

Heritage as an alternative driver for sustainable development and economic recovery in South East Europe

## Using of cultural heritage in the socio-economic development strategy of the EU regions

Dmitry Vorontsov<sup>a</sup>, Anatoly Shikhalev<sup>a</sup>, Ksenia Semushina<sup>a,\*</sup>

<sup>a</sup>*Kazan (Volga region) Federal University, Kremlevskaya street, house 18, Kazan city, 420008, Russian Federation*

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### Abstract

Fast growth of modern cultural tourism concerned with the current society and technical development is seriously presented in the EU regional and countries GDP. Especially here it's necessary to mark such EU countries like Italy and Greece, where this phenomenon must play more serious role in the regional social-economic development. Basing on the analysis of the open data sources authors find the factors which are positively and negatively concerned with the using of cultural heritage in the socio-economic development, made a quantitative estimation of the possible expansion of export strategy of the cultural heritage institutions and compared it with the current measures of EU regional development policy and at last proposed an algorithm of management of cultural heritage objects for the reaching the purpose of future sustainable social-economic development..

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### 1. Introduction

Regional development faced in recent years with the number of challenges caused by the local factors and factors of higher level - influence of economic crises and caused by it the decrease in demand and consumer ability, etc. Among the factors which potential often is also used insufficiently we could mark the possibility of using the objects of a cultural heritage for the purpose of receiving additional sources for the local development. This use can be carried out on the basis of various strategies. One of them is the export strategy which provides the using and promotion of a certain cultural product on the basis of the cultural heritage focused on various categories of tourists,

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\* Corresponding author. Tel.: +79503155148.

E-mail address: [miss.semushina1991@yandex.ru](mailto:miss.semushina1991@yandex.ru).

with the emphasis has to be placed on tourists from foreign countries. Taking into account rather small results of the last economic crises for the CIS countries (including Russia) united both general past and Russian language as an instrument of interstate communication it is advisable to formulate basic provisions of such strategy for using the heritage of the above-mentioned countries of Southwest Europe proceeding from the opportunities of attraction and increase in demand of CIS countries residents (tourists).

## **2. Analysis of factors**

Let's try on the basis of the analysis of current practices and available data sources to reveal and describe the factors which are positively and negatively concerned with the using of the cultural heritage in the social and economic development. Experts (Gordin, 2009) devoted to the factors of positive influence a number of elements applicable here to the cultural heritage objects sphere:

1. Active international cooperation through the state organizations of assistance to the foreign relations providing the departure abroad of the organizations which are operating the cultural heritage objects with the various purposes, in particular for carrying out the exhibitions of cultural figures, making in them some master classes, etc. Especially actively the international activity can be conducted within the actions of the line of twin-cities (united cities, UC) cooperation. Important role in the growth of popularity of cultural heritage objects of the region or city or as keepers of these objects of a cultural heritage could play the state culture institutions which have their own programs of the international cooperation and carrying out such forms of cultural heritage export as a regular participation of the museums in large international exhibitions, export of separate exhibits abroad for the demonstration in the largest museums of the world, etc.

2. A certain value for the development of the export strategy of cultural heritage tourism has the acceptance by the government of specialized documents for example programs of the development of the city / region as a heritage and tourist center, etc.

3. Positive value also has the existence in the region / the city with the cultural heritage objects a rather highly eventful (intense) program of annual cultural actions. Special value from the point of view of touristic development plays carrying out a large number of the festivals, exhibitions, competitions which were planned in advance. Such actions are planned at least in advance for 1-2 years that allows bringing a visit to it into the programs of the foreign tourists developed approximately in the same period.

4. For the increase of appeal of cultural heritage establishments for the foreign tourists could be used an active creation of various charity foundations and associations of friends of some cultural heritage object. It may cause regular visits to the city / region with the cultural heritage objects as the members of clubs and also their relatives and acquaintances.

5. Rather new but very effective measure of strengthening the image of the region / the city and its cultural heritage is the creation of foreign branches for the cultural heritage objects. Acquaintance with the part of an exposition of object or its model could create an interest in visiting the object for the potential tourists.

6. In the activity of some most famous cultural heritage objects and based on them institutions the significant role is played by the service of foreign tourists. It is supposed that during the high season in the most attractive cultural heritage objects the share of foreign tourists is about 30-40%. This creates additional motivation for staff of these establishments, allows promoting more actively tourist products for a segment of foreign tourists.

The following factors are negatively influencing to the export possibilities of using the cultural heritage in the appendix of the tasks marked above.

