Cultural Heritage and Tourism Competitiveness in Central and Eastern Europe

by
Ana-Maria Nica
The Bucharest University of Economic Studies
ana.nica@com.ase.ro

Abstract The tourism sector is and always has been of great interest at both micro and macroeconomic levels. There are countries which rely almost solely on this activity, as a way to obtain income from those resources, both natural and anthropogenic, resources that would be difficult to valorize through other types of economic activities, e.g. agriculture. Lately, more and more attention has also been given to the concept of economic competitiveness and of raising the level of competitiveness of a certain area – cities, countries or regions. In the case of tourism, this trend has merged with the growing need to preserve and support the protection of those unique or rare features of a certain area – its cultural heritage. This article aims to fill a gap encountered in the scientific research of tourism, that of analyzing the evolution of the tourism sector and, specifically, of the role of cultural heritage, in a region where countries have undergone a severe period of transition: Central and Eastern Europe, also considered an area of economic emergence. After an economic analysis of the main indicators (Gross Domestic Product in Tourism and employment in tourism) in the Central and Eastern Europe, countries that are members of the European Union, this article approaches the tourism sector from a modern perspective, that of the tourism competitiveness, expressed by the Travel and Tourism Competitiveness Index. The analysis of the tourism competitiveness of a country complements the classic approach of the economic contribution of the tourism sector, with a view towards determining the role of this sector in the economic development of the countries from the emerging region Central and Eastern Europe.

Key words: cultural heritage, tourism sector, tourism competitiveness
JEL classification: L83, Q56

1 Introduction

According to the World Travel and Tourism Council (WTTC, 2015), important figures characterize the tourism sector, in terms of its economic impact. The Gross Domestic Product contribution of tourism accounts for almost 9%, which is translated in over 6 billion American dollars. Also, there are more than 120 million work places in tourism as direct employment, a figure which is doubled by the 125 million indirect work places. The indirect employment encompasses the industries related to tourism. The perspectives for the year 2022 show that 1 out of 10 jobs will be tourism related, as opposed to 1 out of 9, the present level. The most important issues nowadays, in tourism terms, regard the ongoing dilemma each economy and its actors face: the pressure of the competitive market, the specific needs of tourists and the global trend for more sustainability in all the economic and social aspects. This last trend is materialized in a greater need to preserve, to support the characteristic features of an area, given that tourism, although not exclusively, is known to have a great impact on the environment. This impact is not always positive, therefore new forms of tourism have emerged, which bear a larger degree of sustainability and through which tourism can become a supportive and beneficial factor for the cultural heritage uniqueness of the area where tourism activities are performed.

2 Literature review

This section of the article looks into the two main aspects which are correlated in the paper: cultural heritage and the tourism competitiveness. Both concepts have a great economic and social influence and have been given an increasing degree of focus and attention by the international organizations, state administrations and local entrepreneurs.

2.1 The tourism importance of cultural heritage

Cultural heritage (Cignoni and Scopigno, 2008) represents the mixture of both physical, tangible
and intangible attributes of a group or society. Those attributes are an inheritance from past generations, which have been maintained until present times and yielded for the benefit of future generations.

The cultural heritage includes elements of tangible culture (buildings, works of art, landscapes, gastronomy) and intangible culture (traditions, language, folklore, music). The word "heritage" comes from the Latin term of "patrimonium", which by extension means "goods of the family". The definition that UNESCO gives to heritage (UNESCO, 2015) mentions both the right and the debt that this concept encompasses. Therefore, the heritage is the inheritance of the past which we benefit today and we shall transmit to the future generations, with minimum alteration.

Common heritage of the community, part of the living environment, an asset for tourism activities, the national heritage lies at the center of multiple stakes. Overcoming the idea of mere personal property, the tourism cultural heritage expression goes beyond its intrinsic wealth, is a major asset for the attractiveness of regions, economic balance for identity and social cohesion. Common heritage is one of the society binders. The public respect must specifically protect national objects which are not of anyone, but are the property of all. All monuments of science and the arts should be borne by the whole community.

