



Baltic Cultural Tourism Policy Paper

**Estonian, Latvian and Lithuanian
National Commissions for UNESCO**

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The present Baltic Cultural Tourism Policy Paper was produced with financial and intellectual inputs and the support of UNESCO.

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1. EXECUTIVE SUMMARY

According to the vision the cultural tourism in the Baltic countries will by the year 2006 be an approved branch of national economies and a leading power of national tourism economies recognized in the Baltic Sea Region and known on the international market as a product concept based on genuine culture and heritage in a sustainable way.

The main goal of cultural tourism development in the Baltic countries is to ensure sustainable economic, social and cultural development combined with preservation and active enhancement of cultural resources through increased supply, diversity and quality and sale of viable cultural tourism services. Based on the current situation and in order to ensure the sustainable development of cultural tourism in the Baltic countries it is of crucial importance to:

- clearly define the responsibility for the development of cultural tourism on a state and ministerial level;
- adopt strategy documents on cultural tourism;
- provide more know-how support to owners of cultural, historical and architectural monuments;
- create financial instruments and tax policies that stimulate the development of cultural tourism;
- continue to implement laws and adopt tough policies to protect cultural heritage against pressure from other interests;
- introduce policies and positive measures to promote access to public and private sites of cultural tourism interest;
- make sites more accessible for all people, including people with physical handicaps;
- provide information in more languages;
- tailor opening hours of sites as well as tourist information offices to the needs of tourists;
- set up more signs and information on how to reach cultural tourism sites;
- set up a Baltic cultural tourism internet portal;
- make food and drink quality regulations pragmatic to allow samples of local cuisine and local beverages for tourists;
- ensure that public support for cultural events can be given 2 years before the event;
- allocate more public funding to add value and renovate, restore and protect monuments, shrines, museums, archaeological and historical places;
- survey revenue flow and leakage of cultural tourism;
- implement tourism impact survey and establish carrying capacity for the sites;
- make the tourism industry more use cultural and historical heritage;
- more support handicraft traditions;
- focus on music and dance to develop cultural tourism;
- use minority cultural heritage and rich multicultural resources;
- use the soviet heritage;
- make use of features that have been kept more or less unchanged for the past 50 years
- pay more attention to cultural tourism in education and research;
- establish systematic, regular and long-term partnership with enterprises;
- discuss the touristification of culture;
- commit the policy-makers to sustainable development;
- establish rules for sustainable cultural heritage and tourism development;
- ensure the awareness and access to the protection and conservation know-how;

- strengthen the dimension of intangible cultural heritage in cultural tourism;
- facilitate communication between professionals and the community;
- strengthen international co-operation;
- strengthen international marketing of Baltic cultural tourism products;
- conduct market research;
- increase round-the-year tourism;
- develop the Baltic countries as an exemplary region of cultural tourism;
- broaden cultural tourism product range;
- monitor and improve product quality;
- cover the whole region and seasons with available cultural tourism services;
- develop an investment policy to support investments in cultural tourism;
- consolidate cross-sector cooperation;
- make more efficient use of proximity to the key source markets;
- use more efficiently domestic market;
- provide systematic training opportunities;
- involve more old people in cultural tourism activities.

2. INTRODUCTION

2.1. PROJECT OUTLINE

The present Baltic Cultural Tourism Policy Paper was produced with financial and intellectual inputs and the support of UNESCO.

The Implementing Authority of the Baltic Cultural Tourism Policy Paper project carried out in autumn 2001 – spring 2003 was the Estonian National Commission for UNESCO in cooperation with Latvian and Lithuanian National Commissions for UNESCO.

The project aimed at enhancing cooperation among cultural policy makers, local authorities, heritage circles and tourism people with a view to translating the willingness and understanding of the necessity for joint action into concrete policy and activities. The outcome of the project is the present Baltic Cultural Tourism Policy Paper. The Baltic countries include Estonia, Latvia and Lithuania.

Since the countries regained their independence in 1991 Baltic tourism has gone through huge transformations and incredible improvements in quality and variety of the products. Yet, to ensure its sustainable development in the field of cultural development the policy and resource issues need more focused attention.

The project will contribute to achieving UNESCO's priority in the field of culture that is "the protection of cultural diversity and the encouragement of pluralism and dialogue between cultures". By contributing to the strengthening of the links between culture and development, through tourism, this project is also coherent with the Plan of Action adopted at the Intergovernmental Conference on Cultural Policies for Development, Stockholm 30 April - 2 March 1998.

The process of developing the policy paper has including the launching of public discussions in the three Baltic countries on cultural tourism. Working groups were established in all the three countries with representatives from the tourism and culture sector. A series of meeting were held both on national and pan-Baltic level to collect and discuss information for the policy document. The working groups collected information and viewpoints from ministeries, tourism organizations, museums and other sites, tourism companies, culture institutions and others with a direct or indirect connection to cultural tourism. Several round table discussions were organized. This work culminated with a Baltic Cultural Tourism Conference in Tallinn in May 2003 – organized in co-operation with UNESCO, WTO, BTC, EU, CoE, ICOMOS, ICOM, Nordic Council of Ministers and relevant state authorities to discuss the draft policy paper. The policy paper will be submitted to UNESCO, Baltic Assembly and other institutions that in particular can have an influence on the future development of cultural tourism in the Baltic countries.

2.2. BALTIC COUNTRIES IN A NUTSHELL

One recent political entity with three historically and culturally different ancient European nations

The Baltic States are and always have been a part of Europe. Soviet ideology did its utmost to disabuse the West of these notions and fifty years of propaganda did its work.

By the 1980-1990s many confused the Baltic with the Balkans, and thought of it simply as a part of Russia, where people spoke a dialect of Russian.

There are distinct cultural differences between the Baltic countries, as there are between Germany and France.

The Lithuanian and Latvian languages are both part of the Baltic language family, but the languages are not so close that people can understand each other using the two languages. Estonian and the Liv minority language in Latvia are Finno-Ugric languages and closely related to Finnish. For Latvian and Lithuanians the folksongs *daina* - *in their essence different* - are as important as the sagas to the people of Iceland. All the three Baltic nations share the unique national Song Celebrations and Open-Air Stages, sometimes referred to as Song Stadiums. The present importance of culture to all the Baltic people is symbolized by the female Latvian president Vaira Vīķe-Freiberga, known for her books on the unique *dainas*.

Lithuanians are almost entirely Roman Catholic; the Latvians and Estonians are traditionally Protestant except for the catholic eastern part of Latvia - Latgale. Estonia and Latvia look to the Baltic Sea, and for these two countries maritime interests and fishing are more important than for Lithuania, where agriculture historically has played a very important role. Lithuania is in many ways oriented towards Poland and Central Europe, while Estonia and Latvia's orientation is more towards Scandinavia and Germany. In addition, Estonia has always had a close relationship with Finland.

The source for many of these differences and similarities can be found in history. Common invasions, common military occupations, common policies directed by foreign powers against the region have all left their imprint, politically, and culturally. The peaceful Baltic Singing Revolution represented by thousands of Estonians, Latvians and Lithuanians holding hands from Tallinn to Vilnius on August 23, 1989 showed Baltic solidarity, unity and wisdom in fighting a foreign aggressor in the years leading up to the re-establishment of independence in 1991. For an outsider it is thus more than natural to speak of the Baltic countries as a group.

The Baltic region has been under domination for most of recorded history by the Soviet Union, Russia, various groups of knights of primarily Germanic origin, Poles or Swedes. In modern times the three Baltic nations were independent only in 1918-40 before 1991.

From the late 12th century and the start of the 20th, present Estonia and Latvia – previously known as Estonia, Livonia and Courland were controlled by Germanic noble families, speaking a Low German dialect prevalent during the days of the Hanseatic League. During this period, cities in both Estonia and Latvia were Hanseatic centres, and at one point, Riga was the largest city in the Swedish Kingdom. Influence has mainly come from the Northern European neighbours.

Lithuania, on the other hand was at times linked to Poland and was one of the most powerful states in Europe at the time. By fighting the aggressions the East and West the Grand Duchy of Lithuania managed in the 1400s to become the largest political entity of the day, stretching from the Baltic Sea to the Black Sea.

Even after being absorbed into the Russian Empire Lithuanian lands remained separate from those of Estonia and Latvia. The lands of Lithuanians were broken up into different groupings, and Lithuanians' links were with Poland or Prussia.

Historically the differences between the Baltic States and Scandinavia have been overemphasized, just as the similarities between the Baltic States have been overdramatized. As time passes the entire Baltic region comprising both the Baltic States and Scandinavia will be seen as a region with strong internal ties that in different ways link all of these countries and cultures. Economically, politically and culturally the Nordic interest for and in the Baltic states is stronger than ever.

Good neighbourly relations is one of many reasons why the Baltic states around the turn of the millennium have the fastest growing GDP and economy in Europe. Furthermore, accession of the Baltic countries to European Union represents a return to the era before the rise of the nation state when the Baltic Sea states were all linked to each other in the form of the Hanseatic League.

2.3. TOURISM IN THE BALTIC COUNTRIES

Since the Baltic countries regained their independence in 1991 the tourism sector has gone through huge transformations and there have been incredible improvements in quality and variety of the products. In all the 3 countries new type of services and attractions were launched, and a total change of the markets and market segments occurred. Before 1991 nearly the only tourists were from the Soviet Union and nowadays Russian and other tourists from the former Soviet Union (except the Baltic states) tourist from Commonwealth of Independent States (CIS) compound not more than 20%.

Discussing cultural tourism data not much can be told because specific research was not conducted and all information can only be extracted from general tourism statistics. Considering Baltic tourism statistics large obstacles await researcher while trying to evaluate and compare different country data – statistics are provided in different formats and on different issues. Nevertheless some comparable figures are available and the rest of the materials are added to the attachment.

Estonia is indisputable leader in the Baltic tourism. This is due to comparably rich and ready Finnish market. In 2002 1,223 thousand guest stayed at Estonian accommodation establishments (2% growth compared to 2001) while in Lithuania 704 thousand (5.2 % growth) and Latvia 666.2 thousand (12 % growth). Worth mentioning that 1.4 million overnight visitors stayed in Estonia in 2002 and 1.3 million stayed in Lithuania. That big discrepancy between accommodation guest numbers and tourist numbers could be explained by a totally different tourist behaviour in Lithuania (tourist survey report that only 25% tourists in Lithuania stay at the hotels) or inaccurate data collection.

The largest market in all 3 countries is the domestic market which e.g. in Lithuanian accommodation establishments form half of the market. When it comes to the hotels local market covers about 25% of guests.

Foreign markets are different in all 3 countries.

Finns cover 50% of hotel guests of the Estonian market. This could rapidly change when Estonia joins the EU. Sweden makes 4.5% of the market, Germany – 4%, Russia, Latvia, UK and Norway form about 2% each and these countries all show good growth over 10% per year.

On the Latvian tourism market – Finland covers 15% and its share is declining despite of overall growth. Germany forms 13%, Russia and Estonia – 10%. Fast growth in the number of Russian tourists can be observed. Lithuania covers 8%, Sweden – 6%, UK and US both about 4%.

On the Lithuanian market – Germany form 12% of total hotel guests, Russia – 9%, Poland – 7%, Latvia and Finland 5% each, Sweden, USA and Belarus – 3% each. Lithuanian markets are spread all over and that could be good for secure growth but that wide distribution demands much more spread marketing activities, which mean more resources must be allocated in terms of manpower and finances.

Only Estonian data are available on visiting cultural attractions. When approximately assessing, these data could be applied to Latvia and Lithuania. 19% of the surveyed tourists in Estonia visited museums or exhibitions, 18% participated in events, 10% went for some active hobby or sports. It means that about 20% of tourists visiting Baltic countries have cultural tourism among the main priorities.

3. DEFINITIONS AND EXPLANATIONS

3.1. TARGET AREA OF THE DOCUMENT

Baltic states: Estonia, Latvia and Lithuania

Baltic Sea Region

The countries surrounding the Baltic Sea – Estonia, Latvia, Lithuania, Norway, Poland, Germany, Denmark, Sweden, Finland, Russia

3.2. TOURISM

3.2.1. Tourism is based on World Tourism Organization definition a combination of components that belong to several economic sectors:

1. accommodation with catering;
2. passenger transport - air, sea, road and railway transport;
3. sights - both natural and artificial - and their administrators;
4. organizers of travel services - tour operators and travel agencies;
5. organizers of the travel destination - organisations and institutions of the public, private and third sector.

In statistics, tourism according to the definition of the World Tourism Organization is travelling of people outside their daily living environment for holiday, business or other purposes for periods not exceeding one calendar year. The passengers that conform to the definitions are called visitors and they are classified into one-day visitors and tourists.

3.2.2. Tourism industry

Tourism has been relatively difficult to measure and analyse in any meaningful way until fairly recently. This is true because it is an “industry” with no traditional production function, with no uniformly measurable output and no common structure or organisation across countries. It is atypical in that it is organised around the import of consumers to tourism destinations rather than the export of products from production sites to consumers. It cuts across a number of conventional economic sectors and is generally not measured in national accounts.

3.2.3. One-day visitor is a person who visits a place outside his daily living environment without staying the night there. Also a day-tripper or excursionist

3.2.4. Tourist or overnight visitor is a person whose trip outside his daily living environment includes at least one overnight stay in the destination.

Tourism is divided into outgoing, incoming and domestic tourism.

3.2.5. Outgoing tourism is the travelling of the residents of the state outside the territory of the state.

3.2.6. Incoming tourism is the travelling of non-residents of the state to places located in the territory of the state.

3.2.7. Domestic tourism is the travelling of the residents of the state to places located in the territory of the state but outside their daily living environment.

3.2.8. Tourism product is for its consumer a visiting experience consisting of many components which starts with the planning of the trip and reservation and contains accommodation, catering, transport, travel services, visiting of sights and events, participation in amateur activities, etc. For a service provider, a tourism product is a travel package consisting of different components.

3.2.9. Package tours are complex products offered to the visitors, which are made of a mix of a variety of elementary tourism products such as transport, accommodation, food services, recreation, etc.

3.3. CULTURE

3.3.1. Culture is based on UNESCO definitions the whole complex of distinctive spiritual, material, intellectual and emotional features that characterize a society or social group. It includes not only arts and letters, but also modes of life, the fundamental rights of the human being, value systems, traditions, and beliefs.

The word “culture” comes from Latin “*cultura*”, which is related to cult or worship. Culture is the acquired knowledge that people use to interpret experience and generate social behaviour. This knowledge forms values, creates attitudes, and influences behaviour.

The Universal Declaration on Cultural Diversity adopted by the United Nations in December 2002 states: "...culture must be regarded as the set of distinctive spiritual, material, intellectual and emotional features of a society or a social group [and encompassing] in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs".

