

Analysis of Opportunities for the Use of Cultural Heritage in Rural Tourism in Latvia

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Abstract—The preservation of cultural heritage has become an important component of government policies of the EU and, of course, Latvia. Along with the preservation of cultural heritage, the use of it is also important. The paper focuses on the problem of use of cultural heritage in developing rural tourism. Based on their previous research studies and the results of conversation with experts in cultural heritage and tourism as well as representatives of nongovernmental organisations and local governments, the authors have performed a SWOT (strengths, weaknesses, opportunities and threats) analysis for the use of cultural heritage in rural tourism. The SWOT analysis was done to comprehensively examine the opportunities for the use of cultural heritage and the kinds of cultural heritage exploited in rural tourism. Taking into consideration foreign experience in the use of cultural heritage, the current situation in Latvia and the expert recommendations, the authors chose the following scenarios (models) for the exploitation of cultural heritage for the development of rural tourism: the use of cultural heritage for the development of rural tourism is based on the initiative by entrepreneurs, public organisations and residents; the use of cultural heritage for the development of rural tourism is implemented by means of a national and local government-funded programme; the use of cultural heritage for the development of rural tourism is implemented by means of EU funds for cultural heritage preservation. The scope of the selected scenarios is exactly the use of cultural heritage for the development of cultural heritage in the entire territory of Latvia. To comprehensively assess the potential scenarios, the research further gives a vision for the implementation of the scenarios and the SWAT analysis results. The paper defined three scenarios for the use of cultural heritage in the development of rural tourism and performed detailed SWOT analyses of each scenario. The decision on the choice of the most appropriate scenario was made based on an expert decision-making method – the Analytic Hierarchy Process (AHP).

Index Terms —cultural heritage, tourism, AHP

I. INTRODUCTION

According to statistical data as well as public reports, statements and comments of industry experts, there are a number of challenges in the rural tourism sector that are, to a great extent, associated with the efficiency of the system and its components. For this reason, it is urgent to

analyse the situation in the field of efficiency of rural tourism and to work on the development, enhancement and adaptation of new options for further development of the system. Diverse visions of the use of cultural heritage in rural tourism emerge in the public arena. In the opinion of the authors, it is important to identify which vision is the most rational and appropriate for the needs of Latvia and which one mainly focuses on meeting all interests, as well as which one ensures the long-term competitiveness of the country.

Based on their previous research studies and the results of conversation with experts in cultural heritage and tourism as well as representatives of nongovernmental organisations and local governments, the authors have performed a SWOT (strengths, weaknesses, opportunities and threats) analysis for the use of cultural heritage in rural tourism [1]. The SWOT analysis was done to comprehensively examine the opportunities for the use of cultural heritage and the kinds of cultural heritage exploited in rural tourism (Table I).

TABLE I. SWOT ANALYSIS FOR THE USE OF CULTURAL HERITAGE FOR THE DEVELOPMENT OF RURAL TOURISM

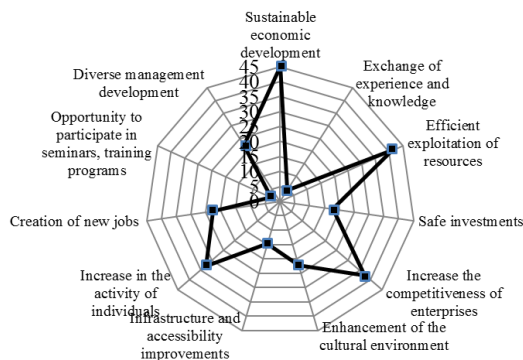
Strengths	Weaknesses
Sustainable economic development	Insufficient understanding and recognition of the concept of cultural heritage
Exchange of experience and knowledge	No experience in the exploitation of cultural heritage
Efficient exploitation of resources	Lack of time resources to be dedicated to cultural heritage
Safe investments	Mutual trust problems
Enhancement of the competitiveness of enterprises	Necessity for more information
Enhancement of the cultural environment	Knowledge and experience of different levels
Improvement of infrastructure and the availability of it	
Increase in the activity of individuals	
Creation of new jobs	
Opportunity to participate in training seminars within programmes	
Diversification of economic activity	
Opportunities	Threats
National and regional support	Bureaucratic barriers
Opportunity to attract EU structural funds and the co-funding of EC programmes	Low administrative capacity for introduction
Active nongovernmental organisations	Failure to attract funds
Public support	Economic pressure from stakeholders
Education of the population	Lack of entrepreneur interest in giving support
Enhancement of infrastructure	
Increase in the number of tourists	

Source: authors' construction

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Pairwise comparison was employed to identify the most important SWOT factors. Pairwise comparison is an instrument allowing identifying the most significant factors by ranking two individual comparable elements by significance or importance [2].

