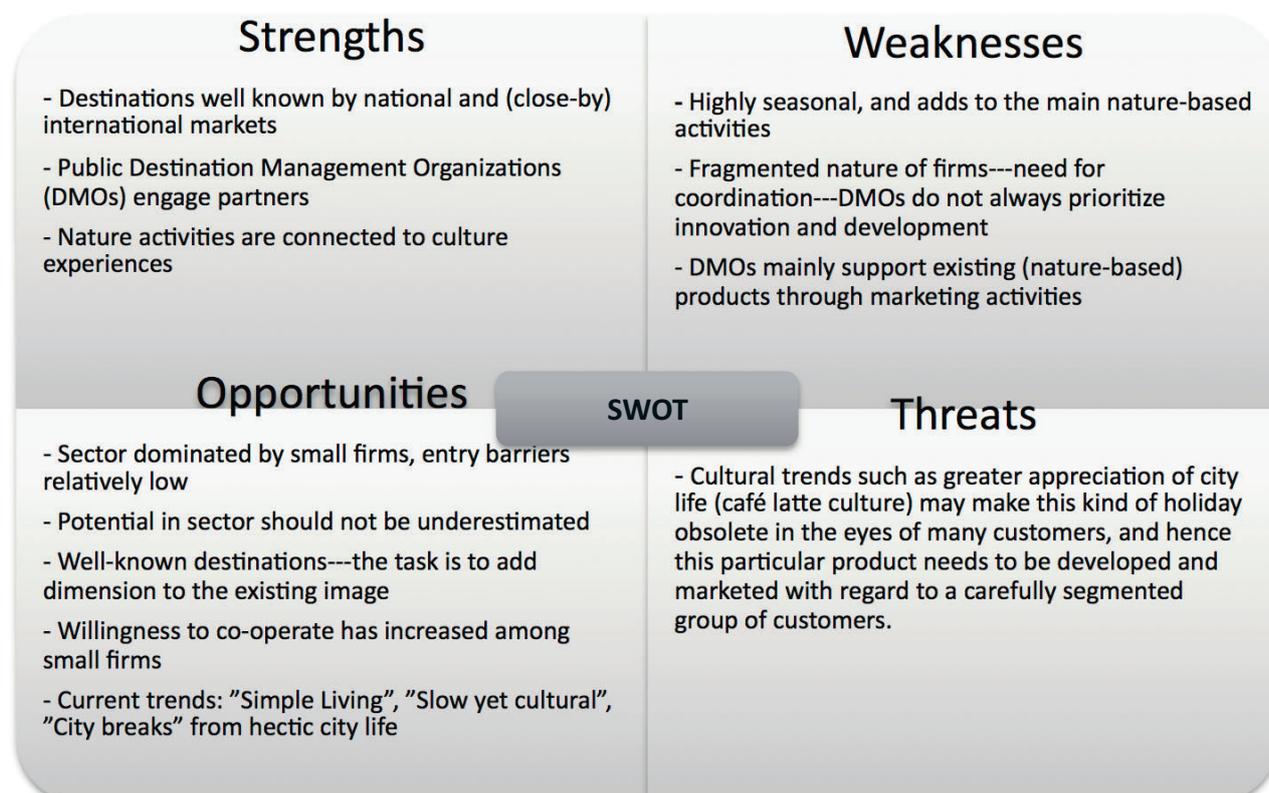


Figure 5. SWOT-Analysis Denmark

Finland

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Situation Analysis and Ongoing Trends in Rural Tourism

Introduction

In Finland, rural tourism is defined as a form of entrepreneurship based on the intrinsic resources of the country-side: nature, scenery, culture, and people. The foundation of rural tourism lies in small and family companies and in a customer-driven approach.

Rural tourism may manifest itself in many kinds of tourism services, provided that they are produced in the country-side. It may involve activities based on the natural environment and culture, food and accommodation services, holidays in the wilderness, on farms, in cabins or campsites, or even extramural school weeks. The terms used in sales and marketing or in product names do not necessarily refer directly to the country-side but may focus on activities, for instance. The rural tourism product has an integral role in the tourism strategy of Finland.

Facts about tourism and rural tourism in Finland

- Tourism's total share of GDP is 2.8%.
- 20 million foreign overnight stays
- 30 million domestic trips
- 130,500 people are employed.
- 10% in rural tourism companies
- Tourism consumption is 13.8 billion Euros.
- 25,000 tourism enterprises in total
- Rural tourism enterprises
- Approximately 5000 tourism micro companies in rural areas
- About 1600 farms offer tourism services
- Total turnover of accommodation facilities (820 full time companies) is 130 million.
- Occupancy rate (under 10 room facilities)
- 58% (high season = summer)
- 20% (low season)
- Visitors mainly domestic
- About 1/5 foreign visitors

- Main foreign markets in summer 2011 were Russia, Germany, Sweden and Estonia.

The demand for rural tourism in Finland stayed at a good level during 2012, with growth of approximately 5%. However, the expectations for the last part of the year are somewhat more cautious than those of last year.

The segment of domestic leisure tourists travelling in groups has grown. The majority of international arrivals in summer were from Russia and Germany, followed by Estonia and Sweden according to Rural Tourism Barometer (Unpublished).

Collaboration between small-scale actors in rural tourism

In practice, rural tourism networks in Finland have been and are created as a result of development projects. Alternatively, the already existing networks of business finance collaborate using the funding available for various development projects. More networks exist among rural tourism enterprises, and between them and the so-called leading enterprises and tourist resorts. These are necessary, for example, to create better products and more effective marketing. A "total tourism product" is complex and multidimensional, being based on various natural, social and cultural resources and services as well as hospitality and tourism services. These resources are owned by a variety of public, private and non-profit actors. However, tourists consider the tourist product as a whole; they are not interested in who built it, or who provides the service. Therefore enhancing networking is essential.

There are few national entrepreneurial associations related to rural tourism in Finland. These include the Finnish Association of Rural Tourism Entrepreneurs, The Finnish Nature-based Entrepreneurship Association and Finnish Country Wineries.

The Finnish Association of Rural Tourism Entrepreneurs was established in 1995. There are over 160 entrepreneurs in the association. In addition, there are support members from key rural tourism operators

and developers. The main aims are to act as a link between rural tourism entrepreneurs as well as to lobby for, to promote and to develop rural tourism.

The Finnish Nature-based Entrepreneurship Association was established in 2001 and is a non-governmental national organization formed by entrepreneurs and development organizations. It includes a wide range of actors for cross-sectoral co-operation: nature tourism and services, handicraft and food products. In addition, it integrates entrepreneurship, education, development activities and research.

Finnish Country Wineries represent 30 wineries in different parts of Finland. The Finnish alcohol production laws changed in 1995, which gave winery managers a new opportunity. A value-adding and equal classification system for Finnish country fruit winery products was adopted in 2005.

There are various regional networks as well. Here are few examples.

- Wild Taiga is an association comprising 61 companies in the tourism sector and operating mainly in eastern Kainuu in the areas of Suomussalmi and Kuhmo. The association's mission is to monitor the sector's general and common interests related to professional activities, to promote co-operation between its members and to improve the sector's general operating prerequisites (www.wildtaiga.fi).

- Saimaa Holiday is another example of a destination offering nature-based activities as a network (<http://www.saimaaholiday.net/eng/>).