1. The interaction system between the tour operators and cultural institutions is working insufficiently; sometimes there aren't serious researches of touristic demand neither from tourist business nor from the government culture agencies.

2. In a number of the above regions are poorly presented not-musical forms of performing arts intended for Russian-speaking part of tourists. Though the musical component of Italian and the Greek product of cultural tourism is extremely representative and sets samples of the highest world level however the experts pay attention to desirability of creation in such subjects which want to increase attractiveness of cultural heritage objects the theatrical and other platforms equipped with systems of visual or verbal simultaneous translation, and also a demand in them the theatrical collectives playing the chronicle and costume play (pieces) with the historical contents on

foreign languages. Performances of such theatres taking place in authentic historical buildings could create the additional attraction to these objects for the tourists.

3. In the separate institutions which are managing the cultural heritage objects of not fully developed the interactive forms of representation of exhibits; sometimes is insignificant the quantity of game forms of the organization of the excursion activity (which received the great popularity in many museums, memorial estates and on walking excursion routes) except some special children's expositions of the cultural heritage objects and based on its museums. This reduces the attraction of the region / the city to the tourists of the young age who become accustomed in the last decade to receive the considerable part of information in the interactive (game) form.

4. In some places remains the problem of absence on cultural heritage objects the necessary infrastructure for service of disabled visitors and persons of old ages for example in the museums located in the temple buildings and in many ancient mansions. Considering that today the age structure of foreign tourists around the world tends to be older and also the fact that in the conditions of world financial and economic crisis the most stable mass segment of foreign tourists are the pensioners an active creation of the necessary infrastructure becomes an extremely important task.

5. In the number of regions of the mentioned countries (Southern Italy, etc.) there aren't the large network entertaining centres attracting tourists even in the world cultural capitals (like for example Disneyland, etc.) where the considerable part of them is concerned with the foreign tourists. Creation of such culture objects could introduce some new paints in rather academic images to the number of cultural heritage objects and their regions as tourist centres.

6. In the number of regions of the marked countries rather seldom passed the tours of world (music, etc.) stars which usually attract not only local but also foreign tourists which could also be used for the attraction of interest to the cultural heritage objects (and as a whole – to its regions) for the purpose of their further using un socio-economic development.

7. Some cultural heritage objects of a number of regions of the mentioned countries (Southern Italy, some Greece regions, etc.) are poorly presented on the international tourist exhibitions and fairs. Usually at the stands are independently presented the most known objects and in the general exposition could be find an insignificant amount of the "second row" cultural heritage objects (for example, in the form of museum exhibition, etc.) especially little-known museums and other objects. The absence of full-scale information doesn't allow interesting the tour operators and respectively their tourists.

8. The problem of informing the foreign tourists about potentially attractive cultural heritage objects is aggravated with the insufficient information filling of the Internet-sites of cultural institutions and official governmental sites. The quantity of languages in which information is provided is sufficient for the creation of an attractive image volume sometimes is very small and the most detailed information sometimes is available only in the local language.

One of the possible instruments for creating the possibilities of economic growth and decrease inner and interregional inequalities could be the promotion (on selected by some criterias territories) where it will be possible their heritage objects through the specific export-oriented strategy. For the purposes of promotion and creating such objects it is possible to use the part of the money which EU gives to these territories for the regional development purposes (see the tables below) and possible it could be more effective.

Table 1. Growth in GDP in EU Member States, 1995-2008, annual average % change (Changing Regions – Structural Changes in the EU Regions, 2010)

Member State / period	1995-1999	1999-2006	1999-2001	2001-2003	2003-2006	2006-2007	2007-2008
EU 25	2,7	2,3	2,9	1,3	2,5	2,8	0,6
Germany	1,7	1,3	2,2	-0,1	1,7	2,5	1,3
UK	3,3	2,7	3,2	2,5	2,7	2,6	0,7
Greece	8,2	4,3	4,3	4,5	4,1	4,0	2,9
Poland	5,7	3,7	2,7	2,6	5,1	6,6	5,0
Slovenia	4,4	4,1	3,6	3,4	4,9	6,8	3,5
Czech Republic	1,0	4,2	3,1	2,7	5,9	6,1	3,0
Hungary	8,7	4,4	4,7	4,3	4,2	1,2	0,6
Slovak Republic	3,9	4,9	2,4	4,7	6,7	10,4	6,4

Table 2. Growth of GDP per head in Objective 1, Objective 2 and other NUTS 2 regions, 1995-2000 and 2000-2006. (Ward Terry, Wolleb Enrico, etc. Ex Post Evaluation of Cohesion Policy Programmes: Synthesis Report, 2010)