3.3.2. Cultural tourism means travel concerned with experiencing cultural environments, including landscapes, the visual and performing arts, and special (local) lifestyles, values, traditions, events as well as other ways of creative and inter-cultural exchange processes.

3.3.3. Cultural heritage means all traces of human existence having a cultural, archaeological or historical character:

- (i) sites, structures, buildings, artefacts and human remains, together with their archaeological and natural context; and
- (ii) vessels, aircraft, other vehicles or any part thereof, their cargo or other contents, together with their archaeological and natural context;
- (iii) objects of prehistoric or paleontological character, as well as sites with spiritual associations for indigenous peoples.

3.3.4. Crafts

Traditional crafts, whether for utilitarian or artistic purposes, represent a very valuable form of cultural expression, a 'capital of self-confidence' that is especially important for the developing countries. Re-emphasizing the value of handiwork is also important in the developed countries where the quality of life is threatened by industrial standards.

3.3.5. Cultural industries

Creativity, an important part of people's cultural identity, is expressed in different ways. These means of expression are copied and boosted by industrial processes and worldwide distribution. Cultural industries consist of books, magazines, newspapers, music records,

film and videos, multimedia products and other new industries that are being created. It constitutes a very important economic resource for a country.

3.4. IMPACT

3.4.1. Sustainable development is development, which meets the needs of the present without compromising the ability of future generations to meet their own needs.

The concept of sustainable development encompasses three areas -- the **Environment**, the **Economy** and the **Community**. When development is sustainable, it empowers the people of the community, maintains or improves the economy, and treats the environment responsibly.

3.4.2. Sustainable tourism is comprehended as adaptation of the **whole** tourism economy to the requirements of sustainable development. Buses, planes and ferries, hotels, restaurants and travel bureaus all have to adapt their activity to being more environment sustainable.

3.4.3. Carrying capacity means the number of visitors a location can accommodate without environmental damage, community opposition and/or visitor dissatisfaction.

3.4.4. Host community means the residents of an area, which is visited by tourists.

3.4.5. Leakage refers to the factors contributing to a reduction in the potential impact of new income through transfer of payments to persons and organizations outside the community.

4. THE IMPORTANCE AND TRENDS IN CULTURAL TOURISM

4.1. Introduction

Culture has always been a major object of travel, as the development of the Grand Tour from the 16th century onwards attests. In the 20th century, some people have claimed, culture ceased to be the objective of tourism: tourism is now culture.

Cultural attractions play an important role in tourism at all levels, from the global highlights of world culture to attractions that underpin local identities.

Cultural tourism is important for various reasons; it has a positive economic and social impact, it establishes and reinforces identity, it helps preserve the cultural heritage, with culture as an instrument it facilitates harmony and understanding among people, it supports culture and helps renew tourism.

More recently the nostalgia industry has contributed a wide range of new attractions to the cultural scene. The increasing pace of life and the feeling of disorientation and loss associated with modernity have ensured that the preservation of the past has become big business.

The Closing Declaration of the UN inspired Johannesburg World Summit on Sustainable Development in September 2002 mentioned culture as the fourth pillar of sustainability, together with economic, social welfare and the environment.

At the EU level, culture is viewed as an essential resource that not only provides work but which can also develop cultural harmony within the EU.

EU has resolved that culture should be considered in all policy areas, much in the same way as sustainable development has been viewed as a generic policy consideration.

Cultural tourism and cultural attractions have also become central to much of the regional economic development activity financed by the European Commission.

The Council of Europe has been actively developing cultural tourism as a means of supporting culture. The motive for the CoE in promoting cultural tourism is to ensure the spread of European culture, and to provide resources for the preservation and conservation of the cultural artefacts visited by tourists.

Culture is sometimes today even seen as the salvation of tourism. In view of the importance of tourism in the economy of so many countries, therefore, it is hardly surprising that cultural tourism has become one of the most popular forms of tourism with policy makers at the start of the 21st century.

4.2. Contribution to Economy & Social Development

Tourist activity is extensively based on culture - whether it is modern or historical, tangible or intangible - and on nature, these two elements being inextricably linked, and that tourism generates development, i.e. revenues and employment, possibly at the local level, which contributes to socio-economic development opportunities.

Cultural tourism has an important role in the development of the economy and social conditions of the destination and its host community as a whole, as it impacts:

- the increase in local production;
- the achievement of an equilibrium in the balance of payments;
- the increase in the budget revenues;
- making regional development more effective and balanced;
- the increase in employment;
- the development of SME activities;
- the improvement of the overall infrastructure, general living environment and quality of life;

Cultural tourism has a big role in reorganising economy and providing new opportunities for social development as cultural tourism is:

- Labour intensive branch of economy and tourism sector;
- Activity which encompasses the whole territory of the destination;
- Strongly connected with other branches of economy;
- Influences the whole economy of the destination and host community through the multiplier factor;
- Economic sector with a big growth potential;
- Favours the development of services enabling the same services to host community;
- Increases the activeness of entrepreneurs and improves economical structure;
- Enables to market the local production;
- Enterprises are mostly locally owned reducing the leakage;
- Improves demographic situation by giving a perspective to youth.

Due to its variety, cultural tourism provides new and alternative opportunities for the development of many areas of activities and regions. It is the task of the destination and host community decision-makers to direct and support making maximum sustainable use of the tourism potential for the achievement of the economic and social goals of the destination and host community, which presumes co-ordinated activities of all parties engaged in tourism development.

The end product of tourism is visiting experience, which is made up from several components, among which culture plays a leading role. The expectations, wishes and needs of visitors form the demand for cultural tourism, the readiness and ability of tourism sectors to satisfy the needs characterises the supply.

Within economy, tourism belongs to the dynamic third sector, the sector of services, which is an important and strong part of today's economy in almost all of the developed countries and in a lot of developing countries. European Union regards tourism important as a creator of employment with diversified qualification requirements and as the driving force of regional development.

Compared with other tourism sectors, little attention has been paid on cultural tourism not only in the Baltic countries, but all over the world. There has been a remarkable change in rendering the role of cultural tourism important in connection with the popularity of the so-called new tourism and the high priority of cultural issues during the last decades. When earlier cultural tourism was considered only as a recreational activity connected with entertaining the tourists, then recently cultural tourism has become to be seen as an economic activity, which offers additional opportunities to improve local employment and to earn additional income by offering the visitors and tourists to participate and appreciate the local culture. In the conditions of growing competitiveness on the tourism market, the rise in the profile of cultural tourism is connected with the growing role of niche markets.

Countries have traditionally been more interested in tracking, understanding and promoting international tourism as this form of travel generates strong trade and monetary flows between nations. Domestic tourism has received relatively less attention since those activities have principally served to redistribute national income. However, it has become clear that domestic tourism and international tourism are more linked than previously thought. Countries with strong domestic tourism markets are generally also very attractive international tourism destinations. Furthermore, countries with developed domestic tourism infrastructure and services tend to experience a higher degree of international travel substitution under the influence of external factors (e.g. relative growth in real income, price differences between nations, political developments, etc.).

Impact of cultural tourism on the general socio-economic development is expressed in the increase of demand for not only the services and products of cultural tourism businesses directly engaged in cultural tourism but also for the products and services of other economic sectors, influencing several economic sectors and for the rest of the host community by providing means for sustaining the local culture.

Spending by foreigners in the cultural tourism destination (export of cultural tourism services) has a similar effect on the balance of payments in the destination as the export of goods, bringing additional revenues to the state and contributing to the equilibrium of the balance of payments. Domestic cultural tourism is an important lever of regional development from economic aspects. Cultural tourism creates jobs and increases income in regions and host communities of the destinations visited, where it is much more complicated and expensive to create jobs in other sectors.

4.3. Contribution to Cultural and Historical Heritage

As modernity has swept away many traditions, there has been a rush to preserve cultural heritage before it disappears.

Culture and cultural heritage are prominent resources in any destination and society. Tangible heritage may be considered a material manifestation or symbol of cultural expression, either traditions of living society or those of past societies occupying the same area. Therefore, material heritage is focal for anyone wanting to gain a deeper understanding of the society.

Tourism can make an important contribution to culture and historical heritage by providing means for keeping the traditions alive and finance the protection of heritage as well as increase visitor appreciation of that heritage.

Well-managed cultural tourism can encourage the revival of traditions and the restoration of sites and monuments.

While sometimes it is hard for the pro-heritage protection community to admit, that without tourism there would be less public interest and consequently fewer funds for the protection, the key is in sustaining the balance between the protection and use of heritage. Also, quite often the tourism interest regarding the heritage is the key in providing political support for the management and protection of the heritage in question.

The key here is in the ability of managing the following paradox – the dynamics of demand and supply will lead to the situation of sites being challenged to attract more tourists and other sites being challenged to manage an overabundance of tourists.

4.4. Contribution to Identity Building

Cultural tourism helps to establish and reinforce an identity. This is an essential element in preserving and enhancing national and local pride and spirit. Interest from outside is equal to important recognition for smaller communities and it raises self-awareness.

4.5. Contribution to Image Building

Culture and heritage features are essential in building a country's image, thus cultural tourism can be one of the key instruments in developing a positive image of a country internationally.

Culture and heritage have become very instrumental in destination branding - selecting and blending tangible and intangible attributes to differentiate the destination in an attractive, meaningful and compelling way.

Brands are an important influence on tourists' decisions and the way they see the destination to be visited before the visit.

Creation of a positive image for destination and making it better known both in the world in general and on the target markets of tourism will effectively help to increase the demand for all products and services, including tourism services and products, of the destination in question.

The aim of image campaigns targeted at the cultural tourists, advertising and relations with the media is to make people more aware of and fix the image of destination as a travel destination with a unique cultural content on important target markets. Television

and high-quality press are regarded as important, relating making destination familiar as a travel destination to making better known the overall development at the destination.

4.6. Contribution to Harmony and Understanding among People

In a world that is troubled by conflicts and xenophobia often based on misunderstandings, cultural tourism can facilitate cultural dialog, harmony and understanding among people. More in-depth knowledge of other people's culture will stimulate understanding and a wish to cooperate. It promotes communication and integration.

4.7. Contribution to Culture and Tourism in general

Cultural tourism brings extra income to culture and is thus a very important supporting factor for culture itself.

And as cultural tourism helps differentiate demands and expand the season, it is essential in further developing the tourism industry.

Traditional destinations are using cultural tourism to increase their overall attractiveness and expand the travel season. Old industrial areas especially in Germany and in the UK are being transformed to "cultural tourism places".

4.8. Global Tourism Market Trends

Cultural tourism is more in line with modern global tourism market trends and is thus likely to see a further increase within the tourism sector.

The popular awareness associates the definition of tourism with holidays on a sunny beach, in the mountains or famous sites with historical and cultural value. In fact starting from 1980-ies tourism in Europe has been growing in the non-traditional direction, that is retreating from the sea-sun tourism of Mediterranean countries and developing towards

culture and rural (nature & eco) tourism, which is a market with higher need for specialisation. The WTO estimates that 37% of all foreign trips are cultural trips.

According to the evaluations of the World Tourism Organisation, in the course of the next 20 years the preferences of tourists and products will take a shape under the co-effect of various socio-demographic, technological, natural, economic, political and environmental factors. New trends will appear in different parts of the market with the resulting expected growth both in conventional tourism (urban tourism, shopping tourism, bus and car tourism, cruise tourism, winter and beach holiday, recreation, tours) and tourism based on special interests (cultural tourism, health tourism, study tours, ecological tourism, adventure tourism). Due to the globalisation of world economy, business tourism and conference tourism will considerably increase. The World Tourism Organisation forecasts that international tourism will grow by more than 4% annually, on an average, till 2020, whereas according to the forecasts of TTI (Travel & Tourism Intelligence), a higher increase in arrivals is expected for East European countries than for the countries of Western Europe.

Why is cultural tourism becoming more and more prevalent? There are several supporting trends influencing the market place for cultural tourism:

- **Rising education levels.** Education is the single most significant factor that influences cultural participation, affluence and travel, and educational attainment levels are rising.
- **Aging Population.** We know that participation in cultural activities tends to increase through middle age, peak between 45 and 65 and subsequently fall off. People in that age range between 45 and 65 are typically in their peak learning years and have the highest discretionary income and time to spend on cultural related activities and travel.
- **Increasing economic role of women.** Statistics tell us that women participate more in cultural activities than men. Now, women control more income, are in positions of leadership and continue to make decisions regarding children's leisure activities and family vacations. Women are also likely to be the tour group planner and promoters.

There are also some new trends empowering cultural tourism:

- There is a dramatic **increase in short, get-away trips**, which means that people are trying to pack more activities into more frequent trips of shorter duration. Higher education and income means less spare time. So convenience and quality is key. These travellers want value for time spent.
- While the aging baby-boomer market is still critical, younger "**Gen-X**" tourists that refers to those born between 1965 and 1977, increasingly impact cultural tourism, accounting for almost half of cultural tourism overall. These are independent travellers, mobile, highly educated and looking for authenticity and adventure.
- People are searching for **meaning**. Many will find it in nature, heritage and culture. Tourism is the means, not the end. This is one of the key things that differentiates cultural activities from "theme park" type of activities.
- At the same time, the success of **theme parks has created high expectations** for cultural tourism. Tourists expect and demand good service, convenience, an impressive experience, safety and, yes, predictability in terms of what is offered.
- The surge in **millennium events** also increased expectations as well as opportunities for cultural tourism.
- Concern about the environment among more educated people means that cultural tourists expect and demand the tourism industry to contribute to **sustainability** of communities and the natural environment.
- Most important, the major trend that will have an increasing impact is the **Internet**, because Internet users reflect the high education demographics of cultural tourists. It is **crucial** that heritage and cultural players have good websites with **links** to the main destination (state, region, county, city) website and that these websites respond to the trends: experience, authenticity and convenience. Websites cannot be product-driven, isolating all experiences that are available to

tourists, but must be consumer-driven, allowing visitors to explore and find integrated experiences that are meaningful to them. You must think of your websites not as "lists" but as gateways to a virtual visit of your area.

While the event tourism has become one of the flagships of cultural tourism, it is important to be aware, that the tourists, who participate in a cultural event:

- spend more money than the average tourists;
- more likely to stay at a hotel, motel, or bed & breakfast than the average tourist;
- travel for longer periods of time

European Travel Monitor estimates that general cultural tourists account for **21%** of all European holiday trips and specific cultural tourists account for **3%** of all holiday trips.