- Kuusamo Food & Travel – this project by a group of enterprises is an example of a co-operative effort that started as a project and has since functioned as an operational network using public funds.

Theme-based developments

When marketing Finland as a tourist destination in the early 2000s, it was found that especially in the rural areas, there was a lack or limited amount of saleable products available. Therefore, in Finland's national tourism strategy (2006), the Finnish Tourist Board (FTB) was given the task of preparing and co-ordinating theme-based development programmes and implementing national projects. The work has been done in close co-operation with various partners such as the Rural Tourism Working Group (Rural Policy Committee) and the Ministry of Education and Culture. The themes related especially to rural areas are summer activities, culture and well-being. Below is further information on activities and culture.

Outdoors Finland

The Finnish country-side provides a good starting point for tourism products based on physical exercise in a natural setting and experience of nature. Nature is a key factor influencing the choice of destination by European activity tourists, the others being safety and cost (Finnish Tourist Board's nature tourism survey 2010). Particular importance is placed on the purity of nature, with Finland giving the best impression. However, the selection it offers to international customers is limited, and its visibility in international distribution channels for activity products is still very low compared with that of the largest competitor countries.

Outdoors Finland is a programme that the Finnish Tourist Board and Tourism Working Group of the Rural Policy Committee in co-operation have planned and launched to develop Finnish summer activities such as hiking/walking, canoeing, cycling, fishing, equestrian holidays, and wildlife watching and photography. The Outdoors Finland programme, begun in 2009 and financed 100% by the Rural Development Programme for Mainland Finland (EAFRD), co-ordinates regional projects and concentrates on developing summer activities. It is governed by the Finnish Tourist Board. The co-ordination project implements measures that would be unwise for single companies or regional projects to execute. The other responsibilities for the operations are spread throughout the field and shared by several operators such as regional projects, regional development companies, and service providers.

The ultimate goals are to increase the number of travellers using programme services in summer and to make Finland known as a high-quality active holiday destination for tourists such as trekkers, paddlers, and bikers.

According to international nature tourism research (MEK 2010), the most important factors that affect the choice of a travel destination are the safety, nature and price level of the destination. Respondents also value the quality of activities, the possibility of self-directed activities, climate suitability and the amount of information available beforehand. Respondents also answered the question of whether would they recommend Finland as a nature tourism destination. Travellers from Russia already recommended Finland, yet Dutch travellers responded that they would not. The most pleased were those travellers who took part in canoeing and fishing activities. Those groups had usually already visited Finland and were more likely to do so again. The least satisfied activity group were cyclists. On the basis of the survey results and analyses, the activity challenges can be summarized as follows.

- Finland does not yet have an image as a country that provides activities.
- Marketing is insufficient; the visibility of Finland's activities in tourist media is low.
- Supply does not meet demand.
- Buying is difficult because information is hard to find.
- The volume of tourist products is low.
- The activities are seasonal by nature.
- Co-operation is poor.
- Insufficient attention has been paid to safety issues.

It has been noticed that product formulation can be rather challenging, especially for small enterprises. Web sites do not always include specific information about the prices or contents of the services. It is important not only for the customer but also for the tour operators to find basic information on the services available. Because tourism products are intangible, information given beforehand indicates the quality of the service provided. The Outdoors Finland II programme addresses the challenges mentioned above and is financed until 2014.

Cultural tourism

The supply of cultural resources in Finland is extensive, but the tourism industry and the cultural sector have not established sufficient co-operation in producing attractive quality products for tourists. Cultural tourism in Finland has been mainly concentrated around cultural events. Therefore, the Ministry of Education and Culture has conducted surveys and research projects to understand the current situation and opportunities to develop this form of tourism better. According to a survey conducted in winter 2010, Finland has an extensive supply of cultural resources that, developed slightly for tourism, could yield significantly better tourism services without any great investment. Finland's strengths are its contrasts (east and west, modern and historical, technology and the traditions such as lifestyles and creativity). The Finnish way of life, its people, the best of Finnish cuisine and its country-side are what most people consider interesting aspects of the cultural destinations. Also of interest are sightseeing tours, guided walking tours and visits to historical buildings and monuments (TNS 2010). In the next few years, particular emphasis should be placed on developing ordinary and special products introducing the Finnish way of life as well as creating packages that bring rural culture to the fore.

Based on the research results, a national cultural tourism action plan was compiled. Its aims are to pro-

vide new experiences and opportunities for people to become familiar with these cultural resources, to learn from them or to participate in cultural activities, to enhance Finland's profile as a cultural tourism destination, to activate and support the development of culture-based products for tourism, and to maximize earning potential and employment in the arts and culture. In addition, it is intended to contribute to the development of people's identities and an understanding and appreciation of their own and other cultures.

To achieve its objectives, the CultureFinland Co-ordination Project was launched in 2011. Its main tasks are:

- to co-ordinate the development work of various projects;
- to promote co-operation among actors in tourism and culture and to create a national network;
- to co-ordinate the development of cultural tourism offerings and to strengthen Finland's cultural identity;
- to develop new ways to operate and new products, and to disseminate them;
- to develop models and criteria to promote products of high quality and sustainability; and
- to strengthen promotion and sales of cultural tourism products.

In the country-side, the main strengths and opportunities – everyday life in Finland, beliefs and traditions – should be integrated into tourism offerings. As in any other theme, quality is an issue that should be safeguarded in all traditional products such as interior design, gardens and other environments.

Tourism in rural villages

In villages, tourism is seen as an opportunity for additional income or as a secondary occupation for many people, not just tourism entrepreneurs. Development is based on the village's own strengths – often outdoors activities and local culture and heritage – special features and themes in which the village's expertise is strongest and the environment is at its best. The starting point is to develop and strengthen existing tourism activities and incorporate the village's residents, events, scenery, environment and atmosphere, thus creating more attractive tourism products and increasing sales. The particular purpose of developing village tourism is to package the special features, conventions and culture of Finnish villages in a sustainable manner.

In the Tourism Project in rural villages, launched in 2009 and still in operation, co-operation between businesses was expanded to include everyone in the

village. Tourists are guests of the whole village. For the village, this means earnings for as many inhabitants as possible. Tourist spending helps to maintain and develop services in the village. The tourists feel genuinely welcome to join everyday life in the village. A Finnish village can offer a foreign tourist a very Finnish experience.

This project will advance the combined development of villages and tourism and increase the tourism expertise of villages. The development focuses on:

- developing the pattern of activity in rural tourism;
- developing products based on the strengths, traditions and stories; and
- increasing communication and knowledge.

Home-based accommodation in rural areas

As mentioned above, the Finnish country-side offers much to see and experience. Nevertheless there is still a significant lack of tourism services in these areas. One problem is to find single night accommodation, which is especially necessary for cyclists, hikers and other tourists who require only short-term accommodation. Certainly there are many cottages for rent, but mostly for weekly rentals and therefore not suitable for these target groups.

Project Homestay, launched in 2011 and still in operation, was established to improve the accommodation supply in rural areas. The main target is to create a new accommodation concept based on home accommodation; private people offer accommodation in their own homes. Unlike to traditional bed and breakfast arrangements, the main principle in homestay accommodation is the presence of the hosts. During their stay, guests live everyday life with their hosts, receiving a personalized and unique accommodation experience, and become familiar with the Finnish lifestyle, culture and traditions. Homestay is also a sustainable form of accommodation. It does not require new construction, it is socially sustainable, and when hosts use local products and suggest other local service providers it supports the local economy.