To identify which strengths, weaknesses, opportunities and threats affect the use of cultural heritage in rural tourism more and which less, the authors employed expert pairwise comparison – filled in a matrix for every SWOT factor group and calculated the overall rating for every factor. The authors summarised the experts' ratings and drew Venn diagrams. The components and the components' ratings acquired by means of pairwise comparison were plotted on the axes of the diagrams.

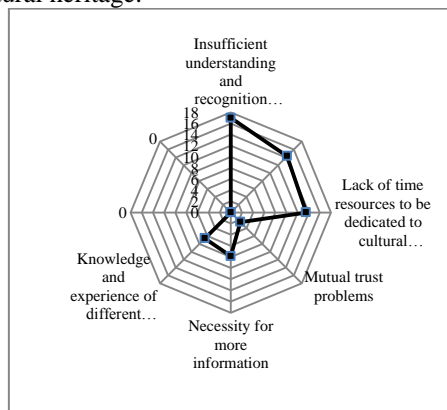


Source: authors' construction

Figure 1. Strength factors for the use of cultural heritage in the development of rural tourism

As shown in Fig. 1, the most important strengths in the use of cultural heritage for the development of rural tourism were sustainable economic development followed by the efficient exploitation of resources, the enhancement of the cultural environment and increase in the activity of individuals.

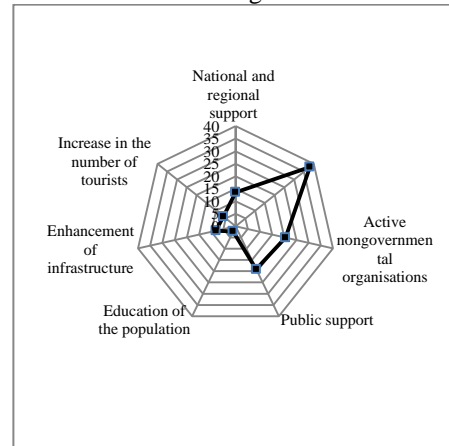
Fig. 2 shows the most important weaknesses in the use of cultural heritage for the development of rural tourism. The most important weaknesses were as follows: the lack of time resources to be dedicated to the society nowadays, necessity for more information as well as the insufficient understanding and recognition of the concept of cultural heritage.



Source: authors' construction

Figure 2. Weakness factors for the use of cultural heritage in the development of rural tourism

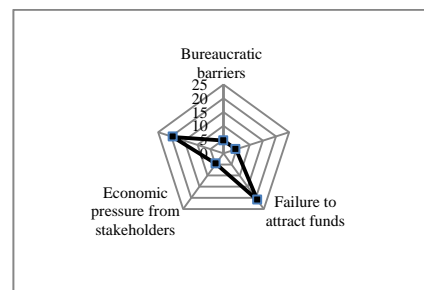
The most important opportunities in the use of cultural heritage for the development of rural tourism were as follows: the opportunity to attract EU structural funds and the co-funding of EC programmes, national and regional support, active nongovernmental organisations and public support, which was an important factor for the exploitation of cultural heritage.



Source: authors' construction

Figure 3. Opportunity factors for the use of cultural heritage in the development of rural tourism

Failure to attract funds and the lack of entrepreneur interest in giving support were the most serious threats in the use of cultural heritage for the development of rural tourism (Fig. 4).



Source: authors' construction

Figure 4. Threat factors for the use of cultural heritage in the development of rural tourism

The authors used the results of the SWOT analysis and the pairwise comparison to define scenarios and analyse the exploitation of cultural heritage for the development of rural tourism.