Type of trip	Number of outbound trips in millions	Share of trips in %
Outbound trips from W. E.	156	100
General cultural trips from W. E	33	21
Specific cultural trips from W.E	4	3

Source: European Travel Monitor 2000

Based on the travel motivational studies, the European market for cultural tourism can be divided into 2 very broad segments that exist in all West - European travel markets and that may be called:

1. Specific Cultural Tourists (*specific reason for the trip was visiting a cultural attraction*)
2. General Cultural Tourists (*visiting cultural attractions as part of a general holiday*)

The most important markets

Important markets	Number of general cultural trips in millions	Number of specific cultural trips in millions
1. Germany	12	2
2. Scandinavia (DK, FIN, N + S)	5.9	0.8
3. Great Britain	4	1
4. France	2.3	0.3
5. Netherlands	2.3	0.3

Source: European Travel Monitor 2000

The specific cultural tourists can be profiled as:

- Women in the age-groups under 30 and over 50;
- The very well educated with good incomes and higher employees in the public sector
- They are choosing destination on the basis of offers that they know *before the trip*
- They are motivated and inspired by *a major event or attraction* that can be found (only) at the chosen destination
- They are more easily motivated by the *cultural medias* than by the travel ones
- They are frequently using the assistance of the travel trade and are mostly using *the services of smaller specialist operators* or select the trip from special programmes from the larger TOs.

The general cultural tourists can be profiled as:

- During a regular sun&beach holiday, a round-trip or a business trip are visiting a museum, a historical monument or art gallery or attend a concert
- Have *above average income* and are sitting *in leading positions* in both public and private sector.
- Age group 25-44* is stronger represented than in the specific cultural tourist segment
- Significantly *higher travel frequency* compared with the average tourist

- Travel frequently *on short trips at home and to foreign countries* (long weekends, Easter, X-mas and similar) in addition to normal summer and winter holidays
- Have often *children under 15 years* in the household and *bring them along* on the trip
- Travel a lot on *business trips* and are participating on international conferences and congresses and have in sum *much travel experience*
- Often motivated to travel by *major events and themes* that “are in the medias” like World Championships, World Exhibitions, The European Cultural City concept etc.
- Usually *spend more per trip and per day* than average tourists do.

5. EVALUATION OF CURRENT SITUATION IN THE BALTIC COUNTRIES (POLICY, RESOURCES, PRODUCTS)

5.1. Evaluation of policy

5.1.1. The Baltic governments have not defined which ministry on a state level is responsible for the development of cultural tourism. State tourism policy is generally shaped independently from cultural policy. Consequently in the Baltic countries cultural tourism falls between two or more chairs. Neither the ministries of economy, which are responsible for tourism, nor the ministries of culture have taken full operational responsibility for the development of cultural tourism. The ministries are awaiting a government decision before taking action. As a result tourism companies have difficulties in finding a stable and competent partner on the state level to discuss culture and cultural tourism issues. In order to establish a better coordination of culture and tourism, the Estonian Tourist Board has convened the national cultural tourism working group in April of 2003.

5.1.2. Cultural tourism is mentioned in a series of national development plans and strategies, however mostly briefly. In national tourism development plan or programs in Estonia, Latvia and Lithuania there is no separate chapter on cultural tourism. The Estonia's Tourism National Development Plan for 2002-2005 points out, that the main tourism resources of Estonia are historical heritage (city centers from the Middle Ages, fortifications and manor houses), cultural heritage (music, dance and handicraft, folk festivals), natural environment (landscape, waterbodies, conservation areas).

5.1.3. Only Lithuania has on a national level adopted a strategy document on cultural tourism that describes what institutions are going to do what to foster cultural tourism. The document was adopted in 1998 by the Ministry of Culture, but it was not

implemented. In the case of Latvia, a draft for a national document on the main principles for the development of cultural tourism has been developed.

A positive trend is seen in regional and local development plans. For example, cultural and historical heritage is specifically named as one out of seven priorities in the Development Strategy of the Vidzeme Planning Region in Latvia.

The City of Rīga, Latvia has worked out a Cultural Tourism Concept.

The development plan of the Estonian city of Tartu not only mentions cultural tourism, but as well defines how cultural tourism should be developed in 2004-2006.

The Development Strategy for the City of Vilnius in Lithuania, approved by City Council in 2002, includes a large variety of activities facilitating cultural tourism growth. However, the term cultural tourism is not often used.

5.1.4. The coordination between state, regional and local governmental offices, non-governmental organizations and tourism companies in developing cultural tourism is sometimes criticized of not being sufficiently strong. This can partly be explained by the unclear position of responsibility on the national level.

5.1.5. All the Baltic countries have laws on tourism. The countries have no separate law on cultural tourism. Tourism is as a rule not mentioned in legislation relating to culture. Some laws are closely linked to the development of cultural tourism. A good example is the law “On the Preservation and Protection of the Historical Center of Rīga” adopted by the Latvian parliament Saeima on April 16, 2003 partly as a response to threats of an uncontrolled building process and the inability of the City of Rīga to sufficiently protect the cultural heritage of the city’s historical center.

5.1.6. The Baltic governments have increasingly earned respect for implementing the laws and adopting a tough policy to protect the cultural heritage against pressure from other interests.

In March 2003 the Latvian minister of Culture, Ingūna Rībena confirmed the decision made by the State Inspection for Heritage Protection to grant a status as a historical monument to the fortification named Komētforts putting an end to the plans of “Baltic Oil Terminal Ltd.” to build an oil terminal in Rīga’s Daugavgrīva. The company had threatened to go to court and sue the public authorities for several million US dollars in case the works on developing the oil terminal were stopped.

In Tallinn the construction of a new street between Rāvala street and Stockmann department store was significantly postponed to allow proper protection and preservation of the discovered remnants of the medieval buildings. Since the construction was scheduled to end before the Eurovision Song Contest to be held in Tallinn in May 2002, it was not an easy or popular decision to make.

The implementation of rules and regulations are however not always successful. Decisions taken on zoning on a lower public can have serious implications for the cultural and natural environment.

An example is Pärnu City in Estonia where the City Authorities changed the border of the Beach Park (Estonian: Rannapark), which is a protected area and as a result it currently appears to be possible to build a 5-storey building right next to the beach in the area which was supposed to be under protection. As the decision to move the border of the protected area was not dealt and approved by the City Council - as it should be done - it is not clear what authority carries the responsibility according to Estonian legislation. The whole process has raised a lot of heated feelings and discussions in the local community, which seems to confront the steps taken by the authorities.

At the same time the same City Authorities initiated a planning for the resort and recreational zoning for the years to come, which should be mentioned as a positive step.

5.1.7. The Baltic countries have strict rules that regulate conservation, reconstruction and renovation of objects that are defined as cultural, historical or architectural monuments. Limited know-how support is provided by the heritage authorities to owners of such monuments. However, in the case of Latvia and Estonia, different from the General Building Regulations that outline a clear and precise system of getting a building permit, there are complaints that there is not a clear and transparent system for getting a permit from the State Inspection of Cultural Heritage if the object is a cultural, historical or architectural monument. Moreover, there is no public database or information available on works that have been carried out previously by other owners of such monuments. This can sometimes make it difficult for owners of castles and manor houses to develop these buildings for cultural tourism purposes. Sometimes it appears that the protection restrictions make it even fairly impossible for an owner to develop the property for public and commercial use, although the main idea of the sustainable development is not to protect in the restrictive way only, but mainly ensure supported and healthy development in the interests of all stakeholders and aspects.

In Lithuania, according to tourism experts, the system is so complicated that it functions as an invitation to giving bribes to officials. This can partly explain why a series of facades of buildings in the old city in Vilnius have big modern windows, which is not in line with laws and regulations. Such developments can according to heritage experts also be a consequence of an insufficient number of inspectors to control the situation and the current administrative fee system that is complicated, time-consuming and hard to enforce. In the case of the Alatskivi castle in Estonia, the EU-funded reconstruction was put in danger as the heritage authorities imposed stricter regulations on the property renovation halfway into the process and the allotted funds did not allow for the latest criteria to be followed fully.

5.1.8. Baltic financial instruments and tax policies function both as stimulus and obstacles for the development of cultural tourism.

The more funds are invested and the better is the shape of a cultural, historical or architectural monument, the higher becomes its value and as a result, the higher becomes the tax to be paid. That is currently the situation in Latvia. In such a system the owners of such monuments can sometimes be motivated to keep their building or monument in a bad condition. In Latvia there are real estate tax relieves only for cultural, historical and architectural monuments of so-called national significance. A large number of monuments of interest to tourists and of cultural, historical and architectural importance fall outside this definition and the owners have to pay taxes as regular business companies. If there is economic activity, like for instance hotel operations, real estate tax has to be paid even if the monument is of so-called national significance. Despite the fact that these owners have to respect a series of restrictions when renovating and developing their property, they don't get any compensation from the state; on the contrary they get financially "punished" if they keep their building in good technical condition and try to develop cultural tourism. Regardless whether or not the owners decide to keep and restore their buildings with the original historical interior, whether or not they decide to open it up for the public or whether they decide to keep and restore wooden buildings or brick buildings, the real estate tax is the same.

5.1.9. There are no company income tax relieves for a certain number of years for those hotels or other tourism companies that try to re-develop estates and castles or other cultural, historical and architectural monuments.

If an owner of a castle or manor house is to follow all the state requirements and restrictions and there are no tax deductions, it often becomes too costly to restore the buildings. As a result the buildings are not renovated and fall apart.

5.1.10. Some local governments have adopted financial policies to promote cultural tourism.

The city of Ventspils in Latvia has adopted a policy of providing long-term credits to those people in the city that want to renovate and keep building of cultural, historical or architectural value in a good technical condition. Other cities in Latvia seem not to have the financial resources to offer the same system. During Spring time the City authorities in Pärnu, Estonia provide free paint in cooperation with a paint company for the owners of private homes, which are very often wooden buildings of the pre-WWII period, if they, who want to renovate the façade of their homes.

5.1.11. All Baltic countries have lowered VAT on accommodation services. In Estonia and Lithuania it has been lowered to 5 % (as of 1.01.2004), in Latvia to 9 % compared to the regular VAT level of 18 % in all the three Baltic countries. Cultural events are mostly exempt from VAT in Latvia. Cultural events in Lithuania are considered being commercial activity and are with a few exceptions charged like other businesses. In Estonia some reductions apply, but not to all events and cultural activities.

5.1.12. Foreign tourists can get a VAT refund on goods they bring out of Latvia if the value is more than 50 LVL (ca. 90 EUR). In Lithuania there is theoretically a similar system, but the practical technology is not approved. Estonia does not have such a system.

5.1.13. Some local governments in the Baltic countries like Rīga and Jūrmala in Latvia and Neringa and Trakai in Lithuania collect taxes when cars enter the city or a part of the city. Pärnu and Tallinn in Estonia used to have such a system, as well. Despite the fact that car traffic through pollution and vibrations has an impact on the condition of cultural, historical and architectural monuments, a very limited percentage of the collected taxes are channelled towards supporting the renovation of such monuments. In the case of Jūrmala 2 %, and in the case of Rīga 0 % of the collected taxes were used to support the cultural heritage in 2002. In the old city of Tallinn in Estonia there are no restrictions on car traffic anymore.

5.1.14. The Baltic countries have separate laws and well-functioning institutions that control environmental impact issues. Nevertheless, the carrying capacity related to tourism development is seldom investigated.

On the Estonian island of Kihnu a Social Impact Study showed that damage is done not so much to the nature as to the natural way of life as the local community's carrying capacity seems to be already close to the critical level when the active tourism season lasts only for 3 months. Previously the people on Kihnu were used to tourists coming for a 3 – 4 month summer season, but the cold winter of 2003 and ice-covered sea have made it possible and popular for tourists to come also during the winter, which has caused certain complications for a “hibernating” community. There are no restrictions on tourism imposed on the island yet, although the island is actively seeking the status of UNESCO site, which may change the focus on tourism.

5.1.15. The public has usually access to sites of cultural tourism interest. However, there are examples of difficulties in getting access to both public and private buildings as well as to shores of lakes, rivers and sea.

The Presidential Palace in Vilnius is an example, where people must submit an application two weeks ahead of their planned visit to the palace. This makes it difficult for foreign visitors on shorter visits to visit this public building.

In Tallinn there is an initiative by the Presidential Office to keep tourism buses away from the Presidential palace at Kadriorg. Parking has been restricted, also in regards of the groups visiting the near-by Kadriorg Palace that houses a museum.

In the Art Nouveau quarters of Rīga it is very difficult to get access to the inside part of the buildings, since the flats are owned by private persons. No policies have been developed to stimulate access to these buildings.

5.1.16. Illegally constructed fences are making it difficult for people in all Baltic countries to enjoy free access to the coastline and to the shores of rivers and lakes as guaranteed by laws. In the old towns in Lithuania access to the historic courtyards is limited because the private owners lock the gates. Public authorities are sometimes criticized for not being sufficiently active in fighting restrictions on access to public areas.

5.1.17. A series of museums have lately implemented policies of making buildings more accessible for all people, including persons with physical disabilities. New lifts and entrances have been constructed. There are often discounts on entrance tickets for children, pensioners and persons with disabilities. The Museum of Medicine in Rīga offers tours of the museum in sign language.

5.1.18. Museums and places of cultural, historical and architectural interest often admit the necessity of improving people's access to expositions by offering information in more foreign languages and by providing audio guides. Frequently there is a lack of information material free of charge.

5.1.19. Tourist information offices, in particular those outside the capital areas, are often closed on Saturday and Sundays and during the evenings, which makes it difficult for tourists interested in culture to obtain information. Museums are sometimes criticized for not having open during evening hours and for not having developed shops with a broad selection of cultural products that could provide tourists memorabilia from the site and improve the financial situation of the sites.

5.1.20. Despite rapid improvement, many culture heritage sites are still a "well-kept secret" for tourists – there is a lack of signs and information how to get to the sites from roads, bike trails, railroad stations, bus stations and harbours.

5.1.21. There are many impressive internet sites on cultural tourism, but the shortage of a policy of a united system is being felt by the internet users. There is insufficient

information in foreign languages on the internet. In particular there is a shortage of day-to-day information on cultural events.

5.1.22. The Baltic countries have proud agricultural traditions and food-processing regulations are strict in order to protect the interest of the consumers. In Estonia such regulations also restrict the opportunities to produce local cuisine and local beverages. It is not allowed to produce home-burnt brandy, the so-called “puskar” that has been a tradition for centuries. In some countries there are no restrictions on production for one’s own use, but one is not allowed to sell it. When some time ago an Estonian tourism farmer as a welcome drink handed out free samples of such a drink to tourists, he was fined of 500 EEK (ca. 32 EUR). He earned that money back thanks to the good marketing from all the Estonian media attention. As a result of the demand, he now legally imports the drink from Lithuania.