The concept of heritage (UNESCO, 2015) has not ceased to enrich with new meanings and include new areas. Since 1921, the philosopher Henri Bergson has extended the concept to include cultural heritage. This concept initially designated particular material heritage (monuments, works of art) and established the World Heritage List in 1972, which was composed of several hundred sites worldwide. This fundamental concept has evolved in recent decades. In 1997 UNESCO defined the notion of the Oral and Intangible Heritage of Humanity to be safeguarded, which comprised threatened traditions, languages and cultures, crafts or artistic expressions that have come forward - recognized on the same basis as monuments and works of art of the past. The list of masterpieces of intangible heritage of UNESCO includes (Aikawa, 2004) the Romanian tradition of "Căluș". The concept of "small heritage" has gained importance. This refers to artifacts that previously had utility in everyday life (mills, bridges, fountains, ovens, chapels and crucifixes, items that are found especially in rural areas where they were bypassed by the modernizing Western society). Another concept that gets increasingly more weight on the UNESCO list of World Heritage is the natural heritage. In France, (RPER, 2015) it is defined as "all assets whose existence, production and reproduction are the result of the nature of the activity, even if their component objects are modified by human activity."

Recent studies have revealed also the existence of the concept of "regional cultural heritage", which goes beyond the nowadays administrative borders. This is the case of gastronomy, e.g. the wine routes. The wine is part of the world history, and has always had a great part in the development of both agriculture and tourism, as it has a strong influence of the people’s culture. (Lădaru and Beciu, 2014) At global level, Romania occupies the 11th place in terms of areas cultivated with vines, and ranks 5th at European level.

Speaking locally, the gastronomy, an important element of the cultural heritage, is also a very significant factor of the tourism experience. Following the example of the wine routes, Romania relies also on this aspect of the cultural heritage, as the vineyards are present in almost all main regions of the country. The wine (Lădaru et al, 2014) is a unique local feature, as family farms own most of the surfaces with hybrid vineyards. Therefore, wine production is made mainly for home consumption and for tourist entertainment.

Cultural heritage is of great concern at state level. In Romania (Ministry of Culture, 2015) all aspects regarding culture fall under the care of the administration – the Ministry of Culture. Among the most highlighted objectives of this institution are:

- increased access and participation in culture;
- promoting diversity and the preservation of cultural identities;
• protection and enhancement of cultural material and immaterial heritage;
• supporting the circulation of works and creations, promoting intercultural dialogue and cultural creation in the world circuit of values;
• fostering cultural life in local communities and their proximity to cultural values;
• training and specialization of human resources in the cultural sector;
• promoting programs and projects in the field of adult education.

2.2 Raising competitiveness in tourism

To face the current challenges, including productivity, investment, new technologies, both researchers and state policymaker entities support the need for countries to become more "competitive". Consequently (WEF, 2014), the concept is extended to regional competitiveness, in order for the regions to maintain their current economic position or to evolve, compared to other adjacent regions. Moreover, given that both the labor force and the investors tend to move away from the less competitive areas, to ones that are at a higher level of competitiveness, a "competitive" region is defined as one that manages to attract and retain performing companies or maintain a high quality of life for its inhabitants (Church and Coles, 2007).

Moreover, the concept of competitiveness is linked to innovation. A recent research (Iosif, 2014) highlights the means of supporting policy makers, business, and academic community in their attempt to improve national competitiveness at the European Union level, by stimulating innovation. Schioptu et al (2015) take a step forward towards highlighting the importance of innovation for the economic activity, mainly tourism. The business incubators are a factor of success, as concluded in their research, for the development of the tourism sector. Such incubators become a tool for developing tourism, in both rural and urban areas, providing entrepreneurs with access to cheaper facilities and services – consulting, banking, venture capitalists.

At international (global) level, the World Economic Forum (Blanke et al, 2013) defines the competitiveness of a country, in The Travel and Tourism Competitiveness Report 2013, as the global expression of the medium and long term development, being a the result of three main categories of determinants: the competitiveness of the national legislative framework, the infrastructure and the environment and tourism resources (natural, cultural, human).