II. SCENARIOS FOR THE USE OF CULTURAL HERITAGE FOR THE DEVELOPMENT OF RURAL TOURISM

Taking into consideration foreign experience in the use of cultural heritage, the current situation in Latvia and the expert recommendations, the authors chose the following **scenarios** (models) for the exploitation of cultural heritage for the development of rural tourism:

1. the use of cultural heritage for the development of rural tourism is based on **the initiative by entrepreneurs, public organisations and residents;**

2. the use of cultural heritage for the development of rural tourism is implemented by means of a **national and local government-funded programme**;
3. the use of cultural heritage for the development of rural tourism is implemented by means of **EU funds for cultural heritage preservation**.

The scope of the selected scenarios involves the use of cultural heritage for the development of rural tourism in particular in the entire territory of Latvia. To comprehensively assess the potential scenarios, the research further gives a vision for the implementation of the scenarios and the SWOT analysis results.

Scenario 1 – the use of cultural heritage for the development of rural tourism is based on the initiative by entrepreneurs, public organisations and residents (The initiative by entrepreneurs, public organisations and residents).

Entrepreneurs, public organisations and residents take the initiative in being aware of and preserving their cultural heritage. This mainly manifests itself through the development of crafts as a component of cultural heritage. In the recent decade, craftsmen groups that contribute to passing their skills on to the next generation, participate in annual fairs and other events have emerged in a number of municipalities of Latvia. Nongovernmental organisations and professional associations promote the use of cultural heritage in entrepreneurship and for the development of rural tourism through educational seminars.

The given scenario describes the current situation and its purpose is to make more active and develop crafts in municipalities and actively exploit the crafts for the development of rural tourism. An advantage of this scenario is that it already functions, and there have been good examples of it in all the regions of Latvia in recent years. Scenario 1 projects are usually regional- or municipal-level projects that increase the interest and responsibility of local entrepreneurs and residents (Table II). Such projects promote the rational exploitation of existing resources, diversify economic activity but rarely develop tourism infrastructure (Table II).

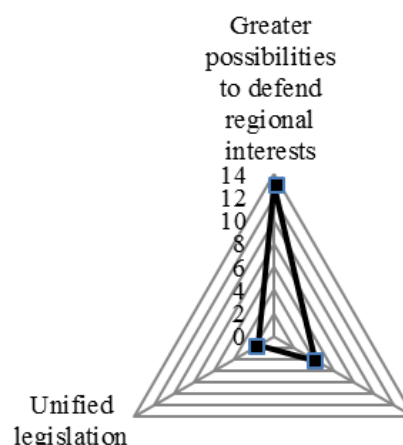
TABLE II. SWOT ANALYSIS FOR SCENARIO 1 – THE USE OF CULTURAL HERITAGE FOR THE DEVELOPMENT OF RURAL TOURISM

Strengths	Weaknesses
Greater possibilities to defend regional interests	Lack of human resources/appropriate specialists
Possibilities to introduce a transitional period programme for entrepreneurs	An additional burden on existing entrepreneurs
Unified legislation	Lack of active engagement of residents
	Insufficient experience in the use of cultural heritage
	Infrastructure is not actively developed
Opportunities	Threats
To rationally exploit existing resources	Lack of relevant legislation
To balance and diversify the environment for entrepreneurship in rural areas	Bureaucratic and administrative barriers
To raise the self-confidence of residents	Distrust, fear of failures
	Potential bias of incompetent government officials
	Lack of political will and a formal approach

Source: authors' construction

The most important SWOT factors were identified employing pairwise comparison, and the results of the SWOT analysis for the use of cultural heritage in the development of rural tourism were made more accurate in the same way.

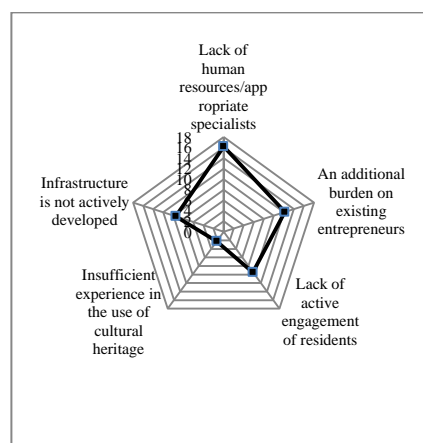
As shown in Fig. 5, the most important strengths of Scenario 1 were as follows: greater possibilities to defend regional interests and possibilities to introduce a transitional period programme for entrepreneurs.