In Lithuania the regulations are different. It is illegal to make such a traditional Lithuanian alcoholic drink like “moonshine” (barley brew distillate) for one’s own use. On the other hand it is allowed for individuals to produce local beer. In Estonia this can be done for the commercial use only by the industry.

In Estonia smoked food products like smoked fish cannot be produced without the producer having a license subject to health inspection. In Lithuania everything that is produced for public use should according to health requirements be tested to protect the consumers, including the tourists.

5.1.23. Though limited, state support is given to keep and restore many buildings of cultural, historical and architectural value. Events taking place in these locations can attract more visitors. However, the policy of public authorities offering support to culture institution that plan to organize festivals, performances and other culture events is often so that the support can not be given more than some months ahead of the event. This makes it difficult for the organizers to do planning and international marketing and give

inform to foreign partners in time since they often need to print catalogues on culture tourism trips 1,5 years ahead of the event.

5.1.24. The Baltic countries are developing policies to successfully make use of the pre-structural and structural funds provided by the European Union. In all the Baltic countries activities linked to the development of cultural tourism are identified as valuable building stones in employment policies, in particular in the non-capital areas. Since cultural heritage objects are well spread out over the country they can when turned into cultural tourism products create new work places. This can keep more people settled in the region thus having a positive effect on regional employment and development.

5.2. Evaluation of resources

5.2.1. The Baltic countries are rich on cultural and historical heritage resources, but these are not always fully understood and used by the tourism industry. Very often there seems to be supply-centered attention instead of demand-driven approach.

5.2.2. Traditions that have been lost or dramatically weakened elsewhere in Europe have been preserved and are still alive in Latvia, Estonia and Lithuania. Many people celebrate Midsummer, Easter, Christmas, Shrovetide, Martinmas, Michaelmas and other days similarly to how it was done centuries ago; a mixture of Christian and pre-Christian ways of celebrating have survived in a unique way. Songs, legends and folklore traditions linked to some of these celebrations are known to a wide part of the population and are still a part of modern life. Handicraft traditions that have more or less died out elsewhere in Europe are still vivid in the Baltic countries. Still living traditions of crafts are supported by good sales at specialized fairs like “Kaziukas fair” in Vilnius in Lithuania. Baltic tradition of pottery, wood works and similar is still alive in villages and towns. In Tallinn in Estonia the Katariina Guild workshop street is a treasure box of the high-quality applied art based on national handicraft heritage producing and offering

patchwork, pottery, glass and leather. This authentic approach is like untouched nature and thus a quality resource for the development of cultural tourism.

5.2.3. The Baltic countries have their own share of pilgrimage traditions and crusades. However, the main aspect related to religion is not the number of religious sites and sights, but their diversity. Side by side Lutheran, Catholic and Orthodox churches and congregations have been developing and there is a large number of minor confessions active in the Baltics, as well.

5.2.4. Despite shortage of funding, the Baltic countries can provide music and dance performances on a world level. The leading Baltic opera and ballet stars are competitive on a global market. The Baltic countries are the only countries in the world that have maintained the song festival traditions on a national scale. Ten thousands of choir singers gather on specially-built Song stadiums to perform. There is a growing number of high-quality opera, jazz, rock and folk music festivals. Composers like Arvo Pärt, Veljo Tormis and Pēteris Vasks, conductors like Mariss Jansons, Saulius Sondeckis and Neeme Järvi, cellists like Mstislav Rostropovich, violinists like Guidon Kremer, singers like Inese Galante and Violeta Urmana-Urmanaviciute, ballet dancers like Mihail Baryshnikov and Maya Plisetskaya and a series of superb choirs are all linked to the Baltic countries and are clear evidence of high quality of the resources and the potential for tourism based on cultural performances.

5.2.5. The density of art is felt everywhere in the Baltic countries. Excellent art education results in high-quality art, galleries and art museums combined with a friendly price level. Baltic people are sometimes “accused” of having too many artists.

The Baltic countries, especially the larger cities, have rich multicultural resources that are currently only partly used to develop cultural tourism and attract international tourists. Minority culture heritage like for instance the coastal Swedes in Western Estonia, the Old Believers, the Baltic-German, Polish, Jewish and Russian heritage as well as the Liv people in Latvia, the Setu people in Estonia and the Karait people in Lithuania is not used

to its full potential, although in many cases there are quite obvious demands for it on the certain source market due to its links to the homeland and the fact that people often search for their roots.

5.2.6. The Baltic cultural tourism thrives on numerous historical, cultural and ethnical links with main source market countries – mostly in the Baltic Sea Region or more specifically - parts of Russia, Scandinavia, Finland and Germany. The peculiar Münchhausen Museum in Latvia is an example of a museum based on a link with one of the key market countries.

5.2.7. Soviet period heritage is still attractive to many visitors, not so much because of its content, but rather its dramatic and recent nature. A lot of its sights are still intact and easily accessible - for instance the luxurious soviet spa hotel Auska in Palanga and Vilnius Airport in Lithuania and the Academy of Science building in Rīga in Latvia. Keeping in mind, that the Soviet period was only a very brief spell in the centuries-long ruling of the Baltic territories by other nations, this resource is related to the wider issue of the neighbours impact and integration. Currently Soviet heritage is not used to its full potential.

The Museum of Occupation in Rīga, Latvia and the KGB museum in Vilnius, Lithuania are focusing on the soviet period in the Baltic countries. On the road from Tallinn to Vilnius no signs carry witness of the huge manifestation on August 23, 1989 when people in Estonia, Latvia and Lithuania made a human chain of more than 600 kilometres to mark the 50th anniversary of the historical Molotov-Ribbentrop pact that led to the end of Baltic independence and the beginning of Soviet rule in Estonia, Latvia and Lithuania. This peaceful demonstration and act of Baltic unity was important in the non-violent fight that paved the way for regained Baltic freedom.

5.2.8. Possibly thanks to being on the crossroad of many cultures and trade routes the Baltic region has a very interesting food culture. So far beer culture has been provided to the tourists most actively. There are local breweries spread all over the countries and

frequent beer festivals. Riga Balsam is a legendary drink in many countries. Restaurants have a great variety of delicious fish and meat dishes. Bakery and dairy products are rich. Unique Baltic brown bread as well as Kalev, Laima and Karuna chocolate are often found in the suitcases of tourists leaving the Baltic countries. Local country food has been modestly used to strengthen the development of cultural tourism in rural areas.

5.2.9. Situated on the crossroad between West and East trade has always been important for the Baltic countries. Europe's biggest market is situated in Rīga. The Hansa culture embraced many cities and towns. Currently the Hanseatic links and culture experience a historical revival. As the Baltic countries rapidly develop, ultra modern trade trends are mixed with exotic and somewhat old-fashioned market places. The latter feature reminds many people in Western Europe about something that got lost in the 1950-s and 1960-s. It represents travelling to the past and has, thus, a tourist value and potential.

5.2.10. The mentioned Central Market in Rīga is part of a rich industrial heritage together with narrow-gauge railroads, mills and mines. The first Minox mini-camera was produced in Rīga, Latvia, the largest pre-WWI Russian pulp mill was developed in Pärnu in Estonia and the Klaipeda Port still uses pre-war German equipment.

5.2.11. After stormy weather everybody has a chance to look for amber on the sandy Baltic beaches. Amber can be seen at the Amber Museum in Lithuania and amber handicraft can be bought all over the Baltic countries.

5.2.12. There is a large number of palaces, castles and manor houses with surrounding parks, fortifications and other historical buildings, which can be used for cultural tourism including unconventional accommodation purposes. The unique pre-WWII summerhouse environment in the resort cities of Jūrmala, Palanga, Haapsalu and Pärnu has so far been one of the main attractions in relation to sea & sun beach tourism development. Many cities have kept their Gothic and Late Baroque environment or Art Nouveau and Functionalist quarters. The old cities in Tallinn, Rīga and Vilnius are all on the list of UNESCO World Heritage sites. Traditional and still fully functional wooden

farmsteads all over the Baltic countries provide excellent opportunities for rural experiences. The sauna culture is at farms in Estonia, Latvia and Eastern Lithuania as widespread as in Finland. Cultural experience in rural areas are often integrated with values of the nature. Archaeological findings and reconstructions of settlements based on archaeological findings give evidence of life during the Viking age and other historical periods. Many areas are protected, and unspoilt nature can be enjoyed together with the cultural heritage. An extension of the ecological culture is the Baltic flower culture including a series of 24 hour-open flower markets and flower fields that can be compared with Holland. Keeping in mind the small territory the Baltic nature and landscapes are very diverse and to a large degree untouched and clean. The Baltic countries are among the least densely populated areas in Europe and there is plenty of room for privacy and silence, values that are very often missing in other destinations competing with the Baltic countries. These values become increasingly valued in a European context.

5.2.13. An increasing number of buildings are in a good technical condition, but partly due to 50 years of mismanagement during the soviet occupation period a large number of buildings of significant cultural, historical and architectural value are still not being renovated. However, most buildings even though in a bad conditions, have been kept and not torn down. They have not fallen as victims to the wave of modernization that swept over large part of western Europe in the post-war period.

In the Baltic countries roughly 20 % of the cultural monuments are in a good condition. The rest needs immediate restoration and renovation. An estimated 10 % of the necessary financing is provided by the state. Museums, often with unique collections, need modernization to attract more visitors and to make them more accessible for people with disabilities. The construction of lifts is sometimes difficult since it might destroy parts of a historical building. Some castles and castle ruins are closed due to security reasons; the necessary conservation works have not been carried out. For instance, the annual number of visitors to the Museum in Cēsis in Latvia fell with 4 000 since the castle ruins were closed. At the same time the newly reconstructed Ventspils Middle Age Castle in Latvia with a contemporary museum with new technology increased in 2002 the

number of tourists visiting the city by 42 %. New marketing technologies introduced at Lithuanian Art Museum with the openings of the expositions on the “Zalgirio mūšis” (Grunevald battle) and Christianity Art in Lithuania tripled museum visitors in 1 year. In Tallinn, Estonia the Rotermanni Salt Warehouse has become one of the most popular sites for the local community and visitors as the former industrial heritage site has been turned into a multi-functional exhibition center combining Hanseatic settings with modern technologies while running side-by-side for example exhibitions of Andy Warhol and Estonian folk costume influence on contemporary fashion. In Kuressaare on the Estonian island of Saaremaa the Bishop’s Castle has been renovated over the years as an integrated entity including all the outside fortifications and moats and as a result the castle has become one of the most popular sites for the visitors.

The low prices and marginal profits at many cultural heritage sites in the Baltic countries result in scarcity of capital investments in the site. In the long run this can damage the quality of the services and products provided and could become even a safety risk at worst if buildings are not repaired when needed.

5.2.14. There are many culture and heritage sites in the Baltic countries, which are not open to the public or only open irregularly or by prior arrangements.

Only for 6,8 % of all museums, owned by the state or local government in Latvia, incomes earned by the museums themselves exceed 20 % of the total incomes. It could be claimed that currently cultural heritage far from uses its potential to serve as attractive destinations for domestic and international tourists. Earnings are low and employment does not increase very much.

5.2.15. Very little investments have been made in the tourism infrastructure, services and facilities to increase the level of comfort at sites, particularly outside the capitals and established destinations. This keeps the sector from its full development potential. So far the investing has been mainly done by the private sector as for instance the Grutas park in

Lithuania, where thanks to a 7 million Litas (2 million EUR) private investment a unique Soviet sculpture park was created. Many restaurant owners in the Baltic periphery construct facilities very often combined with ethnographic and technologic exposition. Private capital has been invested in a series of Estonian and Latvian manor houses.

5.2.16. People with high level of general education are one of the main resources for cultural tourism in the Baltic countries. Tourism management is taught at several institutions of higher education in the Baltic countries. However limited focus is on cultural tourism, in particular in terms of scientific research. Insufficient statistical and market research has been implemented in the Baltic countries so far, therefore the methodological data needed to assess the development needs and opportunities is very scarce.

5.2.17. Little training is provided to local authorities and company employers in the sphere of cultural tourism to ensure sustained development. Most of the training available is in the format of one-off seminars or workshops. Owners of sites and developers of cultural tourism frequently lack the needed competence, skills and experience to run a cultural heritage site and do not understand the economic opportunities that are offered by such a site.

5.2.18. The Baltic countries have excellent experts that are capable of restoring and renovating cultural, historical and architectural monuments observing all the requirements for heritage protection. However, the number of experts is limited, which will be more evident if more financing is found for restoration and renovation.

5.2.19. Shortage of know-how aids in the local languages that are suitable to be used in supporting and promoting tourism development is causing serious development handicap as the regional, local and entrepreneurial levels – the levels where the main development should happen - are left on their own without needed tools.

5.2.20. Knowledge on cultural heritage is not always well integrated in the curriculum of secondary schools in the Baltic countries.

5.2.21. Generally the command of foreign languages in the Baltic countries is good. The younger generation usually understands the local language, English, Russian and partly German. However, sometimes insufficient command of foreign languages, particularly in rural areas, causes quality problems. This cannot be allowed, as cultural tourism is very much focused on quality of experiences.

5.2.22. Older people are essential in carrying on the cultural heritage, in particular as information and knowledge sources, story and legend tellers and keepers of traditions. Often the importance of older people in the cultural tourism business is not fully valued.

5.2.23. The carrying capacity in tourism and its impact on economy, environment and social issues is not properly evaluated and analysed in the Baltic countries. As a result the growth of tourism in popular areas may exceed the social and environmental carrying capacity causing irreparable damage. The host communities and their authentic cultures can be globalised by the overexposure to visitors enforcing their own habits and values.

5.2.24. The closeness to the main markets in the Baltic Sea Region is one of the main development resources of the cultural tourism as one of the crucial issues in tourism is easy accessibility. The rest of the important markets are located in Europe, as well.

There are air connections from the main markets to the Baltic capitals. Ferry connections are well developed to bring people interested in cultural tourism to Estonia. There is room for much improvement regarding the ferry connections from the main markets in the case of Lithuania, and in particular Latvia. Bus connections are increasing. Trains are slow, but can bring people from Russia and other Eastern and Southeastern markets.

Good communication facilities in the Baltic countries provide excellent business environment for culture tourism. Internet and mobile phone can be used at most places.

5.3. Evaluation of products

5.3.1. Although the Baltic countries are rich on cultural tourism resources, insufficient investments are made to develop these resources into tourism products, particularly outside the capitals and established destinations.

5.3.2. The amount of the culture tourism products in active package sale is insufficient and usually focuses on the old towns of the three capitals and a couple of other established destinations. The rest is usually up to the customer to make his or her own package from scattered pieces of information, services and sights. Possibilities are not the kind of supply the demand expects.