The outcome of the project will be published in a form of Homestay Manual which will include the main principles and basic requirements, guidelines for pricing and Finnish legislation linked to home accommodation.

Rural tourism and e-marketing in Finland

During the years 2009–2012 the Ministry of Forestry and Agriculture funded a project to examine the preferences and travel behaviour of Finnish rural tourists.

For this purpose, two studies have been conducted using two different user questionnaires on the largest Finnish rural tourism web site Lomarengas.fi. Questionnaires were promoted with banner advertisements, resulting in more than 700 responses to the first questionnaire and nearly 2000 to the second. The questions were related to travel motivation, important destination attributes, travel behaviour, rural holiday accommodation, activities and e-marketing.

E-marketing is both a significant challenge and an opportunity for rural tourism companies. Knowing who the online rural tourists are and how to reach them is particularly important as an increasing number of people use the Internet to plan and book holidays, as well as social media to report their experiences. Thus, the second study focused on the e-marketing aspects of rural tourism.

Results

70 per cent of respondents rated the Internet as the most important source of information when planning a holiday and choosing a destination. For a minority of respondents, brochures (7%), family and friends (6%) and previous knowledge of the destination (6%) were the most important information source.

The most important social media services were Facebook, YouTube, Google Maps, Wikis, Suomi24 and Blogs. These were almost the only notable social media services that respondents used.

Nearly 60 per cent of respondents use Facebook, making it by far the most influential social media channel available for tourism companies. More than 80% use search engines when they plan their holidays. In addition, web sites of intermediaries (64%) and travel agents (36%) as well as destination web sites (36%) are often used. It is also interesting to note that only slightly over 10% of users use social media when planning their holidays.

More than 50% had purchased accommodation online during the previous 12 months, and 35% had purchased airline tickets. Only 20% had purchased a package tour, and only a quarter of respondents wrote reviews online.

So far, the analysis of results has mainly been purely descriptive. However, even from that analysis, a few interesting conclusions can be drawn. The importance of search engine optimization (SEO) cannot be stressed sufficiently. Most travellers who use the Internet use a search engine to find information. A competitive rural destination must be able to place its web site on the first page of results with the most possible search words regarding the destination. However, this is not yet suf-

cient. The web site must be attractive, well designed, and trustworthy and should provide users with the opportunity to purchase the service. Furthermore, a link to the Google Maps service on the area or even providing a Google Maps application for a destination web site is desirable.

SWOT Analysis

Strengths

The main prerequisites for rural tourism in Finland are good. The clean, natural environment and tranquillity with various opportunities for activities are our main strengths. In addition, the distinctive Finnish culture – a combination of East and West – are the basics of our rural tourism.

Our tourism offerings, many “pearls” based on culture and nature, are supported by well-developed tourist centres, good and functioning infrastructure, services supporting the development of tourism, high levels of technology, and stable political and environmental conditions. There are plenty of cultural resources for tourism products.

There are also several versatile tourist centres and clusters in Finland offering a diverse range of services. There are many organizations supporting the development of rural tourism. In addition, extensive research supports the work of entrepreneurs.

The price–quality ratio of the outdoor-related tourism services is good, although prices in Finland are quite high. Finland may still be perceived as a winter destination, but summer-time activities are also developing strongly.

Accessibility from Russia is one of the major strengths of Finnish tourism.

Finland has professional entrepreneurs to whom sufficient further education possibilities are available, in addition to tools and handbooks to enhance their business performance.

Weaknesses

Internationally, awareness of Finland is weak. While the country remains unknown, so do the travel opportunities it offers. Finland has poor accessibility. From places other than Russia, it is an effort to come to Finland, because one does not arrive here spontaneously. Travel costs are also higher.

Convenient air traffic links and moderate prices are vital to Finland’s tourism Strategy to 2020. For inland traffic, the importance of train and bus services is further accentuated.

Besides international accessibility, one challenge is

to ensure the availability and accessibility of outdoor services when one has arrived in Finland. The lack of public transportation in sparsely populated areas, especially during the school holidays, is a weakness to be remedied.

Summer holidays in Finland are mostly in July, whereas elsewhere in Europe, they are in August. Therefore, there are few services available during the European peak travel season.

In some rural areas in Finland, tourism is only a secondary occupation for the majority of enterprises, and for that reason, the entrepreneurs may not be motivated enough to develop their business. This may reinforce high seasonality, complicate regional development and lead to a lack of other tourism service providers.

In some areas, information about activities, routes and infrastructure may be inadequate. It may be difficult for some potential customers to find the information they need about the outdoors/recreation area. It is also important not only for the customers but also for the entrepreneurs in the area to make sure that the routes are regularly maintained and safe to use.

On a European scale, the prices of Finnish tourism services are high, and Finland has an image of being an expensive country. High taxes and labour costs are one reason for this.

The rural tourism business is a very heterogeneous one. Some entrepreneurs are professionals, and others can be described as amateurs. This partly explains the lack of customer service chain management and uneven quality. To improve quality to so-called diamond level is a goal.

Few products/packages are yet produced and offered in a network as well as across industries such as culture and tourism.

Marketing and distribution of rural tourism products is scattered, and customers have difficulty finding and buying available products and services. Closer relationships should be forged with sales agents/tour operators regarding product development. International business and e-business skills are the areas that still need work.

In a few years, there will be a great generation shift in rural tourism companies. Many companies face the question of who shall continue the business.

As in any other country, collection of statistics on rural tourism is a current issue. The official statistics on the Finnish tourism industry, in the opinion of tourism entrepreneurs, marketers and developers, do not provide a sufficiently comprehensive picture of the capacity, significance and effects of the tourism industry. For example, the official statistics do not include

accommodation facilities with fewer than 10 rooms.

In the worst case, such an absence of information can lead to underestimation of the significance of the field as an occupation and of the attractiveness of regions as a target of tourist investment. Regional data warehousing for the Finnish tourism industry – development of the data warehouse to gather, store and utilize statistical information on the tourism industry – is ongoing.

Opportunities

Customer groups have become increasingly fragmented. The ageing demographic is growing, and the elderly are more prosperous than before. Therefore, the tourism industry, like other sectors of society, must be prepared to provide services for this active and demanding group of consumers. Different generations and lifestyles require differentiation of services. This, in turn, requires sensitivity from the tourism industry in recognizing new market segments and their wishes or requirements.

An issue concerning nature tourism is the increased interest in multi-activities among international outdoor tourists. According to International Nature tourism research (MEK 2010), approximately three-quarters of respondents were interested in holidays that include multi-activities.

It also has been mentioned (Finland's travel strategy to 2020) that the methods of marketing, comparing and purchasing tourism services have changed. Consumers arrange trips independently and share their experiences with other consumers. eWOM and social network sites play a large role in customers' decision-making processes.

One opportunity concerning outdoor activities is global warming, because it may cause some mainstream tourism to turn from south to north in the future. In Finland, it also extends the season for summer activities, although the same situation is occurring in other Nordic countries.

Threats

Unquestionably the most important national group in Finland tourism are travellers from Russia, so one threat is a sudden decrease in the number of Russian tourists. Moreover, the low utilization rate and high seasonal/regional variations are very challenging for small enterprises.