Source: authors' construction

Figure 5. Strength factors for Scenario 1 – the use of cultural heritage for the development of rural tourism

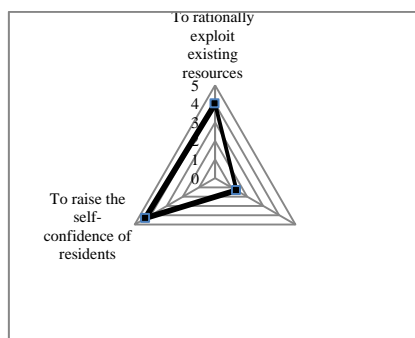
The most important weaknesses of Scenario 1 are presented in Fig. 6, which were as follows: the lack of human resources/appropriate specialists and an additional burden placed on existing entrepreneurs. The other shortcomings were that infrastructure was not actively developed and there was the lack of active engagement of residents.



Source: authors' construction

Figure 6. Weakness factors for Scenario 1 – the use of cultural heritage for the development of rural tourism

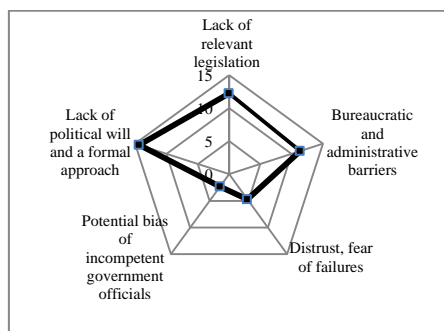
The most important opportunities for the use of cultural heritage for the development of rural tourism were as follows: rationally exploiting existing resources and raising the self-confidence of residents (Fig. 7).



Source: authors' construction

Figure 7. Opportunity factors for Scenario 1 – the use of cultural heritage for the development of rural tourism

The most important Scenario 1 threats regarding the use of cultural heritage for the development of rural tourism were as follows: the lack of political will and a formal approach, as well as the lack of relevant legislation (Fig. 8).



Source: authors' construction

Figure 8. Threat factors for Scenario 1 – the use of cultural heritage for the development of rural tourism

Scenario 2 – the use of cultural heritage for the development of rural tourism is implemented by means of a national and local government-funded programme (The programme funded by national and regional government institutions).

The given scenario formulated by the experts together with the authors of the paper is a new scenario, and it is a scenario that is intended for improving the current situation, in which the leading role is played by the national government. In cooperation with regional institutions, the national government establishes a special support programme for the preservation of cultural heritage and the development of rural tourism. Funding is earmarked for the programme, and the functioning of the programme is regulated by a regulation adopted by the Cabinet of Ministers. The programme is budgeted for a four-year period, yet it is updated annually when drawing up the national government budget.

The programme is administered by the Ministry of Environmental Protection and Regional Development in cooperation with the Latvian Association of Local and Regional Governments, establishing a Programme Council. The programme's funding is granted to development projects on a competitive basis. The

submission of project proposals involves several rounds. The project proposals may be submitted by local governments, nongovernmental organisations and entrepreneurs. The preparation, submission, evaluation and implementation of project proposals is stipulated by a special law, in the discussion and preparation of which nongovernmental organisations and local governments should be involved.

The implementation of Scenario 2 provides much greater opportunities for projects aimed at the use of cultural heritage for the development of tourism than current practices do; it involves a lot of positive aspects, e.g. unified coordination and supervision, the opportunity to implement innovative and cross-regional projects and the reduction of risks and inequality (Table III).

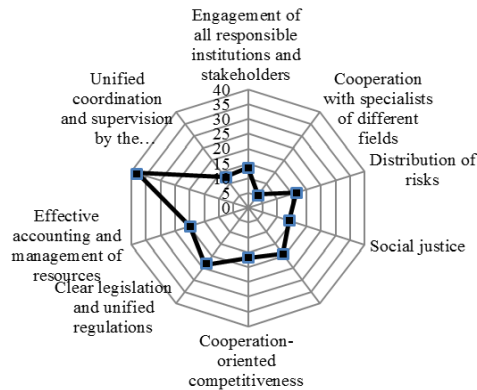
Of course, there are serious threats due to the lack of political will to fund such a programme in a long-term and to do inter-ministerial coordination effectively (Table III).