5.3.3. The Baltic countries are weak on joint international marketing of cultural tourism and there is a general shortage of resources for international marketing.

5.3.4. There is no internet portal on overall Baltic cultural tourism that can guide internet users and potential travellers to the right databases and onto the right tracks and more specific information and links.

5.3.5. Insufficient tourism packages providing active synergy of Baltic cultures are offered to the market, while potential travellers seem to understand the Baltic countries as one destination and are likely to visit more than only one Baltic country. Moreover, insufficient tourism packages providing active synergy of culture & nature are offered to the market. The active, recreational participation in the tourist products very often borderlines on the dividing line between culture, nature and extreme experiences. While the Baltic countries as a rule do not offer dramatic opportunities for extreme experiences, their uniqueness lies in the fact, that most of the culture and heritage is hardly ever disconnected from nature and relevant traditions.

5.3.6. The existence of several UNESCO World Heritage sites in the Baltic countries has not been used to the full effect in the promotion and cultural tourism development. Attention on the Baltic cultural tourism attractions is scattered among a number of national and regional sites and sights. No Baltic so-called flagship sites and sights have so far been marketed internationally. The Baltic countries are virtually unknown as a travel destination at many markets and even where there seems to be reasonable demand for the visits to the Baltic countries, no clear image as a travel destination has been established.

5.3.7. There is no clear differentiation of cultural tourism promotion regarding different markets. With some good exceptions, the same products are usually offered to all markets in a similar way. Hanseatic heritage is well understood by the German market, in many non-Hanseatic countries the concept means at best Medieval. It is important to remember that cultural tourism is about the production of travelling packages and marketing to special interest market groups – niches and segments.

5.3.8. While the use of information technologies is well developed in the Baltic countries and internet has become one of the main information sources in tourism on the global level, the present e-exposure is of very general nature, while culture and heritage need a more detailed approach to ensure, that the uniqueness of what is offered, is communicated to the potential customer. Very few sites have fully made use of new technologies in presenting their values to an on-line audience. The Latvian Ethnographic Open Air museum is a good exception. 3 DML is used to develop virtual presentations of parts of the museum. (www.virmus.com)

5.3.9. There is insufficient usage of media-based marketing tools (CD, DVD, etc) to support promotion and sales. While many competing destinations already do it, in the Baltic countries even a regular e-mail/.pdf newsletter seems to be a novelty.

5.3.10. Despite a growing number of festivals and a rich cultural life as such, there is an insufficient number of culture events ready to be packaged and sold on tourism market at

the moment. Very often the precise information on the events is not available in time to be marketed internationally. Most of the events are not developed or initiated from the point of view of tourism product development, although very often tourists are seen as a potential audience. As per Spring 2003 there is no Baltic company specializing in selling tickets to Baltic festivals and other cultural events to international tourists.

5.3.11. The seaside resorts with long traditions based on white sandy beaches, pine forests, clean seawater, spas, unique wooden villas and architecture full of fantasy manage to attract a large number of tourists both from the domestic and international markets. However, the hotels' occupancy level has for various reasons not reached the level from the 1980-ies, especially this is true for Jūrmala, Latvia. The former flow of tourists from Russia and other East European nations has become less due to complicated visa regulations as well as weaker purchasing power in the East. Many resorts have had difficulties in reorienting its business towards the western market. The seaside resort products in Palanga in Lithuania have partly succeeded in attracting German tourists as the products of Pärnu, Saaremaa and Haapsalu in Estonia has managed to attract many Finnish guests.

5.3.12. The maritime tourism products related to the seashores, islands and sea as fishing, sailing, guest harbours for yachts, yacht marinas provide the very core of the Baltic element and can be successfully linked to cultural tourism products. This has so far not been done. Product development in fishermen's villages and at lighthouses is more or less absent.

5.3.13. Even though the Baltic countries are rich on palaces, castles and manor houses and some of them offer accommodation, it is currently rather complicated for a foreign guest to book a trip to various castles and manor houses. Different from Baltic country and farm holiday products that are sold on the international market by companies specializing in selling country and farm holidays, there is no company specializing in selling trips to Baltic castles and manor houses. The recent establishment of organizations promoting co-operation between castles can be seen as the first steps

towards more coordinated and customer-friendly sales. The co-operation within the private sector has so far been passive, although in many destinations the entrepreneurs are active to pursue their own business development. Passive co-ordination within the private sector will cause ever-scattered efforts, over-competing and fragmented supply at the destinations.

5.3.14. Most of the existing heritage is very static – sights are shown and seen, but this does not allow for active participation and experience. This means that the entertaining and learning experience as a part of the overall destination or product experience is used below its potential. Good exceptions are the Cēsis Castle Ruins in Latvia and the Dominican Closter in Tallinn in Estonia, where guides dressed in clothes from the Middle Ages take the visitor on a theatre-like tour of the castle ruins. The tourists are involved and become actors in various historical events, some visitors are even knighted. After the tour a Middle Age meal is served.

5.3.15. Preserved regions and settlements with authentic folklore and rural way of living are true gems seen by many markets as the old pre-WWII Europe.

5.3.16. Soviet Heritage, sites and routes of interest especially for visitors from Germany, Sweden, Finland or other key markets are not developed and presented as products tailored for groups from specific countries. It is very difficult for a foreign visitor to get information to follow for example the routes that Russian czars and Swedish kings like Peter the Great or Gustav Adolf have followed when they travelled in the Baltic area.

5.3.17. Thematic cultural tourism routes based on handicraft are beginning to develop like pottery routes.

The souvenir business is quite far from its actual potential keeping in mind the crafts and arts traditions in the Baltic countries. The destinations do not involve actively local authentic craftsmanship in the destination souvenir production. In a wider national aspect

the crafts and arts industries are not developed as a way of self-sustained and authentic production as a part of national employment policy.

5.3.18. Products based on food and drinking culture are weakly developed. Breweries, distilleries and bakeries are rarely included in tourism products despite that many would be interested in tasting and getting to know more about Baltic food and drink products.

5.3.19. Information for people interested in cultural tourism is usually available in the local language and English only. In many cases this is not sufficient.

While the groups get this shortcoming covered by the help from the guides, this problem is very unfortunate for the individual tourists, who are actually the culture tourists proper.

The information provided to the customers and the source markets about the tourism sites, sights and opportunities is often inaccurate or misleading or – as the case still may be – there is no information at all beside the address and the name. There is no Baltic cultural tourism map available.

5.3.20. There is a broad network of tourist information offices all over the Baltic countries, however they are often not open during weekends and evening hours when tourists want to use them. With some good exceptions there is in general weak cooperation between tourist information offices. Information on neighbouring areas is often not available.

5.3.21. Reasonable price level of the cultural tourism products & related services is one of the key competitive edges the Baltic cultural tourism depends upon at the moment.

5.3.22. The seasonal nature of the tourism business causes high labour turnover as it is hard to motivate and keep qualified staff during the off-season.

5.3.23. While the funding for tourism development and investments is becoming eventually more and more available, there is insufficient assistance available for preparing tourism projects (incl. those financed with foreign aid) and co-ordination and organizing their implementation. There are funds, there are needs, but the know-how and experience of how to put the funds and needs together in a project and how to implement a project, is limited.

6. VISIONS, GOALS AND PRINCIPLES FOR BALTIC CULTURAL TOURISM

6.1. Vision

Baltic cultural tourism will be by the year 2006 an approved branch of national economies and a leading power of national tourism economies recognized in the Baltic Sea Region and known on the international market as a product concept sustainably based on genuine culture and heritage.

Tourism and culture are important development sectors, which provide important contribution to the economic, social and cultural development in the entire Baltic region. Economy and society as a whole profit from tourism, the more visitors appreciate the attractions of the Baltics:

- Culture and heritage;
- Natural environment;
- Traditional lifestyle;
- Hospitality;
- Recreating peacefully among friendly and hospitable people.

6.2. Goals

The main goal of cultural tourism development in the Baltic countries is to ensure sustainable economic, social, cultural and spatial development based on preservation, maintenance and enhancement of cultural heritage through increased supply and demand, diversity and quality and sale of viable cultural tourism services.

Achieving the main goal the following policy issues and priorities need attention.

Cultural policy:

- active preservation of cultural resources - sustainable application of cultural environment in creating tourist value;
- preservation of culture and heritage traditions and values.

Economic policy:

- growth in GNP, increase in budget income & tax revenues;
- intensified and balanced development of the region as a whole;
- creation of new jobs and sources of income, preservation of existing jobs;
- restructuring of economy from industry, agriculture and forestry to services;
- broadening cooperation with partners in Baltic Sea Region

Social policy:

- improvement of social environment and quality of life;
- development of better recreational opportunities for the local community;
- added employment opportunities outside known attraction centres;
- identification and support to local initiative as motive power for development.

Environment policy:

- compliance with principles of sustainable development in action-planning;
- active preservation of natural resources - sustainable application of natural environment in creating tourist value;
- development of region as an example of sustainable region

Administrative policy:

- active involvement of state, regional and local tourism-related authorities in the processes of planning, decision-making and implementation in the chain: tourist market-state-region-county-local government-entrepreneur.

Educational policy:

- enhancing training as a precondition for raising the quality of cultural tourism services regarding vocational, higher and retraining levels;
- integrate cultural heritage issues more in the regular secondary school curriculum;
- provide flexible educational measures to respond to the changes in the labour market;
- secure constant opportunities for upgrade training and retraining for people engaged in cultural tourism.

Infrastructural policy:

- ensure, that the investments are made beside the general infrastructure into the (cultural) tourism infrastructure;
- ensure, that the tourism investments are made also outside the established tourism centres;
- ensure that cultural tourism interests are taken into consideration when making long-term infrastructure plans and decisions.

6.3. Principles of Sustainable Cultural Tourism Development

The unique values of culturally and heritage-wise attractive areas are very fragile and therefore at the same time when they are promoted, used and sold, they also have to be protected. This means that wishing to act economically wise in a longer perspective, but also righteously to the host community and the future generations – we have to choose sustainable development of tourism as the pattern of Baltic cultural tourism, the comprehension of which is satisfaction of the needs of inhabitants and tourists of the region in such a way, that similar possibilities will be preserved also in the future.

1. The key principles of sustainable cultural tourism are:

- responsible travelling;
- supporting preservation of (cultural and natural) heritage;
- ensuring the welfare of host community.

2. Sustainable cultural tourism supports local community and its development as follows:

- considers social and cultural impact and does not upset the local inhabitants;
- local community will participate in the generating and sharing of the tourism revenues;
- maximum share of tourists' expenditure will stay in the host location;

3. Sustainable cultural tourism supports the preservation of cultural heritage as follows:

- is based on the uniqueness of the host area and authentic cultural experiences;
- respects the identity of the host community, its culture and way of life.

4. Sustainable cultural tourism supports the preservation of natural heritage as follows:

- considers natural limitations and carrying capacity;
- preserves biological diversification;
- nature is useful for tourists and expects the tourists to be useful for the nature.

5. Sustainable cultural tourism enlightens tourists as follows:

- apprehension of tourism's impact on natural, social and cultural environment increases;
- visitors become aware of responsible travelling and tour operating;
- tourism is seen as a tool of local development and of preserving the heritage.

6. Tourism and conservation activities planned and implemented in the destination should benefit first of all the host community.

7. The relationship between the culture and heritage sites and tourism involves the unavoidably conflicting values of preserving and consuming. Still, the cultural tourism destination and the sites within it should be managed in a sustainable way to ensure the presentation of the values for present and the preservation for future generations.

8. The host communities and all culture and tourism stakeholders related to the destination in question should be involved in planning for both - conservation and tourism alike.
9. The conservation and tourism destination planning involving the culture and heritage sites should ensure the visitor experience quality (authentic, entertaining and enlightening).
10. The heritage and cultural sites conserved and developed for tourism use should provide sustainable opportunities for both the host community and visitors to experience, understand and appreciate the destination's heritage and culture.
11. Tourism and destination marketing and development should also promote culture and heritage values and its protection at the relevant destination.

7. RECOMMENDATIONS BASED ON THE EVALUATION OF THE CURRENT SITUATION IN THE BALTIC COUNTRIES (POLICY, RESOURCES, PRODUCTS)

7.1. Recommendations on policy

7.1.1. The Baltic governments are recommended to define which ministry on a state level is responsible for the development of cultural tourism or alternatively establish an inter-ministerial work group to coordinate issues related to the development of cultural tourism. The work group should include representatives from the ministry regularly responsible for tourism development, the ministry of culture and any other ministry, which decisions are of major importance for the development of cultural tourism. Such a decision could help avoid the current trend that culture tourism is not dealt with properly because no ministry acknowledges its full responsibility for the sector. Such a ministry or inter-ministerial work group can prepare the necessary policy decisions and give

instructions to the state institutions that are in place and can implement the cultural tourism policy. If an inter-ministerial work group is chosen, then it should be led by the representative from the ministry responsible for tourism development, which is in all Baltic countries, the Ministry of Economy. As a result tourism companies will have a stable and competent partner on the state level to discuss culture and cultural tourism issues that again would foster the development of cultural tourism. State tourism policy should not be shaped independently of state cultural policy.

7.1.2. It is recommended that there should be more focus, preferably a separate chapter, on cultural tourism in national tourism development plan or programs. The Baltic state should on a national level adopt a strategy document on cultural tourism that describes what institutions are going to do what to foster cultural tourism. Cultural tourism should be properly dealt with in regional and local development plans and programs, as well.

7.1.3. The coordination between national, regional and local governmental offices, non-governmental organizations and tourism companies in developing cultural tourism should be strengthened. A more clear position of responsibility on the national level regarding cultural tourism will have a positive impact on this issue.

7.1.4. The Baltic governments are recommended to continue to implement laws and adopt tough policies to protect the cultural heritage against pressure from other interests. Change of zoning should not be accepted if this could harm the cultural environment.

7.1.5. More know-how support should be provided by the heritage authorities to owners of buildings that are defined as cultural, historical or architectural monuments. Easy understandable information in paper format and on the internet should be available on how to proceed and what regulation to observe when owners want to preserve, renovate or restore their buildings. It is recommended that the State Inspection of Cultural Heritage and similar public authorities develop precise, transparent and streamlined systems for getting permits for those owners that intend to preserve, renovate or restore buildings of cultural, historical or architectural value. This should include a clear and

open policy on what documentation that should be submitted. A public database or information on works that have been carried out previously by other owners of such monuments should be made available. This could make it easier for owners of castles and manor houses to develop these buildings for cultural tourism purposes.

7.1.6. Baltic financial instruments and tax policies should function as stimulus for the development of cultural tourism. The systems should motivate owners to add value and keep their building or monument of cultural, historical or architectural value in a good technical condition.