From an international perspective, the main competitors with Finnish outdoor service products are Sweden and Norway. The nature-based products available are quite similar and the competitive edge must be

found in aspects such as quality, hospitality and “wow experiences”.

An emphasis on environmental awareness influences the tourism industry in a variety of ways. At present, climate change is a major source of uncertainty in the world. Although some of its ecological impacts are unknown, it is already affecting the competitiveness of the tourism trade through travellers' changing attitudes and increasing environmental awareness. The untouched and clean natural environment is the main strength of Finland's inbound tourism, and for this reason, certain environmental catastrophes would be highly problematic.

On the other hand, global warming could negatively affect winter activities and increase uncertainty in the availability of winter outdoor services.

The country-side may become deserted as people move to cities, reducing the level and availability of basic and supporting services needed by tourism companies and tourists. Another issue is the availability of a qualified work-force in the country-side.

How to exploit the opportunities and face the threats?

The opportunities and threats related to the themes are met and addressed in the co-ordination projects. The most numerous potential customers are those travellers who take part in canoeing and fishing. These tourists are also most willing to recommend Finland as a nature tourism destination.

According to international nature tourism research (MEK 2010), interest in multi-activities has increased among international outdoor tourists. Those most enthusiastic about multi-activities are Russians and travellers who fish. This is an important fact to consider in terms of small enterprises.

It is also important for individual enterprises to share information about other activities and possibilities that the area has to offer, and thus to promote and enhance the image of a destination as a whole.

Especially in travel markets, the power of eWOM and social network sites plays a significant role in customers' decision-making processes. Although recommendations from friends and relatives have a huge role in raising awareness of certain destinations, most detailed information searching is performed on the Internet. Service providers should have a strategy for e-Business behaviour and adopt the most suitable channels to interact with their (potential) customers.

Succeeding against ever-increasing competition requires rural tourism companies to move fast in the market and to build their competitive edge. The most

efficient competitive edge is having satisfied customers. The basis of all development work is that rural tourism companies commit to continued customer service and quality improvement, and that they have the appropriate development tools. Keeping up with the competition requires continued renewal and improvement of companies' products. This means promoting the adjustment of products by, for example, providing the right kind of information.

To build a competitive edge also requires research information on tourism and related trends.

In general, stronger support for small enterprises is essential. From the policy point of view, this requires, for example, taxes and payments to be made equitable and the license procedure to be simplified, especially for small enterprises. It requires promoting the planning and implementation of models for easier access to the work-force, supporting the success of generational changes by, for example, researching the significance of generational change in the success of rural tourism businesses. Moreover, policymakers should promote changes in school holiday times.

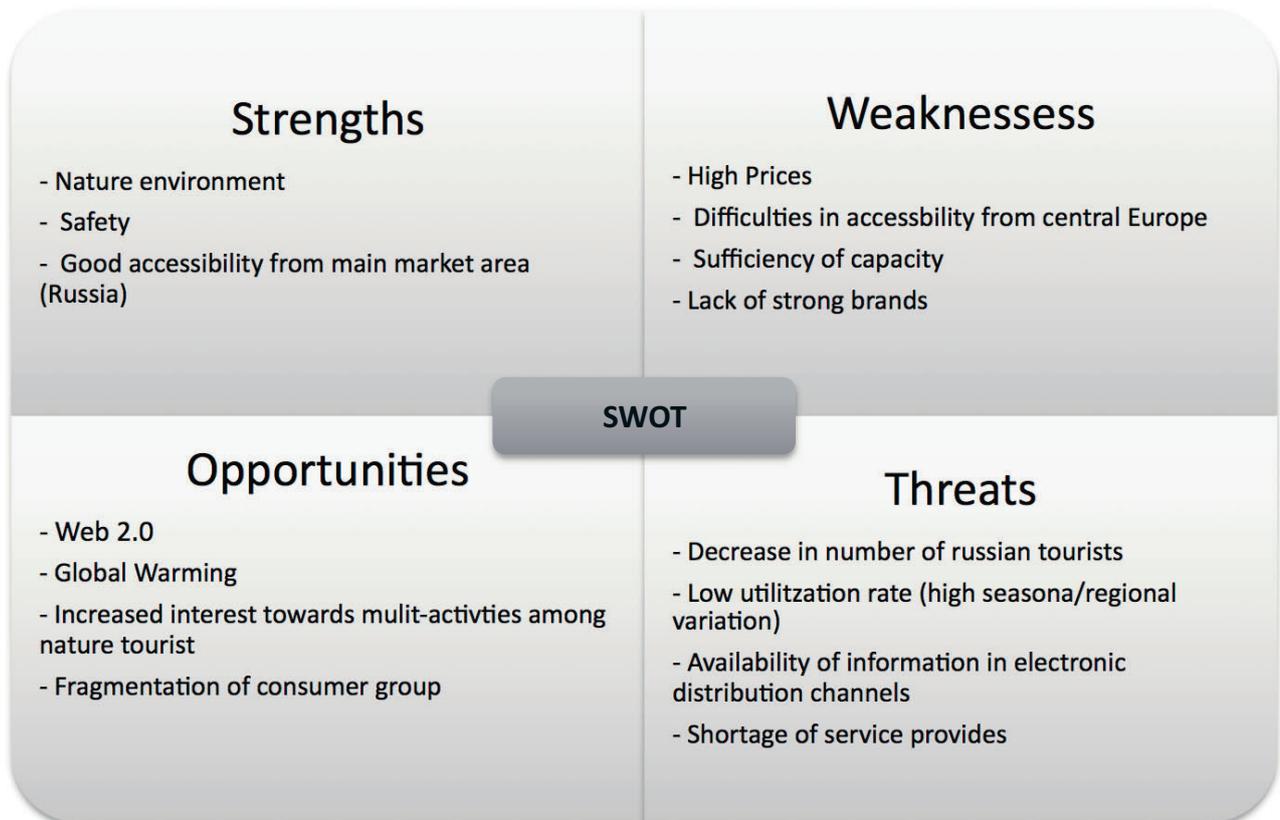


Figure 6. SWOT-analysis Finland

Norway

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Rural Tourism in Norway

This paper concerns the major trends in small-scale rural tourism development in Norway. Large-scale tourism products offered in rural environment such as skiing in predominantly alpine resorts, travelling from hotel to hotel in coaches (a market that has been reduced in recent years in terms of both numbers and price per person), most of the camping sector, and mountain trekking are not included in this report.

There are plenty of production opportunities in a country with such a diverse natural environment as Norway and one where so many people still live in a rural environment. The main problems are access, price levels and employee recruitment. When focusing on production and marketing, these three challenges always have to be included.

Situation Analysis and Description of Ongoing Trends in Rural Tourism

The Department of Agriculture in 1987 appointed a committee to focus on rural tourism and issued a report on this issue some years later (Bygdeturismutvalget 1990). The mandate of this committee was as follows.

“The committee should:

- facilitate the combination of growth and development with farming or other actions that could easily be integrated with the life in rural communities, and
- discuss bottle-necks in tourism development in general, including farm and rural tourism.”