TABLE III. SWOT ANALYSIS FOR SCENARIO 2 – THE USE OF CULTURAL HERITAGE FOR THE DEVELOPMENT OF RURAL TOURISM

Strengths	Weaknesses
Engagement of all responsible institutions and stakeholders Cooperation with specialists of different fields Distribution of risks Social justice Favourable environment for innovative ideas and sustainable development Cooperation-oriented competitiveness Clear legislation and unified regulations Effective accounting and management of resources Possibility to promote the development of the tourism industry Unified coordination and supervision by the government	It is not always possible to agree on joint projects and decisions; Dominance of “special municipalities” is likely; Insufficient funding for the programme
Opportunities	Threats
Flexibility to adapt to changeable conditions and to unite and cooperate with like-minded individuals Interdisciplinary cooperation and the establishment of new contact networks Opportunity to design an affective model for business expansion in regions	Fragmented information provided by various project implementers and their partners can cause confusion among potential programme participants Lack of political will to promote and support such cooperation projects Complicated coordination among all the stakeholders

Source: authors' construction

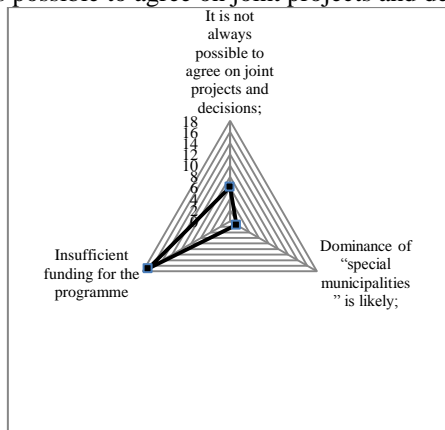
The pairwise comparison of the factors identified by the SWOT analysis revealed the following most important Scenario 2 strengths: the possibility to promote the development of the tourism industry, clear legislation and unified regulations, as well as the effective accounting and management of resources (Fig. 9).



Source: authors' construction

Figure 9. Strength factors for Scenario 2 – the use of cultural heritage for the development of rural tourism

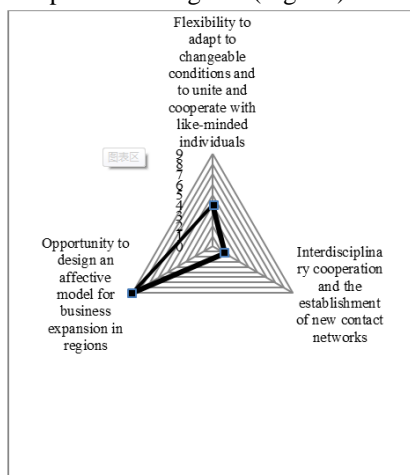
The most important weaknesses specific to Scenario 2 are shown in Fig. 10, which were as follows: insufficient funding for the programme as well as that it is not always possible to agree on joint projects and decisions.



Source: authors' construction

Figure 10. Weakness factors for Scenario 2 – the use of cultural heritage for the development of rural tourism

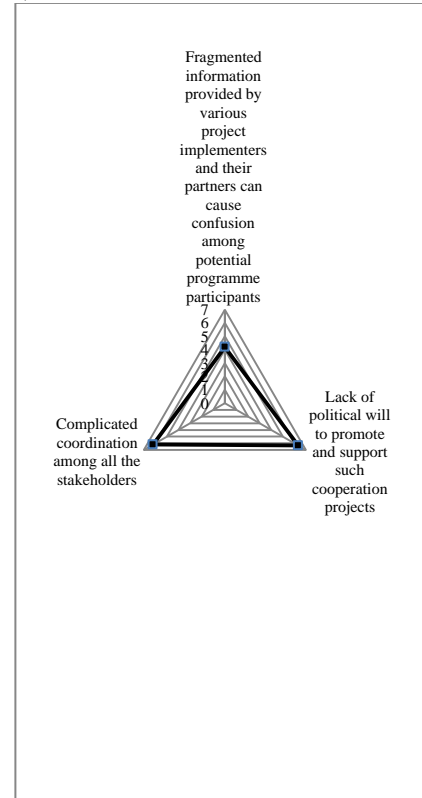
The most important Scenario 2 opportunity for the use of cultural heritage for the development of rural tourism was the opportunity to design an affective model for business expansion in regions (Fig. 11).