7.1.7. It is recommended that real estate tax is abolished for a period of no less than 10 years if a building is successfully preserved, renovated and restored and either by national authorities responsible for the protection of the cultural heritage considered to be a monument of national significance or by the local government considered to have local cultural, historical and architectural interest. Such a system can broaden the number of buildings that can be exempt from real estate tax and thus have a positive impact on cultural tourism development. Such buildings can receive permanent tax relief status, as well. Economic activity, like for instance hotel operations, should not be considered as an argument for not giving real estate tax relieves.

7.1.8. Regular public access to the buildings should be a requirement for obtaining tax relieves.

7.1.9. If restrictions on the use of the building cause financial losses to the owners that keep their building of cultural, historical or architectural value in a good technical situation, a system of compensations should be developed by the state.

7.1.10. Through additional financial incentives owners should be encouraged to keep and restore their buildings with the original historical interior. Additional financial incentives should as well address those that want to keep, renovate and restore wooden buildings.

7.1.11. Company income tax relieves for a certain number of years should be given to those hotel or other tourism company owners that try to re-develop estates and castles or other cultural, historical and architectural monuments.

7.1.12. Local governments are recommended to adopt financial policies to promote cultural tourism by providing loans or providing financial advantages to those that intend to keep, restore or renovate buildings and monuments of cultural, historical or architectural value.

7.1.13. VAT should be lowered to 5 % on accommodation services in all Baltic countries. Cultural events should stay exempt from VAT. There should be VAT refund for foreign tourists on purchases that amount to 50 EUR.

7.1.14. No less than 40 % of the taxes collected when cars enter cities or part of the cities, should because of the impact that car pollution and vibrations have on the condition of cultural historical and architectural monuments, be channelled towards supporting the renovation of such monuments.

7.1.15. A system of investigating the carrying capacity of tourism development including environmental and social impact studies should be developed and applied in order to secure a sustainable cultural tourism development.

7.1.16. Policies and positive measures should be introduced to promote access to public and private sites of cultural tourism interest. If the owner of a public or private site is given preservation, renovation, restoration or other forms of support from public authorities, an agreement should be signed that guarantees public access to at least parts of the building at certain hours several times per week. In order to obtain any tax relieves the owners also have to sign an agreement that guarantees public access to at least parts of the building at certain hours several times per week.

7.1.17. Public authorities should pass decisions and integrate clauses in the legislation to ensure that at least a part of all public buildings of interest to tourists should be open at certain hours during the week.

7.1.18. Public authorities should adopt stricter rules and more energetically react if the rules are not followed in order to avoid illegally constructed fences and other hindrances set up to make it difficult for people to enjoy their lawful free access to the coastline and to the shores of rivers and lakes. Free access is in the interest of tourist and will promote access to places of cultural and historical interest.

7.1.19. All museums and other cultural institutions are recommended to implement policies of making buildings more accessible for all people, including persons with physical disabilities. New lifts and entrances should be constructed. Discounts on entrance tickets should be given to children, pensioners and persons with disabilities.

7.1.20. People's access to expositions should be improved by offering information in more foreign languages and by providing audio guides. It is recommended that more information materials free of charge should be produced.

7.1.21. Opening hours at tourist information offices should be tailored to the needs of tourists. Tourist information offices and museums should be opened during weekends and in the summer season during evening hours. Flexibility and a business philosophy with more attention to profit making than to strict opening rules regulations should be implemented. Museums and other culture tourism sites should develop shops with a wider choice of cultural products to sell in order to improve the financial situation of the sites.

7.1.22. It is recommended that more signs and information how to get to the cultural tourism sites from roads, bike trails, railroad stations, bus stations and harbours should be set up. Information about sites of interest for cultural tourism should not only be in the national language, but also in the language(s) understood by the main groups of tourists

like English, German, Russian as well as Estonian, Latvian, Lithuanian, Scandinavian and Finnish.

7.1.23 .A Baltic cultural tourism internet portal is recommended to be set up to help internet users navigate into interesting sites on cultural tourism.

7.1.24. Food and drink quality regulations should stay strict, but should be balanced and acknowledge the need and value of providing tourists with samples of local cuisine and local beverages that are not mass-produced.

7.1.25. Public authorities should try to develop mechanisms to ensure that organizers of cultural events, which can be used to attract foreign tourists, can get information on support close to 2 years ahead of the events in order to ensure time for sufficient planning and international marketing of the event.

7.1.26. It is recommended that the state allocates more funding to add value and renovate, restore and protect monuments, shrines, museums, archaeological and historical places so that these places can attract more tourists and thus create more incomes, thus fostering a sustainable development of the Baltic countries.

7.1.27. The Baltic countries are recommended to develop an investment policy to support investments in cultural tourism including the development of new tourist attractions with special emphasis on the creation of cultural tourism-related jobs in rural areas.

7.1.28. Activities linked to the development of cultural tourism are valuable building stones in employment policies, in particular in the non-capital areas, and should thus be a priority for the Baltic countries in the use of pre-structural and structural funds provided by the European Union.

7.2. Recommendations on resources

7.2.1. The cultural and historical heritage is recommended to be used more by the tourism industry in the Baltic countries.

7.2.2. A mixture of pre-Christian and Christian celebrations linked to various dates of the year, which in the Baltic countries are still alive and have been preserved better than elsewhere in Europe, should be more actively used in promoting cultural tourism in the Baltic countries.

7.2.3. Handicraft traditions should be more supported and more extensively used in developing cultural tourism in the Baltic countries.

7.2.4. The diversity of Lutheran, Catholic and Orthodox churches and congregations and minor confession is a resource that can be developed to attract more cultural tourism guests.

7.2.5. Music and dance should be one of the key instrument in promoting cultural tourism in the Baltic countries. Special focus should be on the opera and ballet theatres and the unique song festivals.

7.2.6. Minority cultural heritage and the rich multicultural resources should be more used to develop cultural tourism and attract international tourists, in particular from the countries linked to the minorities present in the Baltic countries.

7.2.7. Historical, cultural and ethnical links that the Baltic countries have with main source market countries – mostly in the Baltic Sea Region or more specifically parts of Russia, Scandinavia, Finland and Germany should be further developed. The Soviet heritage should be used wisely to attract more tourists.

7.2.8. The Soviet heritage can be used more to attract tourists by giving visitors a glimpse into the contrasts of Soviet life.

7.2.9. Local food and drinking culture should be provided to tourist more actively. Co-operation between the tourism industry and food and beverage factories should be deepened.

7.2.10. The fact that in some respects time life in the Baltic countries has not changed since the pre-WWII period, should be used as an asset and starting point to attract in particular European travellers to travel in a way back in time.

7.2.11. Efforts should be made to have information on cultural events available 1,5 – 2 years before the events take place to allow for proper international marketing in order to attract foreign tourists.

7.2.12. It is recommended that at visitors are activated and involved in processes linked to cultural tourism. For instance, looking for amber of the beach can be a popular tourist activity similar to how people look for pieces of gold at certain sites elsewhere.

7.2.13. Castles, manor houses, fortifications and other historical buildings are recommended to be developed having cultural tourism opportunities in mind, including unconventional accommodation purposes. The unique pre-WWII summerhouse environment in the resort cities of Jūrmala, Palanga and Pärnu should be kept and further developed. The Gothic and Late Baroque environment as well as Art Nouveau and Functionalist quarters in Baltic cities should be properly protected. Traditional and still fully functional farmsteads all over the Baltic countries should be used more to provide opportunities for rural experiences.

7.2.14. It is recommended that the Baltic states provide more funds and financial incentives in order to promote the preservation, renovation and restoration of a large number of buildings of significant cultural, historical and architectural value are currently

in a poor technical condition. Modernization of museums should be carried out to attract more visitors and to make them more accessible for people with disabilities.

7.2.15. Culture and heritage sites in the Baltic countries should as a rule be open to the public on a regular basis. Campaigns addressed to the general public and private real estate owners should be made to make people better understand what the positive impacts are of letting tourists have access to buildings of cultural and historical interest.

7.2.16. More investments should be made in the tourism infrastructure, services and facilities to increase the level of comfort at sites, particularly outside the capitals and established destinations.

7.2.17. In tourism education and research more focus should be on cultural tourism. More market research to identify development opportunities and advantages should be conducted.

7.2.18. It is recommended that systematic training opportunities are provided to local authorities and company employers in the sphere of cultural tourism as a resource and instrument of capacity building and quality management. This will ensure sustainable development. More efforts should be made to provide owners of sites and developers of cultural tourism with the competence, skills and experience needed to run a cultural heritage site and to understand the economic opportunities that are offered by such a site.

7.2.19. The Baltic countries should slightly increase the education of experts that are capable of restoring or renovating cultural, historical and architectural monuments observing all the requirements for heritage protection.

7.2.20. Know-how aids that are suitable to be used in supporting and promoting tourism development should when needed be translated into the national languages.

7.2.21. More knowledge on cultural heritage should be integrated in the curriculum in secondary schools in the Baltic countries.

7.2.22. Efforts should be made to ensure that the command of foreign languages, particularly in rural areas, is sufficient to ensure quality in operations.

7.2.23. More older people as carrier of traditions, stories, legends and sources of information and knowledge could be more efficiently involved in the development of cultural tourism business.

7.2.24. Analysis of the carrying capacity of a site should as a rule be taken into consideration when planning hotel buildings and tourism activities. More studies on the impact of tourism in the Baltic countries should be conducted.

7.2.25. Ferry connections from the main markets should be improved in the case of Latvia and Lithuania.

7.3. Recommendations on products

7.3.1. More investments are made to develop the rich Baltic cultural heritage resources into tourism products, particularly outside the capitals and established destinations.

7.3.2. The amount of the culture tourism products in active package sale should be broadened and not only focus on the old towns of the capitals and other established destinations.

7.3.3. The Baltic countries should channel more resources into joint international marketing of cultural tourism. At the same time the Baltic countries should strengthen cooperation with partners in Baltic Sea Region by sharing development resources, conducting joint purchase of training and marketing services and by developing joint

projects. On marketing outside Europe the Baltic and Scandinavian countries should benefit from co-operating and joining forces in order to attract overseas tourist to the region.

7.3.4. The Baltic countries should be developed as exemplary region of cultural tourism, the cultural profile should be enhanced and the Baltic countries should be introduced as a cultural tourist destination of international scale.

7.3.5. An internet portal on overall Baltic cultural tourism that can guide internet users and potential travellers to the right databases and onto the right tracks and more specific information and links should be established. This would improve efficiency of cultural tourism information on the Baltic countries and accessibility of information to selected target groups abroad. Information links to nature tourism should be provided, as well.

7.3.6. The fact that several Baltic sites are on the UNESCO World Heritage list should be used more in promotion and cultural tourism development. Serious attempts should be made to reach consensus on a few so-called flagship sites and sights that the Baltic countries can jointly market in order to establish a clearer image as a travel destination.

7.3.7. Clearer differentiation of cultural tourism promotion at different markets is needed.

7.3.8. More media-based marketing tools (CD, DVD, etc) supporting promotion are needed.

7.3.9. Precise information on the events should be available in time to be marketed internationally. A company specializing in selling tickets to Baltic festivals and other cultural events to international tourists should be established.

7.3.10. It is recommended that efforts are made to ensure that information for people interested in cultural tourism is available not only in the local language and English only, but also in other languages reflecting the language knowledge of the potential tourists.

7.3.11. Product quality should be monitored and improved on a regular basis.

7.3.12. Seaside resorts and maritime tourism should be more linked to cultural tourism products.

7.3.13. It should become easy to book and buy a trip to various castles and manor houses in the Baltic countries. More active co-operation within the private sector is recommended to achieve full-fledged destinations and products.

7.3.14. Efforts should be made to consolidate co-operation between public, private and non-profit sectors according to shared and sustainable development principles and strategies.

7.3.15. More of the existing heritage should allow for active participation and experience. There should be more use of entertaining and learning experience as a part of the overall destination or product experience.

7.3.16. Products seen by many markets as the old pre-WWII Europe involving the preserved regions and settlements with authentic folklore and rural way of living to be developed.

7.3.17. It is recommended to develop Soviet Heritage sites and routes of interest especially for visitors from Germany, Sweden, Finland or other key markets. Products should be tailored for groups from specific countries. Information should become available on the sites and routes that previous rulers from Germany, Sweden, Russia and other countries visited when they were in the Baltic area.

7.3.18. In general more efficient use of proximity to the key source markets - the neighbouring countries - should be made. At the same time, there should be made a more

efficient use of domestic market, since this market is a potential source of added value as the local purchase power develops.

7.3.19. More thematic cultural tourism routes based on handicraft should be set up.

7.3.20. The souvenir business should be stimulated. Destinations are recommended to involve more actively local authentic craftsmanship in the destination souvenir production.

7.3.21. Products based on food and drinking culture should be more developed. Breweries, distilleries and bakeries should be more frequently included in tourism products since many would be interested in getting to know more about Baltic food and beverages.

7.3.22. Information for people interested in cultural tourism should be precise and available in the local language, English and other languages understood by the key tourist groups. It is recommended that a Baltic cultural tourism map is published.

7.3.23. Tourist information offices should be open during weekends and evening hours when tourists want to use them.

7.3.24. Efforts should be made to keep a reasonable price level of the cultural tourism products and related services in order to stay competitive.

7.3.25. The round-the-year tourism related operations for the domestic market should be increased as the basis for sound yield management and product development for the international market. It is important to cover the whole region and seasons with available cultural tourism services.

7.3.26. It is recommended that more people get trained to know how to prepare and implement projects linked to tourism development and investments.

8. RECOMMENDED PAN-BALTIC ACTIVITIES 2004-2006

8.1. Policy

8.1.1. Joint benchmarking visits of Baltic cultural tourism policymakers

In order to provide opportunity for the policymakers to learn from the best cultural tourism policy practices the benchmarking visits should be arranged. The visits should take the representatives of the national, regional and local level authorities and the national tourism and culture umbrella organisations to the Scandinavia and EU.

The visits in question take from 3-5 days each with 1/3 of the time spent on visiting the best-practice cases, 1/3 spent learning about the experience of the relevant countries via providing the historical and analytical outline of the cultural tourism development and policy processes and 1/3 spent learning about the visions, strategies and policies targeted at the future.

8.1.2. Baltic cultural tourism annual forum

In order to establish an annual tradition of analysing the cultural tourism development status, exchanging ideas and experiences and forecasting the future developments the Pan-Baltic cultural tourism conference is needed. In principle the event could even be targeted not only at the Baltic countries, but also at the Baltic Sea Region. The event in question would also be an important marketing tool to attract the attention of the international media and culture and tourism community.

The national tourism fairs provide a timeslot for the event in question as the fairs in question have been lacking so far in the know-how exchange content – unlike the similar events held for example in Helsinki, Gothenburg or Berlin.