Some results of this process were the following. Since the end of the 1980s, there has been special funding for product development in rural areas, most often for local farmers (*Bygdeutviklingsmidler*). These projects are financed through the national agreement of farm subsidies (*Landbruksavtalen*). Most non-traditional rural

development products have been partly financed through this agreement. A special scholarship for Females on Farms (*Kvinner i Landbruken*) was offered to increase the productivity of smaller farms. Handicrafts, small-scale specialty food production and cultural activities, in addition to new uses of traditional building, were established through this funding.

Rural tourism in Norway is today mostly based on two elements:

- the natural and cultural landscape, and
- the use of private cars for access.

Seasonality and climate differences/variations are important components of, and hindrances to, year-round production. This has been the aim of many political documents, but the past 40 years have clearly shown that this goal is not feasible. The reason is not on the production side but is because demand for products that the rural communities in Norway could provide is not constant throughout the year.

Seasonality is thus a big challenge but also an advantage for many! Seasons are summer from June to August, and in some areas extended to September for the coastal and alpine areas, and *winter* from December to April for some skiing and ski resort areas. For climatic or production reasons, it is possible for some areas to combine these two seasons. The advantage of seasonality is that harvesting in agriculture could be conducted during low seasons of tourism, and agro-tourism is an ideal combination.

For tourism development, *rural/urban* dimensions must be represented by geographical factors. In Norway, they are different, with *coastal*, *mountain* (and mountain valleys) and *city hinterland areas* (mostly cultural landscapes and forests). In addition, there is a *South–North* dimension. These dimensions, in combination with seasonality (above), suggest that there may be a series of production regions that depend on quite different national and international markets. Thus, marketing rural tourism products is a considerable challenge. There are many bodies focusing on

the markets for rural tourism products, such as Hanen (*Farmers Union*) or DinTur – Norway Nature Travel (*Forestry owners*). These organizations are either semi-governmental, in that they are partly government funded, or are private bodies in co-operation with the government.

In addition to those producers who are dependent on seasons, there are some producers of “non-weather products” such as high-quality accommodation units, often in renovated traditional farm buildings. These could benefit from special business markets such as small meetings/seminars combined with cultural programmes and high-quality cuisine, family-based reunions such as birthdays and weddings, company recreation events such as “Christmas tables for companies” (*julebord*) and *educational/cultural visits*. These are often conducted at renovated heritage farms (*kulturarvsgårder*) or specially designed buildings. In addition, good access and natural beauty will enhance the total value of products. The producers are often members of the Norwegian Heritage Association, and the best ones have been approved by the *Olavsrosa* (St. Olav’s Rose) brand and have been given the right to use its logo.

A growing and very successful production field has been activities such as those of the international “*amateur fisherman markets*”, mostly based on sea fishing but also growing in terms of lake and river fishing. This used to be focused on expensive wild salmon in restricted rivers, and it provides money and work to the farmers/landowners along the salmon rivers, but the sea fishing opportunities have expanded into a product that includes equipment and boats. Similar products have been launched for other types of “*nature harvesting*” such as hunting of birds (mostly ptarmigan) and larger animals such as deer and moose.

Another market is that of *nature-based sports*, but this is in strong competition with the ski resorts because preparation of ski tracks and cycling paths must be financed to be competitive in these markets. Some producers are located on the fringes of these ski resorts and thus must compete either on price or on “extended qualities” such as meeting venues (see above).

The challenges for most rural tourism production will be as follows.

■ **Staffing:** Staffing is difficult, especially the need for employees in food production and for educated interpreters. Most important is the problem of employing qualified chefs when the firm is too dependent on seasons.

■ **Price and wage levels:** In Norway today, high costs of production will always be a challenge. There are many

more attractive jobs available in the local areas.

■ **Access:** Many rural producers are almost inaccessible without private or rented cars. It is easy for a foreigner to enter Norway by air, rail or ship, but the cost of car hire is high, and public transport does not go “everywhere” any longer.

■ **Combination work:** Because of seasonality, most small-scale producers must have a supplementary or basic job to earn enough throughout the year for an acceptable income.

Because many small-scale producers are dependent on at least one person in the household having a stable income outside the tourism industry and because being a landowner/farmer is important for access to land/space, the policies for other industries and government work are as important as the framework of the rural tourism policy.

The main challenges of rural tourism policies are that the political strategies of rural development are found in different ministries and at different administrative levels. In the Norwegian administration system, some of these policies are contradictory, meaning that one ministry will favour a development while another will see tourism as a threat to its political goals. One saying is that “we like to have the tourists spending in our community, but not their spending behaviour”.

Another rural phenomenon is the growing number of festivals and similar events, mostly during the summer season. Nearly every small rural community has an idea for a *festival*. Some of these have an international flavour; most are based on music, and include a combination of famous bands, local choirs and bands. Others are more local, and in addition to music, they include art exhibitions, local historical tours or hiking, local food and beverages and story-telling. Some also include sport competitions such as football tournaments for youngsters.

Two Additional Rural Product Areas that are Different

The basic small-firm rural products are discussed above. There are, however, two important areas/fields of rural tourism that should be mentioned separately. They are as follows.

■ **Protected area tourism** – mostly within and on the fringes of National Parks, but sometimes also in connection with other protected areas. This is a nature-based field in which Norwegians could learn much

from products abroad.

■ *Ski resort tourism* – which may be experienced as tourism in urban enclaves in a rural setting – a product that is increasingly dependent on those living in private second homes.

Because those two are different regarding both markets and products, I have not attempted to discuss them in this first version of a paper. Protected area tourism should have been included, while ski resorts may be regarded as beyond the scope of this paper. In the SWOT analysis I make some remarks on protected area tourism, but these are only to be regarded as hints.

SWOT Analysis

This analysis will be based on rural tourism production in general. If there is a need, this could easily be extended to a number of specialty groups such as cycling holiday-makers, younger families, those interested in fishing – either at sea or in rivers/lakes – mountain and pilgrimage track hikers, and snow sport enthusiasts.

Strengths

■ *The extreme variations in landscapes*: These range from Eastern Norway and Trøndelag agricultural land and forests to the mountain range landscapes and the natural beauty of the very long coast line from south to north. Some protected areas such as National Parks and World Heritage Sites could offer important rural area tourism products, especially on the borders of the protected areas.

■ *The highly developed transport system*: Nearly everywhere is accessible by private cars, and much of the country is accessible by railways, airports and the system of car ferries across fjords and to islands.

A cultural landscape containing many still active small farms, even in remote areas: This is mostly because of highly subsidized agricultural production. Farming and domestic pastureland are important for keeping the cultural landscape as it is.

■ *Much of the accommodation is now self-catering*: This includes camping sites, privately owned or commercial chalets and apartments or “B&B-like” farm-stay units, often houses in former farm buildings. (This is also a weakness with regard to rural employment.)

■ *The subsidizing of farming and farm tourism*: This will be a strength (see below) but also both a weakness and a threat. Farmers have an opportunity to access several sources of funds to establish “farm-related activities”.

■ *The many small museums*: Museums scattered around the whole country give those interested in local cultural traditions opportunities to understand the natural environment and cultural traditions.

Weaknesses

■ *Many areas in Norway are single-season areas*: Along the coast-line, most areas are often only visited during a short summer season (three months), and in the interior, some areas are mostly dependent on snow for skiing (four months).

■ *The high costs of using human capital in tourism production*: Wages are high in Norway, so labour is expensive. This means that many people working in the tourism industries are (temporary) immigrants, not always educated to provide sufficient local information to the tourists – and not always present on the first of November to qualify as a local tax payer.