Source: authors' construction

Figure 11. Opportunity factors for Scenario 2 – the use of cultural heritage for the development of rural tourism

The most important Scenario 2 threats regarding the use of cultural heritage for the development of rural tourism were as follows: the lack of political will to promote and support such cooperation projects and complicated coordination among all the stakeholders (Fig. 12).



Source: authors' construction

Figure 12. Threat factors for Scenario 2 – the use of cultural heritage for the development of rural tourism

Scenario 3 – the use of cultural heritage for the development of rural tourism is implemented by means of EU funds for cultural heritage preservation (The EU fund for cultural heritage preservation).

Scenario 3 too, which was formulated by the experts together with the authors of the present paper, is a new one and an even more ambitious scenario for improving the current situation. The EU establishes a special fund for the preservation of cultural heritage. The fund's funding is allocated to countries and projects based on a quota system. The preparation, submission, evaluation and implementation of project proposals is stipulated by a law. The submission of project proposals involves several rounds. The project proposals may be submitted by local governments, nongovernmental organisations and entrepreneurs. The allocation of the fund's funding is administered by the Ministry of Environmental Protection and Regional Development and the Ministry of Economics.

The implementation of Scenario 3 also provides much greater opportunities for projects aimed at the use of cultural heritage for the development of tourism than current practices do; it involves a lot of positive aspects,

e.g. significant extra funding for the national and local government budgets, unified coordination and supervision, the creative adoption of foreign experience and the opportunity to implement innovative and cross-regional projects (Table IV).

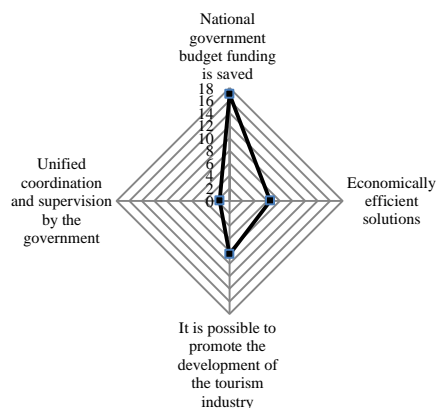
However, the implementation of Scenario 3 involves serious threats related to the unstable and uneven availability of funding and insufficient support from the national government, local governments and the population (Table IV). The slow pace of development of infrastructure can hinder the implementation of projects under this scenario.

TABLE IV. SWOT ANALYSIS FOR SCENARIO 3 – THE USE OF CULTURAL HERITAGE FOR THE DEVELOPMENT OF RURAL TOURISM

Strengths	Weaknesses
National government budget funding is saved Economically efficient solutions	Unstable availability of funding for project implementation
It is possible to promote the development of the tourism industry	Poor infrastructure
Unified coordination and supervision by the government	Lack of specialists for preparing and implementing EU-funded projects
	Lack of a single national strategy
Opportunities	Threats
Extra funding intended for the promotion of entrepreneurship and tourism in regions	Insufficient support from the national government and the private sector
Cooperation with foreign organisations that implement similar projects	Disregard of interests of the population
Increase in the number of tourists	Any opportunity for development is based only on EU funding, thereby lacking sustainability

Source: authors' construction

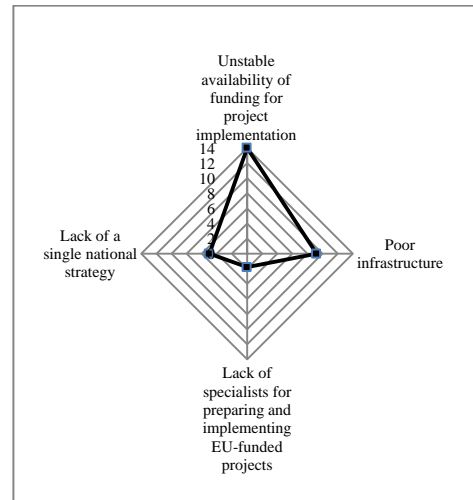
The pairwise comparison of the factors identified by the SWOT analysis revealed the following most important Scenario 3 strengths: national government budget funding is saved and it is possible to promote the development of the tourism industry (Fig. 13).