The time frame of arranging the events in question could be as follows: 2004 Tourest in Tallinn, 2005 Balttour in Riga, 2006 Vivattour in Vilnius.

8.1.3. Baltic cultural tourism national steering groups' quarterly workshops

In order to establish regular and systematic leadership to coordinate the policy and development of cultural tourism before the actual decision regarding one particular organisation being in charge and fully responsible on the national level the temporary national steering groups based on the present project working groups need to be established.

The steering groups are the organisations responsible for the follow-up activities after the present project is finished.

The steering groups could meet on the national level on the quarterly basis and on the Baltic level after every six months.

8.1.4. Joint Baltic cultural tourism activities integrated into the national development plans

In order to ensure the actual implementation of the outcome of the project in question the above-mentioned steering groups have to make sure, that the joint Baltic cultural tourism activities are integrated into the national culture and tourism development plans.

8.1.5. Market research on key markets of Baltic cultural tourism

As until now only very general market information has been available regarding the Baltic tourism, a very specific and methodologically prepared and implemented market research regarding the Baltic cultural tourism demand and marketing and sales channels need to be carried out at the key markets (Scandinavia, Russia and Germany).

8.1.6. Impact study of cultural tourism

As the actual and relevant data regarding the impact of the cultural tourism on the economic, social, cultural and environmental issues is missing in the Baltic countries, a full study needs to be carried out as soon as possible at least regarding the social, cultural and environmental carrying capacity of the most favoured destinations and sites.

8.1.7. Supporting and generating cultural tourism, arts and craft industry jobs

It is recommended to develop a funding and an investment policy to support the development of cultural tourism with emphasis on creation of tourism- and arts and craft industry related jobs.

The recommended activity could be even implemented as a Pan-Baltic cultural tourism SME and employment-incubating programme.

8.1.8. Strengthening cooperation with cultural tourism policymakers in the Baltic Sea Region

For the outside world the Baltic Sea Region is regarded as one large destination region and all over the region in question cultural tourism is one of the key factors providing the pulling power to the region.

Hence more regular and business-like contacts are needed to ensure, that within the region in question the cultural tourism development is as integrated as possible.

The activity in question can be also integrated with the benchmarking and steering group activities mentioned above.

8.2. Resource

8.2.1. One annual priority cooperation area (theme) with defined joint activities

In order to provide more focus for the cooperation choosing one annual priority cooperation area or theme with well-defined joint activities is recommended. The decision regarding the actual themes and activities has to be done by the steering groups mentioned above.

Still, the most likely themes to begin with seem to be policy, know-how, product development, marketing and training.

8.2.2. Joint quarterly training seminars

In order to ensure, that all the stakeholders related to culture and tourism development have the opportunity to be involved in the ongoing process, regular training seminars for the wider audience need to be arranged. The seminars need to be regarded as the forum to keep all stakeholders posted regarding the process in question, but also as the know-how downloading event regarding all the content related activities of the process (researches, studies, benchmarking, etc). Special focus should be put on involving the entrepreneurs.

8.2.3. Virtual know-how resource & library

The insufficient know-how availability is one of the key issues to be solved as soon as possible. The most time-effective and widespread action to be implemented is establishing a virtual know-how resource and library of cultural tourism development issues. The activity would be targeted mostly at the stakeholders not likely to be directly or regularly involved in the ongoing process – the students, entrepreneurs, local authorities and NGOs. This activity would provide them access to the needed know-how, but also integrate them into the process.

The virtual resource would mean using UNESCO NatCom and National Tourism Board websites to provide links to the resources – reports, surveys, articles – that can be downloaded.

The actual library could be established on the principle that one tourism educational establishment per country would become the national cultural tourism pilot library and would receive literature from international culture and tourism organisations and publishers as donations, but also by purchasing, if the relevant funds would be available.

8.2.4. Benchmarking visits to EU for entrepreneurs, local authorities and tourism developers

In order to provide opportunity for the entrepreneurs, local authorities and tourism developers to learn from the best cultural tourism development practices the benchmarking visits should be arranged. The visits should take the representatives of the entrepreneurs, local authorities and tourism developers to the Scandinavia and EU.

The visits in question take from 3-5 days each with 2/3 of the time spent on visiting the best-practice cases and 1/3 spent learning about the experience of the relevant countries via providing the historical and analytical outline of the cultural tourism development experiences processes.

8.2.5. Arts & crafts industry entrepreneurship development incentives

It is recommended to launch incentives for supporting of cultural tourism- and arts and craft industry related entrepreneurship.

The recommended activity could be implemented as a Pan-Baltic cultural tourism SME and employment-incubating programme.

The actual incubation would include three annual stages – preliminary training for the potential cultural tourism- and arts and craft industry entrepreneurs, establishing its own business plan and founding the enterprise and finally getting the enterprise started.

The programme could be run in two parallel processes – the virtual one providing the general know-how and communication forum for the national incubators and the actual hands-on training and consulting carried out at the national incubators.

8.2.6. Common Baltic resources

The following were established by the project as the main product development resources:

- parks & gardens, manors, estates
- fortification hills, military heritage & history, castles
- scenic/theme routes
- crazy Baltics
- festivals and festivities (opera, choral, folk, old, jazz)
- ethnic culture
- industrial heritage
- culinary heritage (dairy, bread, beer, porridge, potato, strong liquors)

- historic events as incentives
- minorities

This means that the development regarding the products to be offered in near future the above concepts provide the best opportunities for developing joint Pan-Baltic products.

8.3. Product

8.3.1. Baltic cultural tourism product database

The main instrument to work with the source markets and the tour operators and the travel agents is the product database. So far mostly the very expensive printed materials have been produced, but the travel trade is not asking for luxurious brochures, but information on the actual supply.

The database could be compiled on the principle of 20 words, 2 photographs, pricelists etc. regarding all cultural tourism products in the .pdf and .doc format, which could afterwards be developed into marketing instruments: website, manual, CD-video.

8.3.2. Baltic cultural tourism marketing toolbox

As the cultural tourism demand and supply is about the segments and niches, the mainstream efforts and channels are not likely the ones providing the most efficient results when trying to attract the demand at the key source markets. In order to establish alternative options for working with the markets, segments and niches in question a so-called marketing toolbox is needed. The data would include alternative tourist fairs, specific media, information & distribution channels.

8.3.3. Flagship attraction and product prioritisation

The following existing common Baltic products were pointed out by the project:

- historical old towns (Tallinn, Riga and Vilnius as UNESCO World Heritage sites)
- parks & gardens, manors, estates and castles, fortification hills

- Via Baltica as scenic/theme route
- festivals and festivities (opera, choral, folk, old, jazz)
- culinary heritage (dairy, bread, beer, porridge, potato, strong liquors)

This means that among the above products the flagships carrying the main message about the Baltic cultural tourism need to be established and used to provide profile for the destination – the Baltics.

Also, the ongoing marketing should focus on the above aspects as to send a credible message to the source markets. Using too much information about a wide variety of possibilities and opportunities would not reach the market, as the market attention span is very limited and there is a lot of competition in the cultural tourism markets.

8.3.4. Familiarization trips for international media and travel trade

In order to reach the end customer and potential new segments and niches the attention and efforts should be focused on media and travel trade of the key source markets as they are the ones providing the potential tourists with the information and justifications to visit the Baltics.

Arranging at least one familiarization trip to familiarize the key medias and travel agents with the new supply and opportunities per year per one key market is the minimum of what the Baltic countries as cultural tourism destinations should do.

9. RECOMMENDED ACTIVITIES LINKING CULTURE AND TOURISM BASED ON UNESCO PRIORITIES

9.1. Implementing a survey on where do the revenues from cultural tourism in the Baltic countries go.

In many developing countries and countries in transition, tourism revenues for the most part return to the corporate outsiders, with often a very small part remaining in the country and even less allocated to the cultural heritage site conservation and management.

9.2. Implementing a survey on the impact of tourism and establishing the carrying capacity for the key cultural tourism sites in the Baltic countries.

Monitoring foreseeable social changes affecting people living around the site over the coming years must be undertaken together with visitor flow management and heritage conservation.

9.3. Establishing systematic, regular and long-term partnership with tourism enterprises.

The tourism private sector - hoteliers, restaurant operators and tourism service enterprises – have to be involved in site preservation, awareness, information and preventing the heritage deterioration.

9.4. Initiating the discussion on the touristification of culture at the tourism sites and destinations.

Tourism is a powerful mechanism of globalisation as visited host cultures are altered cultures: often offered to be admired, contemplated, adjusted to the desires and expectations of visitors, but rarely intended to be considered critically or in a comparative perspective. Tourism runs the risk of converting rites, ceremonies, traditions and customs into commodities to be consumed regardless of their authenticity.

9.5. Ensuring the commitment of policy-makers who regulate the activities of business and technologies to agree with the principles of sustainable development.

The key to avoiding the harmful effects of tourism on culture, the environment, host communities or the economy, and to ensuring that tourism will contribute to the development of local communities, to the cultural fulfilment of visitors and hosts and to the enhancement of cultural and natural heritage lies within the decisions made regarding the cultural and tourism policies.

9.6. Visiting The UNESCO Chairs in Cultural Tourism in Russia and France.

The UNESCO Chairs in Cultural Tourism are set up to provide cultural and tourist policy to decision-makers with strategies for sustainable cultural tourism, i.e. strategies which respect cultural identities, protect and enhance the heritage and contribute to local development.

Also, the chairs are set up to train future decision-makers who will implement cultural tourism policies and to foster international cooperation in this field by consolidating available experience.

9.7. Establishing the rules for sustainable protection, promotion and development of cultural heritage and tourism.

How can cultural and tourism actors and institutions in charge of safeguarding cultural heritage on the one hand and of promoting cultural tourism on the other develop convergent efforts and provide new means of action?

How to influence and foster the emergence of new cultural tourism products in the way that the development of tourism can contribute to the funding, promotion and

enhancement of cultural heritage ? The use of appropriate institutional, legal and financial tools is the key to be addressed here.

9.8. Providing know-how on heritage site management.

The World Heritage monument sites as well as other historical cities, face many complex problems of safeguarding. This is why in particular contributions to the improvement of management, protection, enhancement, laying-out, maintenance, funding and promotion that are provided by UNESCO and other international organizations are important for achieving sustainable tourism development.

9.9. Ensuring the awareness and access to the protection and conservation know-how as close to the sites as possible.

There is usually insufficient access to information at the local (community and destination) level - information that is needed to sustain conservation decisions and action. Local government planners, heritage site managers, educators, community-based NGOs and property developers alike all are handicapped by the lack of professional and locally relevant information on how best to preserve and protect local cultural resources.

9.10. Strengthening the dimension of intangible cultural heritage in cultural tourism.

Intangible cultural heritage plays an important role in helping to maintain cultural traditions and values while providing communities with the ability to create jobs and income. A joint seminar of the three Baltic states on the theme "How to promote the rich intangible cultural heritage through

tourism ?" is envisaged as one of the follow-up activities of the present project. This idea is in connection with the preparation of the Convention on intangible cultural heritage, and also, the normative instrument on Cultural Diversity.

9.11. Facilitating communication between professionals in the field and the community.

If the preservation of the cultural heritage is to succeed, it can only be through the mobilization of the entire community in the effort. Facilitating communication between professionals in the field and community is of utmost importance.

9.12. Establishing international co-operation on the following emerging issues, in collaboration with local, national, international and global institutions is crucial:

- the design and implementation of advanced systems of visitor flow management;
- the formulation and implementation of wise policies for sustainable urban tourism, that is, respectful of heritage and local communities;
- the identification of innovative public actions involving and empowering stakeholders at different levels – through cross-sectoral co-operation and public-private partnerships – ensuring them a proper formation so that economic viability and community vision to the participated approach to policymaking for sustainable development is guaranteed;
- the enhancement of the participation of local communities in the decision-making process as well as the democratic access to cultural resources and facilities;
- the systematic establishment of co-operative relations with representatives of the tourism industry, as a means to strengthen the effectiveness and

comprehensiveness of policymaking for sustainable tourism at the local and global level;

- the organisation of training and education in the management of cultural tourism in the existing and perspective segments of employment and administration;
- the innovative use of new information technologies for the purpose managing effectively both heritage conservation and tourism development.

10.APPENDIX

10.1. Information on the project group

The Project Leader: Ain Hinsberg, Tourism consultant assisting Estonian National Commission for UNESCO

The Project Partners:

1. Estonian, Latvian and Lithuanian National Tourism Boards;
2. Culture, heritage and tourism stakeholders of the Baltic states

The Project National Working Groups:

Estonia

1. Margit Siim, UNESCO NatCom
2. Külli Paavel, Estonian Tourist Board
3. Daisy Järva, Estonian Association of Travel Agents
4. Anton Pärn, Ministry of Culture
5. Ain Hinsberg, Tartu University Pärnu College/Turismimaailm Ltd
6. Anneli Akkermann, Kihnurand Ltd/Kihnu island
7. Tiit Kask, Pärnu Museum
8. Toomas Lelov, Turismimaailm Ltd

Latvia

- 1) Ms Agnese Rupenheite, Senior Specialist, State Inspection for Heritage Protection
- 2) Mr Edvins Buka, Director of the Centre of Hotels and Restaurants
- 3) Ms Zane Zelenkova, Senior Specialist, Latvian Tourism Development Agency
- 4) Mr Igors Klapenkovs, Director, Inspiration Riga
- 5) Mr Gatis Blunavs, Tourism Programme Director, School of Business Administration

6) Ms Dace Neiburga, Secretary-General, Latvian National Commission for UNESCO

7) Ms Irēna Kļaviņa, Latvian National Commission for UNESCO

Richard Bærug, national consultant

Lithuania

1. Danguole Reikaite, Lithuanian National Commission for UNESCO;
2. Juozas Raguckas, Deputy Director, State Department of Tourism;
3. Gintaras Abaravicius, Director of Trakai Historical National Park,
4. Vilija Turiene, General Manager of "In Via" travel agency and travel books publisher;
5. Inga Ragauskaite, Head of Vilnius City Municipality Division of Tourism (2001-2002)
6. Sonata Griskiene, Acting Head of Vilnius City Municipality Division of Tourism
7. Nijole Beliukeviciene, Head of Vilnius City Municipality Division of Tourism (2003)
8. Indre Baliulyte, Department of Cultural Heritage Protection, Ministry of Culture of Lithuania

Kestutis Ambrozaitis, national consultant

10.2. Information on the three Baltic countries

ESTONIA

General Information

Area: 45,227 sq km (17,462 sq miles).

Population: 1,439,197 (2000).

Capital: Tallinn. Population: 408,329 (2000).