■ *A scarcity of labour force*: This often means that because much of the work in tourism is both low paid and seasonal, it may be difficult to attract sufficient labour outside the students’ holidays. For most farm-based products and small accommodation units (such as camping sites), young family members and pensioners (seniors) are the only locals available to recruit.

■ *The national railways (NSB) have not focused sufficiently on the active tourists’ total transport demand*: Thus, bringing skis, snowboards, mountain bikes or even specialty luggage was much easier some years ago when most of the trains had a “luggage wagon”. Today, the design of the trains and the growing number of thefts from the trains means trouble for those not using cars.

■ *The restrictions for foreigners of bringing home-cached fish*: The amount of “prepared fish” that each holiday-maker from abroad can bring home is now 15 kilos, in addition to the fish that visitors eat every day. Some tour operators in this market indicate that the limits are slightly too low.

■ *Because so many funding opportunities are part of the “National Farming Agreement” (“Landbruksavtalen”), other innovators may be excluded*: This often means internal competition in favour of farmers and making it more difficult for non-farmers to establish products. Some years ago, there was discrimination against skilled/educated craftspeople in favour of farmers without formal skills. The latter group had better access to finance for their “production”.

■ *The management of national parks in Norway*: Park management in Norway is the poorest in Europe, when both manpower and tourism development tasks are considered. This must be improved if new nature-

based products are to be offered on international markets.

Opportunities

■ *Leverage the variation of landscapes and natural beauty of Norway:* These provide many opportunities for products for those markets that focus on uniqueness. Guided tours and activities of special interest groups are attractive on international markets but still lack many attractions. Even signposting in foreign languages is a challenge.

■ *Focus on those tourists who are able to pay for a visit:* This often means that the product quality of offerings must be enhanced. This may be a large change, because for a long time, products have focused too narrowly on satisfying the demand for low-paying coach trips.

■ *Formulate a special strategy for groups characterized by low-spending, low-standard tourists such as young backpackers:* To combine activities for this market is important.

■ *Make national parks and protected areas more accessible for those unable to walk everywhere:* Some tracks and footpaths should also be arranged conveniently for handicapped people. Even the growing market of senior citizens who want easier access to the parks means new opportunities, but these must be further developed with accessible products.

■ *Managing national parks and world heritage areas as other nations do:* This could create a variety of new products and better accessibility, and thus enhance the perceived product quality.

Threats

■ *Scarcity of high-quality labour, such as chefs who are not attracted by a combination of seasonal demand and the working hours.* In the rural areas, chefs in families with small children will prefer work in the social services, such as senior citizens' homes. These institutions

have difficulty recruiting but can offer stable year-round work.

■ *The extremely high Norwegian wages for both qualified and non-skilled employees compared with most other countries.* The prices Norwegian producers could charge may not be high enough for them to survive. Some markets should thus be excluded if their tourists cannot pay local prices.

■ *Final access for foreigners coming to Norway by air:* Low-cost fares make Norway very easy to access, but the collective transport to small rural businesses in the fjords, valleys and mountain areas are lacking and often not well co-ordinated. For example, a trip to a remote mountain farm close to a national park may entail an expensive taxi for the last few kilometres.

■ *Natural hazards and climate changes:* The summer of 2011 showed that intense rain may also fall in areas east of the high-precipitation areas of the fjords. This means that floods and avalanches may be more frequent in the future than today. Many small-scale producers are dependent on a road network of lower national priority.

■ *Competition from similar countries:* Some countries take product and market development more seriously than the Norwegian government. Each new step that they take in product development may provide an advantage compared with Norwegian rural areas.

■ *Potential changes in agricultural policies:* Such changes may change traditional production drastically. This could be a stimulus of creativity but could entail loss of farm-affiliated traditional products.

Most rural tourism products will be dependent on close connection to, or coexistence with, farming, forestry and other rural production. In the future employment market, job combinations will be even more common. This is a challenge to local communities.

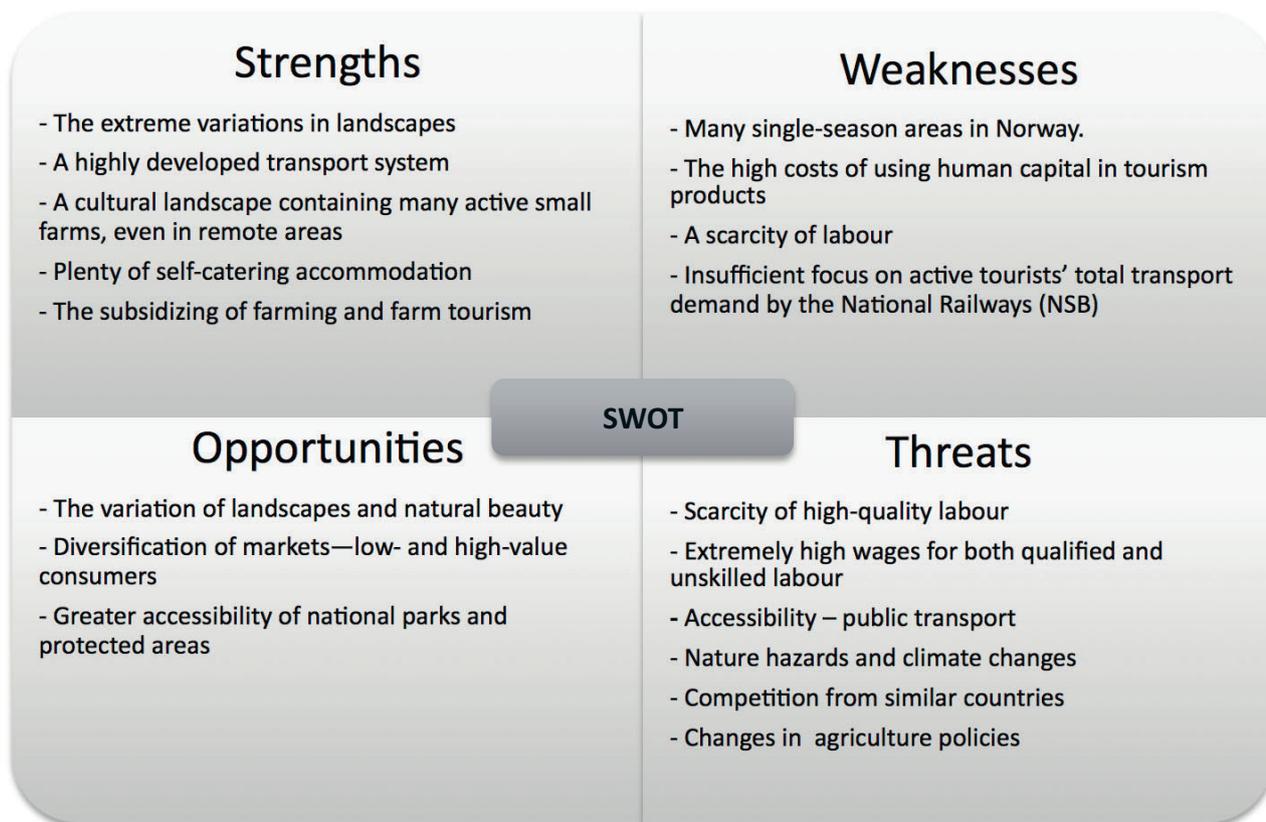


Figure 7. SWOT-analysis Norway

Sweden

Dieter K. Müller, professor, Department of Geography and Economic History, Umeå University

Rural Tourism in Sweden

Striving for tourism development in Sweden is currently an omnipresent process in the country. The particular success of Sweden on the international market certainly strengthens these ambitions. However, major tourism growth is mainly achieved in metropolitan regions. Owing to definitional problems and because data on rural tourism are lacking, comprehensive information on rural tourism is scarce. Nevertheless, there are major attempts to strengthen rural tourism development, mainly within the context of rural development policies and development schemes.