Source: authors' construction

Figure 13. Strength factors for Scenario 3 – the use of cultural heritage for the development of rural tourism

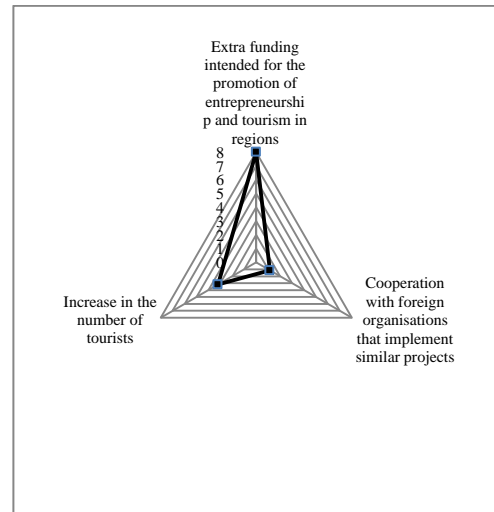
The most important weaknesses of Scenario 3 are shown in Fig. 14, which were as follows: the unstable availability of funding for project implementation as well as poor infrastructure.



Source: authors' construction

Figure 14. Weakness factors for Scenario 3 – the use of cultural heritage for the development of rural tourism

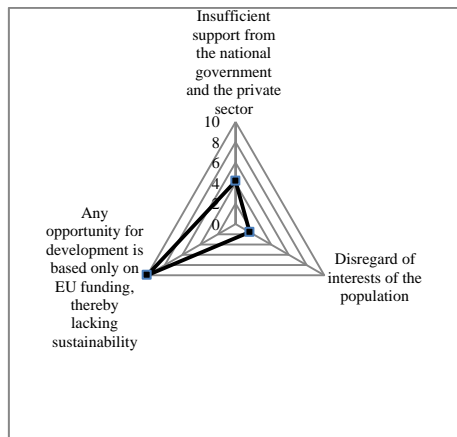
The most important Scenario 3 opportunity for the use of cultural heritage for the development of rural tourism was extra funding intended for the promotion of entrepreneurship and tourism in regions (Figure 15).



Source: authors' construction

Figure 15. Opportunity factors for Scenario 3 – the use of cultural heritage for the development of rural tourism

The most important threat for the use of cultural heritage for the development of rural tourism under Scenario 3 was that any opportunity for development is based only on EU funding, thereby lacking sustainability (Fig. 16). Insufficient support from the national government and the private sector was also regarded as a threat for Scenario 3 (Fig. 16).



Source: authors' construction

Figure 16. Threat factors for Scenario 3 – the use of cultural heritage for the development of rural tourism

The results of the SWOT analysis and the pairwise comparison for the scenarios for the use of cultural heritage for the development of rural tourism were given to the experts in order to evaluate the scenarios employing a hierarchy analysis method.

III. DECISION MAKING ON THE USE OF CULTURAL HERITAGE IN RURAL TOURISM DEVELOPMENT

To make a decision on the best scenario for the use of cultural heritage in developing rural tourism, the authors employed a multi-criteria decision-making method – the Analytic Hierarchy Process (AHP) [4],[5]. There were engaged seven experts who represented rural craftsmen, municipalities, rural tourism organisations, the Association of Rural Female Entrepreneurs and ministries.

According to the AHP, experts, first of all, have to design a hierarchy, the first level of which involves a problem. After discussions, the problem was defined: the use of cultural heritage for the development of rural tourism. This is Level 1 of the hierarchy.

Further, in developing the hierarchy, criteria groups are defined, which will be Level 2. In our case, there are five criteria groups: interests of residents, interests of entrepreneurs, local government interests, national interests and EU interests [3].