NUTS 2 region / purpose	Objective 1,		Objective 2 > 45%		Objective 2, 20-45%		Other regions	
	1995-2000	2000-2006	1995-2000	2000-2006	1995-2000	2000-2006	1995-2000	2000-2006
Germany	2,3	1,7	2,5	1,4	1,7	1,3	2,2	1,8
Greece	3,5	3,8						
Sweden	1,7	3,3	2,4	2,8	3,7	2,8	3,5	2,5
EU15	3,1	2,0	2,6	1,6	2,5	1,3	2,7	1,4
Czech Republic	0,8	4,1			3,9	4,6		
Cyprus					2,4	1,9		
Hungary	4,6	4,2						
Malta		0,9						
Poland	5,2	3,4						
Slovenia	4,3	1,8						
Slovak Republic	3,7	4,2			3,6	4,9		
EU10	4,3	4,2			3,4	3,9		
EU25		3,0	2,6	1,6	2,5	1,4		1,4

For the period 2007-2013, the European Union's regional policy was the EU's second largest budget item, with an allocation of €348 billion. About 81.5% from this amount was directed for the “convergence” objective, 16% was directed to the “regional competitiveness and employment” and 2.5% was directed to the “European territorial cooperation” objective. Basing on the last table we could propose that this policy wasn't as effective as it proposed, so the regions must look for another sources of growth like their cultural potential, etc. and try to use it for the development purposes.

### 3. Describing the export strategy

In the research of an export orientation of using the cultural heritage objects now we will start the analysis of possible strategy of development of cultural heritage tourism as an instrument of acceleration of social and economic development. Experts in the sphere of culture (Gordin, 2009) express an opinion (we applied it to the cultural heritage objects case) that export strategy proposed the development on the basis of cultural heritage objects some specialized cultural products intended for separate categories of tourists or modernization of the unified products for the purpose of creation of the best conditions for the consumption by the tourists of such products.

We propose that the achievement of marked goals of acceleration of regional social and economic development within the algorithm of cultural heritage objects management is provided with the solution of the following tasks:

- a) Preservation of the cultural heritage objects, its identification, registration and protection;
- b) Promoting of the cultural heritage objects including the creation of additional and new information channels. Here is certainly necessary the development of specialized price policy for the actions (performances, exhibitions, etc.) connected with the cultural heritage objects (or even more widely – objects of culture) which allows to attract tourists also in the "low" seasons;
- c) Concerned with the previous point the promotion for the foreign tourists the complex image of the regions and/or the cities as the keepers of these cultural heritage objects, etc.

Within the concrete actions of points 2 and 3 is supposed the use of potential of twin-cities (united cities, UC). For the Italian and Greek cities there are 3 twin-cities (united cities, UC) in Russia and on the all space of the CIS countries for the Italian cities there are 6 twin-cities (united cities, UC) and for the Greek cities – 9. We propose that through the application of export strategy it occurs:

- a) An identification of the most attractive geographical sources of the greatest groups of tourists streams which are reflected in the regional GDP;
- b) Granting within the bilateral programs and other actions coordinated also at the state level considerable price discounts for the visiting, accommodation and additional services include the visits to the special performances on cultural heritage objects, etc. to the inhabitants of the most attractive (include by the potential) objects (twin-cities / united cities, its regions, etc.).

If with the first question everything is generally clear concerning with the second aspect there are some additional questions: whether to provide an estimated complex of services to inhabitants of one twin-city (united city, etc.), or to the several at the same time? Whether is necessary the parity of preferences or some distinction between the given and received preferences is admissible?

Answering to the question of what incentives to work with this partner are available or could be used it is especially necessary to mark the need of mutual preferences approximately of the same level between the region/the city and its "twin brother", i.e. a necessary selection criterion of "twin brother" is the existence in it of the high interest to a cultural heritage and to the partner region as a whole which could be expressed through the certain measures of support and development of the relations adequate to the measures undertaken by the region with the cultural heritage objects. The most favourable variant for the participants of such cultural and touristic interaction is concerned with the providing of such mutual preferences to the several partners (figure 1).