In Sweden, tourism development is usually approached from a destination perspective. Hence, policy usually does not target the development of rural tourism in particular but rather the development of destinations that are generally rural in their characteristics. The responsible authorities are thus also answerable to the Ministry of Enterprise, Energy and Communications, and the aim of Swedish tourism policies is mainly related to issues of entrepreneurship and regional growth. However, even the Ministry of Rural Affairs is an important stakeholder that adopts various initiatives to support tourism. In this paper, the focus is primarily on the transformation of rural areas and particularly on the diversification of the rural economy away from agriculture and forestry towards service industries such as tourism.

In this particular context, the Rural Development Programme (*Landsbygdsprogrammet*) distributing a total of total 36 billion SEK during 2007–2013 has been an important public initiative utilized to develop rural tourism. The programme is intended to stimulate sustainable development in rural Sweden, and its objectives are to improve quality of life, to broaden entrepreneurship and to enhance the development of the rural economy. In this context, at least 100 million SEK annually have been budgeted for rural tourism development. However, it is unclear how much money is in fact allocated to measures enhancing tourism development because tourism may also benefit from measures not targeting tourism development directly.

Another initiative indirectly concerning rural tourism development is the governmental initiative Sweden – The New Culinary Nation (*Sverige – det nya matlandet*) intended to develop culinary tourism and its supply chain. This initiative is financed by the Ministry of Rural Affairs and involves Visit Sweden, the semi-governmental marketing agency. The Ministry of Enterprise, Energy and Communication also funds (60 million SEK, 2012–2014) additional activities to develop further five destinations in Sweden; namely, Bohuslän, Kiruna, Stockholm archipelago, Vimmerby and Åre, all featuring rural tourism products. Depending on location, EU structural funds are also invested in rural tourism development, often in close co-operation with other national initiatives.

What is Rural Tourism in Sweden?

Rural tourism is not an easy concept to apply in a Nordic context, particularly when comparisons with non-Nordic countries are made. The reason for this is that most Nordic landscapes are dominated by boreal forests and some by the Scandinavian mountain range. Although rural with respect to modes of production, it is sometimes perceived as “nature” or “wilderness”. Thus, much rural tourism in Sweden should be labelled nature-based tourism, especially in northern Sweden. This practice also reveals what is seen as a major attraction; it is not necessarily an agricultural production landscape, but rather one perceived as natural (although it may be formed by productive forestry).

Another problem of delimitation is related to the interface towards coastal and marine tourism. Coastal resorts are few, and thus coastal tourism often has ingredients of rural tourism, because these contribute to the attractiveness of coastal regions.

The giants of rural tourism

Two major forms of rural tourism are camping and second home tourism. Both are well established and

have a considerable history. Camping generates about 14.5 million overnight stays annually, while second homes are in use for approximately 35 million nights. These forms of tourism thus outnumber other forms of rural tourism by far. Camping tourism generates approximately 15,000 seasonal jobs. The economic impact of second homes is more difficult to estimate because spending is mainly restricted to retail and craftsmen's services. Hence the advantage of second home tourism is sometimes its contribution to maintaining rural service supplies. Both forms are often neglected in Swedish debates of rural tourism, probably because they do not clearly contribute to strengthening the domestic tourism industry.

Another important form of rural tourism is outdoor recreation. However, most outdoor recreation is within the home region of the recreationists, and thus the extent to which it qualifies as tourism is debatable. However, from the perspective of rural service suppliers who benefit from the spending of rural recreationists, this is a purely academic question. The rate of participation in outdoor recreation in Sweden is still high, and the value of such activities for the recreationists involved is considered to be important. Recently, the basis for most outdoor recreation, the right of public access, has been contested by landowners fearing increasing infringement of their ownership rights by berry pickers and nature-based tourism companies.

Commercial rural tourism

Recently, efforts to develop commercial rural tourism products have intensified. The Federation of Swedish Farmers (LRF) is one important stakeholder seeking to provide an alternative source of income to its members. Farm-stays (*Bo på lantgård*) are today offered by more than 300 providers, not least in southern Sweden. In addition, farm shops offering local food and various events related to farming are important features. Other important activities in farm-based tourism are horse riding and hunting.

All over the country, minor local heritage museums and tourist sites seek to attract visitors. However, the commercial value of these sites is mainly indirect, because visitors spend time and money on other services in the country-side.

Angling is another important activity offered throughout Sweden. Often recreational fishing is conducted individually and is licence based. In northern Sweden, fishing camps offer more comprehensive tourism experiences including accommodation and guiding. An important initiative in nature-based tourism is the Nature's Best labelling scheme initiated by the

Swedish Ecotourism Association. A total of 87 companies offer various activities including wildlife watching, dog sledding, canoeing, rafting and fishing. A recent initiative following the example of Nature's Best is Sapmi Experiences, focusing on enhancing genuine Sami tourism products.

The commodification of rural tourism is also promoted by major landowners such as Sveaskog, the publicly owned forest company. Sveaskog manages a web site (inatur.se) offering nature-based tourism products and leases land to tourism companies.

Recently, winter activities have become more prominent in touristic supply, not least in northern Sweden. However, a problem for many nature-based tourism companies is that commercial tourism offerings are mainly developed in remote areas far from major demand markets.

SWOT Sweden

The situation for rural tourism in Sweden certainly differs between parts of the country. Hence, it is problematic to sketch a general profile for rural tourism in Sweden. Nevertheless, the following listings highlight at least some of the most pertinent features of current rural tourism in the country.

Strengths

Small rural tourism businesses in Sweden currently have few strengths. Their major strength appears to be the resource base – a landscape that is perceived as natural and unspoilt. Swedish regulations forcing livestock to graze in meadows further contributes to a genuine image as does the general image of the Sweden as environmentally friendly, clean and safe.

Another strength is the limited competition for land use in most areas of the country. Thus, rural enterprises are seldom threatened by other activities competing for the same space. However, exceptions do occur, not least in wind power development.

Moreover, current companies are protagonists of new and desired development, and they can thus count on substantial support from local community and authorities.

Weaknesses

Unfortunately, weaknesses are more numerous than advantages. Access to capital in Swedish rural regions is currently problematic, making investment in tourism facilities difficult. Thus, financial support from public agencies is crucial.

Similarly, the availability of tourism skills is lim-

ited. Thus, many rural entrepreneurs lack a basic understanding of the tourism system, market intelligence and skills in hospitality. The latter is particular problematic considering the often global experiences of their customers. Moreover, an inability or unwillingness to hire skilled staff constrains the development of businesses.