The experts further defined criteria for each criteria group, for example, the criteria group of interests of residents involved five criteria: job opportunities at the place of residence, preservation of family craft traditions, extra revenue, preservation of cultural heritage for next generations and mentoring of the new generation.

Criteria for the other criteria groups were defined in a similar way. The criteria compose Level 3 of the hierarchy.

However, at Level 4, which is the last one of the hierarchy, there are scenarios to be evaluated by the experts by employing all 25 criteria from all the criteria groups.

The authors further described three potential scenarios for the use of cultural heritage for the development of

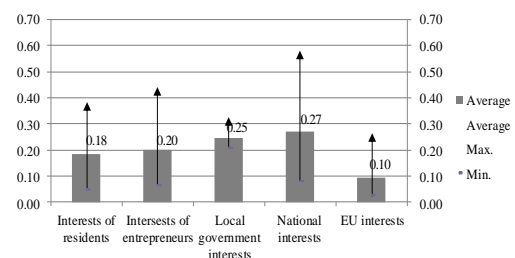
rural tourism: Scenario 1. The initiative by entrepreneurs, public organisations and residents; Scenario 2. The programme funded by national and regional institutions; Scenario 3. The EU fund for the preservation of cultural heritage.

The experts start their evaluation from the hierarchy's top levels – from Level 2 –, i.e. evaluating the criteria groups. The experts compare the criteria groups in pairs and rate their mutual weight relative to the problem, i.e. Level 1. The experts' ratings are expressed in numbers using a special 9-point scale [4],[5] and entered into the expert's evaluation table. A priority vector's values and a consistency ratio are calculated for each expert's evaluation table.

The work of all the experts with regard to filling in the tables is organised in the same way, and priority vector values and consistency ratios are calculated for all the tables. In conclusion, each expert's ratings are summarised and a table for the global priority vector's values is constructed.

The ratings given by the seven experts were processed by calculating the arithmetic mean and dispersion for each evaluation. In charts, the dispersion was presented as amplitude, i.e. by means of the minimum and maximum values for each particular evaluation.

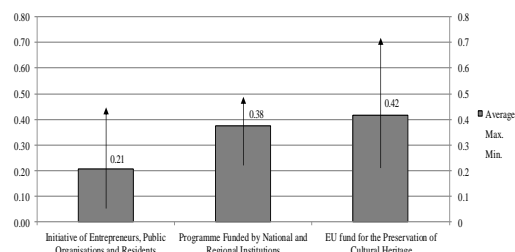
The experts rated the criteria groups almost equally, giving the priority to national (0.27) and local government interests (Fig. 17). The experts were unanimous on the significance of the criteria group for local government interests, which were indicated by the small dispersion, compared with the criteria group for national interests (Fig. 2).



Source: authors' construction based on the hierarchy analysis

Figure 17. Expert ratings of the criteria groups for the scenarios for the use of cultural heritage for the development of rural tourism

Based on the above-mentioned criteria, the third scenario was named the "EU fund for the preservation of cultural heritage". The average vector value for the expert ratings was 0.42.



Source: authors' construction based on the hierarchy analysis

Figure 18. Expert ratings of the scenarios for the use of cultural heritage for the development of rural tourism

However, the expert ratings have a large dispersion, and it means that the opinions were different. A lower rating was given to Scenario 2, the programme funded by national and regional institutions (0.38), while the dispersion was smaller (Fig. 18). The initiative by entrepreneurs, public organisations and residents, i.e. the current model, was rated the lowest, at only 0.21. The large dispersion in this case too pointed to the difference in the experts' opinions. It means that national and EU financial support is needed in order that a significant change takes place in the use and preservation of cultural heritage.

The final conclusion on the fact the last two scenarios for the use of cultural heritage for the development of rural tourism: the programme funded by national and regional institutions and the EU fund for the preservation of cultural heritage have similar ratings, with the latter one having a slightly higher rating.

IV. CONCLUSIONS

1. Three development scenarios were put forward for the use of cultural heritage for the development of rural tourism: the initiative by entrepreneurs, public organisations and residents; the programme funded by national and regional institutions; the EU fund for the preservation of cultural heritage.
2. Based on the criteria determined in the hierarchic analysis, the scenario EU fund for the preservation of cultural heritage was evaluated as the most appropriate.

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