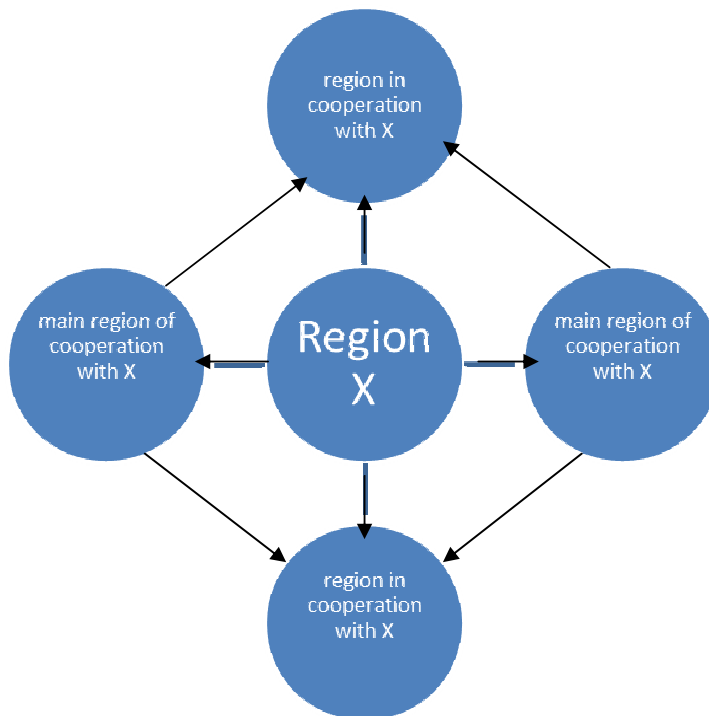


Fig.1. Scheme of preferences providing

Due to the lack of necessary statistic data let’s try to validate our proposition basing on the game theory.

The simplest mathematical model of such situation looks as follows. For the basic city / region:  $A_1$  strategy – "without any (to any city / region) price preferences";  $A_2$  – "preferences only to this concrete city / region";  $A_3$  - "preferences to this city / region and also to the limited number of partner (twin) regions". The same list will be for the "twin" region (city):  $B_1, B_2, B_3$  strategy. In the game there are the first and the second players (cities or regions) and each of them could use the strategy 1, 2 or 3 (in terms of the game theory - to write down irrespective of other player figures 1, 2 or 3). If the difference between the figures which have been written by the players (between the strategies selected by the contractors) is positive the first player wins the quantity of points equal to a difference between the figures and on the contrary, if the difference is negative, the second player wins. If the difference is equal to zero the game comes to the end in a draw. The first player has three strategies (action options):  $A_1$  (write down 1),  $A_2$  (write down 2),  $A_3$  (write down 3); the second player also has the three strategies:  $B_1, B_2, B_3$  (table 3).

Table 3. Chosen strategies and results

	$B_1 = 1$	$B_2 = 2$	$B_3 = 3$
$A_1$	0	-1	-2
$A_2$	1	0	-1
$A_3$	2	1	0

The task of the first player is to maximize his prize. The task of the second player is to minimize his loss or to minimize a prize of the first player (actually, also to maximize his own prize). It is possible to present game in the form of a payment matrix in which the lines are the strategies of the first player, columns are the strategies of the second player, and matrix elements are the prizes of the first player. Generally, the case of pair game with the zero

sums could be written by the next payment matrix equation 1.

$$(a_{ij})_{m \times n} = \begin{bmatrix} a_{11} & a_{12} & \dots & a_{1n} \\ a_{21} & a_{22} & \dots & a_{2n} \\ \dots & \dots & \dots & \dots \\ a_{m1} & a_{m2} & \dots & a_{mn} \end{bmatrix} \quad (1)$$

The task of the each player (contractors) is to find the best strategy of game and it is supposed that opponents are equally reasonable and also each of them does everything to reach the biggest income. The solution of the game of considered model will be as follows:  $\alpha = \max \alpha_j = \max(-2, -1, 0) = 0$ ,  $\alpha = \alpha_3$  is the bottom price of the game;  $\beta = \min \beta_j$ ,  $\beta = \min(2, 1, 0) = 0$ ,  $\beta = \beta_3$  is the top price of the game. As  $\alpha = \beta = 0$  the matrix of the game has a saddle point. Optimum strategy of the first player is the  $A_3$ , for the second player is the  $B_3$ . From the table 3 it is visible that the deviation of the first player from the optimum strategy reduces his prize and the deviation of the second player from the  $B_3$  increases his loss (reduces his prize).

So, for the real relations of encouragement of cultural heritage tourism the most preferable variant lies on the cross of competitive strategies ( $A_3$  and  $B_3$ ) when the provided broad preferences stimulate mutual interest of the twin regions (cities), but at the same time due to that preferences are provided to the additional circle of partners it leaves some opportunity for the correction (in case of need) of the direction of additional preferences.

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