Tourism is a complex product, and it depends on many producers, such as providers of accommodation, transportation, food services and activities. These are not always available to the extent needed, and the quality of services certainly varies even within the same region. Moreover, the environment in which many of the businesses operate does not support tourism activities. For example, the general decline of rural services worsens the preconditions for running a rural tourism company. In addition, insurance requirements and regulations targeting, for example, food security further discourage engagement in tourism.

Often the number of different activities on offer is limited, and distances to other providers of tourism services are long. As a result, the total tourism product does not invite longer stays. Furthermore, local competition is too limited and does not encourage improvement of services.

A relatively strong seasonality, sometimes only allowing one season, makes it further problematic to make a living from rural tourism. This is often accompanied by running tourism businesses on a part-time basis, which at least in some cases constrains the professional performance of the entrepreneur.

Relatively high prices, particularly in cases where the same or a similar experience can be acquired free of charge based on the right of public access, is a further weakness of many small tourism businesses.

Opportunities

The current positive development of Swedish tourism on the domestic and incoming market certainly opens opportunities for further development of rural tourism businesses and promises continuous growth. Obviously, the international market has developed some goodwill towards the Swedish tourism product. Increased competition and budget airlines have improved the accessibility of Swedish metropolitan regions. It is certainly a challenge to use these opportunities and to spread impacts evenly across rural regions.

Current attempts to develop destinations in Sweden are certainly positive and can contribute to more pro-

fessional development of rural tourism as well. More destinations are expected to reach a state of quality and variety where export is possible. Hence, immature tourism production systems can be improved dramatically.

In this context, the current public support should be highlighted as a good opportunity to establish or develop rural tourism businesses. However, it is obviously unclear how long this window of opportunity will remain open.

Ongoing rural restructuring forces people who desire to maintain rural areas to engage in alternative industries at the same time that urbanization continues and further creates a potential demand market.

Regarding domestic demand, an ageing population, greater affluence for many parts of society and a growing willingness to pay for entertainment and “experiences” generate good preconditions for further expansion.

Threats

Continuing urbanization and a dominance of urban lifestyles (including the declining number of driving licenses) may in the long run imply declining interest in rural areas, not least on the domestic market.

Moreover, the ongoing depopulation of many rural areas is causing increasing labour shortages and a general deterioration of rural service supplies. In this context, shifting ownership between generations has turned out to be a critical event. Particularly in places where alternative industries compete for labour, tourism is certainly threatened by a loss of access to labour.

Many small-scale tourism enterprises operate with small economic margins. Thus, increasing interest rates, and other major economic changes and turmoil, may imply major challenges to the survival of many companies.

The current interest in rural tourism manifested in public programmes certainly creates high hopes and great expectations. However, whether these can be met all over the country seems doubtful, and thus current efforts to develop rural tourism may turn out to be a short-lived fashion when expectations cannot be fulfilled.

A major threat to rural tourism businesses in Sweden comes from disturbances of the resource base. These occur mainly locally/regionally and therefore do not pose a major challenge to the entire industry.



Figure 8. SWOT-Analysis Sweden

Although the scientific knowledge of rural tourism in Sweden is very limited, certain conclusions can be drawn. Rural tourism development is often a result of rural restructuring and decline in traditional industries. Moreover, entrepreneurs are often lifestyle driven, and thus other goals than economic ones dominate their agenda. Against this background, achieving development programmes initiated by public agencies is complicated. This is also true for attempts to develop destinations all over the country. Development is often

far more chaotic than anticipated, and progress builds on mutual co-operation and common goals that are absent at many destinations. Marketing, which is often seen as the best way forward, seldom resolves these shortcomings.

The major challenge ahead is certainly not to be found in the tourism industry itself but rather in ongoing rural depopulation, decline of rural services and a fading interest in rural areas in general.

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Appendix 1. Program and participants Workshop

Dag 1 – 20 september	
12:00-13:00	Registering och lättare lunch
13:00-13:30	Välkommen och introduktion till seminariet! Introduktion till seminariet av Nordiska Minister Rådet arbetsgrupp och Kommunal – og Regional departement. Moderator Lukas Smas, Nordregio
13:30-14:30	Småskalig landsbygdsturism i de Nordiska länderna Dieter K. Müller, Professor Umeå Universitet
14:30-15:00	Kaffe och nätverkande
15:00-15:30	Helårs virksomhet ved store skidestinasjon/Nationellt reiselivsprojekt Gro Svarstad, Trysil kommune, Norge
15:30-16:00	Det professionelle turisterhverv – fokuseret kompetenceudvikling af turismens aktører i Midtjylland Bodil Meldgaard, Udviklingskonsulent, Midtjysk Turisme, Danmark
16:00-16:30	En gårds historia – ett exempel på att driva turistföretag i landsbygden Gunilla Wikström, Westerby Gård, Finland
16:30-17:00	Summering och avslutning dag 1
18:00-	Avfärd studiebesök och gemensam middag
Dag 2 – 21 september	
08:45-09:00	Introduktion dag 2 Lukas Smas & Christian Fredricsson, Nordregio
09:00-09:15	Reiseliv som lokalsamfunnsutvikling Roar Werner Vangsnes, Distriktssenteret
09:15-09:45	Samverkan inom småskalig turism - Destination Kangos Johan Stenevad, Lapland Incentive AB – Tärnedalen, Sverige
09:45-10:15	Verdiskapingsprogrammet for naturarven Bente Rønning, Direktoratet for naturforvaltning, Norge
10:15-10:30	Kaffe
10:30-11:30	Workshop i mindre grupper - Diskussion med fokus på olika teman och det nordiska samarbetet.
11:30-12:00	Uppsummering av workshop och gemensam diskussion Lukas Smas, Nordregio
12:00-13:00	Slut på seminariet och lunch

Participants

Namn	Organisation
Anette Prilow	Danske Regioner (DK)
Anja Mølgaard Jakobsen	VisitSkanderborg (DK)
Bodil Meldgaard	Midtjysk Turisme (DK)
Christian Fredricsson	Nordregio (SE)
Dieter K. Müller	Umeå Universitet (SE)
Gerd Slinning	Kommunal og Regional Departmentet (NO)
Grete Gausemel	Landbruks- og matdepartementet (NO)
Gro Svarstad	Trysil kommune (NO)
Gunilla Wickström	Westerby Gård (FI)
Henrietta Schönenstern	Näringsdepartement (SE)
Hugo Bjørnstad	Aust-Lofoten Videregående skole (NO)
Ina Berggård	Näringsdepartementet (SE)
Jákup Sørensen	NORA (Nordisk Atlantsamarbejde)
Johan Stenevad	Lapland Incentive AB (SE)
Jorma Leppanen	Arbets- og næringsministeriet (FI)
Judith Kortgård	Kommunal og Regional Departmentet (NO)
Jörgen Lithander	Tillväxtanalys (SE)
Karsten Bækgaard	Region Midtjylland (DK)
Kirsti Aulstad Sogn	Nærings- og handelsdepartementet (NO)
Lukas Smas	Nordregio (SE)
Raija Ruusunen	Rural Policy Committee (FI)
Roar Werner Vangsnes	Distriktssenteret (NO)
Thor flognfeldt	Høgskolan i Lillehammer (NO)
Monica Eriksson	Oppland Fylke (NO)
Dag Arne Henriksen	Oppland Fylke (NO)
Liv Bjerke	Oppland Fylke (NO)
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