GEOGRAPHY: Estonia is the most northerly of the three Baltic Republics and is bordered to the north and west by the Baltic Sea, to the east by the Russian Federation

and to the south by Latvia. The country is one of great scenic beauty with many forests, more than 1400 lakes and 1500 islands. Smaller than Lithuania and Latvia, it has nevertheless the longest coastline of all the Baltic States.

Government: Republic since 1918. Regained independence in 1991. Head of State: President Arnold Rüütel since 2001.

Language: Estonian is the official language. Most people also speak Russian, which is the mother tongue of around 28 per cent of the population. However, since independence the indiscriminate use of Russian could on occasion cause offence. Apart from Russian, English, Finnish and German are the most common foreign languages.

Religion: Predominantly Protestant (Lutheran).

LATVIA

General Information

Area: 64,589 sq km (24,938 sq miles).

Population: 2,379,934 (official estimate 2000).

Capital: Riga. Population: 766,464 (official estimate 2000).

GEOGRAPHY: Latvia is situated on the Baltic coast and borders Estonia in the north, Lithuania in the south, the Russian Federation in the east and Belarus in the southeast. The coastal line is made up of wide and white sandy beaches, the inland area is hilly with forests and lakes. There are about 12,000 rivers in Latvia, the biggest being the River Daugava. The ports of Riga, Liepaja and Ventspils are mostly ice-free during the winter season.

Government: Republic since 1918. Gained independence from the Soviet Union in 1991. Head of State: President Vaira Vike-Freiberga since 1999.

Language: Latvian is the official language. It is an Indo-European, non-Slavic and non-Germanic language and is similar only to Lithuanian. Russian is the mother tongue of over 30 per cent of the population and is understood by most people. Apart from Russian, English, German and Scandinavian are the most common foreign languages.

Religion: Predominantly Protestant (Lutheran) with Roman Catholic communities in the east of the country. There is also a Russian Orthodox minority.

LITHUANIA

General Information

Area: 65,301 sq km (25,213 sq miles).

Population: 3,692,000 (official estimate 2001).

Capital: Vilnius. Population: 577,969 (2000).

GEOGRAPHY: Lithuania is situated on the eastern Baltic coast and borders Latvia in the north, the Kaliningrad region of the Russian Federation and Poland in the southwest and Belarus in the southwest and east. The geometrical centre of Europe lies in eastern Lithuania near the village of Bernotai, 25km (16 miles) north of Vilnius. The landscape alternates between lowland plains and hilly uplands and has a dense, intricate network of rivers, including the Nemunas and the Neris. One and a half per cent of the country's territory is made up of lakes, of which there are over 2800. The majority of these lie in the east of the country and include Lake Druksiai and Lake Tauragnas.

Government: Kingdom (1253-1795), currently republic. Regained independence from Russia/Germany 1918-1940, and then from the Soviet Union in 1990. Head of State: President Rolandas Paksas since 2003.

Language: Lithuanian is the official language. . It is an Indo-European, non-Slavic and non-Germanic language and is similar only to Latvian. Popular foreign languages are Russian, English, Polish and German.

Religion: Predominantly Roman Catholic with Evangelical Lutheran, Evangelical Reformist, Russian Orthodox, Baptist, Muslim and Jewish minorities.

ESTONIAN TOURISM 2002

The volume of the **export of tourism services** along with the export of passenger transport was 11.1 billion kroons in 2000, accounting for 13.6% of the export of goods and services. The export of tourism services has grown from year to year, but the growth is decelerating (the growth in 2000 with respect to the previous year was 7%). Approximately a fifth of export revenues is received by international passenger transport, a third by accommodation and catering establishments and a quarter by retail trade.

Importance of tourism in GDP and employment. The current tourism statistics do not make it possible to evaluate directly the importance of the tourism sector in the Estonian economy. According to the results of the survey carried out in 1997¹ on the economic effects of tourism in Estonia, the direct percentage of foreign tourism in GDP was evaluated as 10% and the indirect percentage as approximately 15% of GDP, and importance of employment created by tourism in GDP was evaluated to be on the same level.

The number of foreign visitors arriving in Estonia has increased from 2.4 million in 1996 to 3.25 million in 2002 (1% increase over 2001).

The number of overnight visitors increased by 3% in 2002.

The largest foreign visitor target markets for Estonia were in 2002 Finland (1.82 million), Latvia (401,536), Russia (281,041), Sweden (134,232) and Lithuania (129,493), the number of visitors from other countries remains below 100 thousand.

In 2002 the arrival from the neighbouring countries was, but the pace of increase grew regarding the source markets a bit more far away – Germany, Norway, Poland, for example.

In 2002 altogether 316 000 domestic tourists were accommodated in Estonia (3% increase over 2001).

Source: Estonian Tourist Board

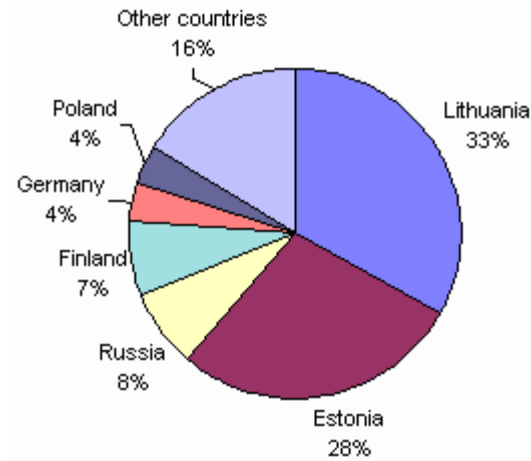
LATVIAN TOURISM 2002

In 2002 departing foreign travellers crossed Latvia's border 2273 thousand times, up by 234 thousand on the previous year, according to the Main Department of the Border Guard of the Republic of Latvia.

Border statistics

	1995	1996	1997	1998	1999	2000	2001	2002
Departures of Latvian residents	1812	1798	1877	1961	2256	2596	2697	2306
Arrivals of non-residents	1633	1750	1842	1788	1738	1882	2061	2297

The majority of foreign visitors came from the neighbouring countries Estonia and Lithuania. 20% of foreign visitors came from the countries of the European Union, most frequently from Finland, Germany and Sweden.



Foreign travellers were for the most part satisfied with their trip to Latvia, evaluating the quality of services and responsiveness of people particularly highly. The price/quality ratio of the goods and entertainment opportunities were given a more critical evaluation.

Assessment of the components characterising the trip (in per cent)

	Total	Evaluation			
		Good	Satisfactory	Bad	Difficult to answer
Quality of the service	100	72.1	22.9	2.1	2.9
Commodity price/quality adequacy	100	49.9	37.6	6.9	5.6
Responsiveness of people	100	71.9	22.7	2.3	3.1
Cleanliness of towns	100	64.3	26.3	4.9	4.5
Entertainment opportunities	100	47.6	18.2	3.3	30.9
Knowledge of foreign languages	100	56.4	27.6	7.6	8.4

Accommodation statistics

	1995	1996	1997	1998	1999	2000	2001	2002
Number of accommodation establishments	209	219	220	221	210	232	274	297

Number of beds	18191	17475	19228	17787	16733	17145	18388	19093
Number of visitors, thsds	340.6	366.2	453.1	468.3	462.9	513.6	585.0	666.2

Source: Central Statistical Bureau of Latvia

LITHUANIAN TOURISM 2002

According to the data of the State Border Guard Service, in 2002 Lithuania was visited by **4 million foreigners** (tourists and same-day visitors), i.e. **by 4.7 % less than in 2001**. This decline was caused by the decrease of same-day visitors from Latvia (-14.5 %) and Russia (-0.9 %).

Despite of the decreased total number of visitors, **the number of foreign tourists** in 2002 **increased by 12.7 % and amounted to 1.4 million**.

Excepting the decreased number of visitors from Latvia (-14.5 %), Russia (-0.9 %) and Finland (-2 %), the number of visitors from other major markets was increasing: from Belarus (+0.9 %), Poland (+10.7 %), Estonia (+0.8 %), Germany (+2.8 %). There was a considerable increase of visitors from Ireland (+48 %), Spain (+41.6 %), Central Europe (+26.6 %), Austria (+25.9 %), France (+18.3 %), Holland (+17.9 %), UK (+11.6 %). The number of visitors from the EU countries increased by 5.1 %. Despite decrease of the number of USA visitors in the many European countries, the number of visitors from USA in Lithuania was in the same level as in 2001 – 24.1 thousands (-0.2 %).

A considerable increase of foreign guests is also evident in **accommodation establishments**: in 2002 the number of guests (397 thousands) increased by 12.2 % and the number of bed nights (1201 thousands) - by 12 %, if compared to 2001.

Except of Latvia – 26 thousand guests (- 5.4 % if compared to 2001), the number of guests in accommodation establishments from other major markets increased as follows: from Germany – 68.3 thousands (+21.7 %), Poland – 60.7 thousands (+32.1 %), Russia – 49.2 thousands (+8.8 %), Belarus – 25.1 thousands (+30.4 %), USA – 13.6 thousands. (+0.9 %).

Purpose of visit. Most visitors came to Lithuania for leisure and recreation – 33 %, for visiting friends or relatives – 31 %, for business – 23 %.

Mode of transport. As in the previous years, the major part of visitors (80.3 %) came to Lithuania by road; 13.8 % - by train, 4.2 % - by air and only 1.6 % - by sea transport. If compared to 2001, the number of visitors by air increased by 3.2 %, whereas the number of visitors by other modes of transport decreased: by train – 10.8 %, by sea – 8.5 %, by road – 3.8 %.

According to the data of Lithuanian Bank, **the revenue** from inbound tourism in 2002 amounted to 2055.9 million Lt (21.1 % more than in 2001).

Source: Lithuanian Tourist Board

Main tourism indicators

	1995	1996	1997	1998	1999	2000	2001	2002
Total number of incoming foreigners, thousands	2055.4	3498.8	3701.6	4287.5	4453.8	4092.1	4195.2	3999.4
Latvia	...	832.3	943.3	1089.2	1199.0	1383.9	1341.1	1146.0
Estonia	...	296.0	300.1	299.7	318.7	242.7	231.9	233.7
CIS	...	1735.2	1889.1	2357.4	2362.6	1884.4	1880.4	1890.2
Poland	...	336.5	263.7	230.9	178.7	215.5	275.5	304.9
Czech Republic, Slovak Republic, Hungary, Albania, Bulgaria, Romania	...	36.1	38.5	37.8	41.9	41.3	47.4	48.6
Germany	...	90.3	79.1	74.6	77.7	97.4	117.8	121.1
USA	...	15.3	19.8	23.8	24.2	24.7	24.1	24.1
Other countries	...	157.1	168.0	174.0	251.0	202.2	277.1	230.8
Total number of departures of Lithuanian residents, thousands.	2012.5	2869.8	2981.1	3241.5	3487.2	3632.4	3389.5	3583.9
Compared to previous year, growth, drop (-), %								
Arrivals of foreigners	...	70.2	5.8	15.8	3.9	-8.1	2.5	-4.7
Departures of Lithuanian residents	...	42.6	3.9	8.7	7.6	4.2	-6.7	5.7

Department of Statistics to the Government of the Republic of Lithuania

10.3 REFERENCE SOURCES

UNESCO

www.unesco.org

UNESCO Cooperation in the Baltic Sea Region

<http://www.unesco.org/baltics/>

Estonian National Commission for UNESCO

www.unesco.ee

Latvian National Commission for UNESCO

www.un.lv/unesco

Lithuanian National Commission for UNESCO

<http://www.unesco.lt/>

UN Division for Sustainable Development

<http://www.un.org/esa/sustdev/>

Organisation for Economic Co-operation and Development

<http://www.oecd.org>

International Council on Monuments and Sites

<http://www.icomos.org>

UNEP Tourism Programme

<http://www.uneptie.org/pc/tourism/home.htm>

Nordic World Heritage Foundation

<http://www.nwhf.no/>

World Travel and Tourism Council

<http://www.wttc.org>

World Tourism Organisation

<http://www.world-tourism.org>

European Commission Directorate-General Enterprise - Tourism Unit

http://europa.eu.int/comm/enterprise/services/tourism/index_en.htm

Directorate General IV Education, Culture and Heritage, Youth and Sport

http://www.coe.int/T/E/Cultural_Co-operation/

European Travel Commission

<http://www.etc-europe-travel.org/>

European Travel & Tourism Action Group

<http://www.etag-euro.org/>

Nordic Council & Nordic Council of Ministers

<http://www.norden.org/>

Council of the Baltic Sea States

www.cbss.st

Union of the Baltic Cities

www.ubc.net

Baltic Sea Tourism Commission

www.balticsea.com

Estonian Tourist Board

www.visitestonia.com

Latvian Tourism Development Agency

<http://www.latviatourism.lv/>

Lithuanian Tourist Board

www.tourism.lt

Latvian laws

www.likumi.lv

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Latvian Ethnographic Open Air museum

www.virmus.com

Estonia's Tourism National Development Plan for 2002-2005

Development Strategy of the Vidzeme Planning Region

Rīga City Cultural Tourism Concept.

Development plan of the city of Tartu

The Development Strategy of the city of Vilnius

Law "On the Preservation and Protection of the Historical Center of Rīga"

10.4 FUNDING OPPORTUNITIES

EU support for Tourism Enterprises and Tourist Destinations at

http://europa.eu.int/comm/enterprise/services/tourism/policy-areas/eu_schemes.htm

EU Structural Funds (ESF, ERDF, EAGGF, FIFG) based on Single Programming Documents 2003-2006

Education and training

http://europa.eu.int/comm/education/index_en.html

EU Interreg III A

http://www.varsinais-suomi.fi/etela-suomi_interreg/aloitussivu_english.html

EU Interreg III B

http://www.spatial.baltic.net/index_ie.html

EU Interreg III C

http://www.interreg3c.net/sixcms/list.php?page=home_en

SAPARD Special Assistance Programme for Agriculture and Rural Development

ISPA Instrument for Structural Policies for Pre-accession

EU Phare

Culture 2000

http://europa.eu.int/comm/culture/eac/c2000condition_en.html

10.5 LINKS TO UNESCO WORLD HERITAGE SITES IN THE BALTICS

Tallinn Old Town, UNESCO World Heritage Site

<http://www.unesco.org/baltics/estonia.htm>

<http://www.tourism.tallinn.ee/index.uk.php?page=108>

Riga Old Town, UNESCO World Heritage Site

<http://www.unesco.org/baltics/latvia.htm>

<http://www.rigatourism.com/en/tourists/index.html>

Vilnius Old Town, UNESCO World Heritage Site

<http://www.unesco.org/baltics/lithuania.htm>

<http://www.turizmas.vilnius.lt/>