WEF designed, in 2007, the Travel and Tourism Competitiveness Index (TTCI), which aims to measure those tourism related aspects, which have an impact on the level of development of the T&T sector in the 140 countries included in the study. The TTCI is therefore based on three large sections (sub-indexes) which include variable responsible for driving the tourism competitiveness (Blanke et al, 2011).

1. the T&T regulatory framework subindex;
2. the T&T business environment and infrastructure subindex; and
3. the T&T human, cultural, and natural resources subindex.

The first subindex includes the policy related elements, which are under the purview of the government;

The second subindex regards aspects elements of the business environment, mainly the infrastructure of each country;

The third subindex contains elements considered "soft": human, cultural, and natural resources of each economy.

As shown in Figure 1, each of these three sub-indexes capture a certain number of categories (called "pillars"), 14 in all.

Although the development of the tourism sector provides many benefits, many obstacles at national level continue to hamper its development. Tourism competitiveness index aims to measure different aspects of regulatory and business related, which were identified as levers for improving the competitiveness of tourism in countries around the world.
Through a detailed analysis of each pillar of the index, businesses and governments can meet the challenges specific to the sector growth.

3 Methodology

The present research looks into the evolution of the tourism sector, as reflected by the travel and tourism competitiveness index, throughout three different moments in time: 2009, 2011, 2013. The analysis refers to the emerging region Central and Eastern Europe (CEE) and highlights the evolution of the tourism competitiveness in eleven countries, which are members of the European Union: Romania, Poland, Slovak Republic, Slovenia, Czech Republic, Hungary, Bulgaria, Estonia, Latvia, Lithuania, Croatia. A necessary mentioning regards the last country – Croatia, which became member of the European Union in 2013. This country, however, has been included in the research performed by the World Economic Forum from the beginning.

The analysis is mainly focused on the third sub-index: *T&T human, cultural, and natural resources*, as this is the one that includes elements of cultural heritage. Therefore, the article aims to highlight the contribution of the cultural heritage to raising tourism competitiveness.

4 Results and Discussion

Before analyzing the evolution of the tourism competitiveness, through the TTCI, this article provides an overview of the main indicators, in terms of tourism contribution to their formation: Gross Domestic Product in tourism and employment in tourism for the countries of the Central and Eastern Europe, members of the European Union.

4.1 Tourism contribution to the GDP

As shown in Figure 2, concerning the direction of development, the contribution of tourism is evolving in the same direction throughout the analyzed period; the only exception appears in the last year, when the overall CEE GDP is decreasing, while the other two regions: EU 27 and Romania register growths.

Regarding the case of Romania, the evolution of GDP is similar to the EU 27 average, in absolute terms. In 2004 it registered a level of USD 2.54 billion and USD 8.07 billion in 2008. In terms of progress in relative terms, with one exception in 2005, when there was an increase of approximately 2% over the previous year, tourism and its contribution to GDP has evolved in the same direction and with the same intensity as the EU27 average and CEE.
4.2. Tourism contribution to the labor market

The high level of staff required in tourism activities (Minciu, 2004) is explained by the reduced possibilities of mechanization and automation of these activities and specific operations. The tourism sector is characterized, among other things, by a relatively low level of required training, as hitherto, an area of "market entry" (in particular for the following types of potential employees: young people, immigrants and women), passing however to "holding" the unemployed from other sectors (Garcia Sanchez, 2010).

The analysis of the population employed in tourism highlights a gentle but steady growth path, both for the EU 27 and the CEE region. This growth path is similar in both analyzed regions, with an annual average of just over 1%, while the absolute difference in terms of tourism employment in the economy stands at around 3 million people annually if the EU 27. A similar situation in terms of path, direction and intensity of growth stands out for CEE. The annual change, expressed in absolute terms, is approximately 250 thousand people employed, which corresponds to an increase in relative terms by about 1.5%.

4.3. Tourism competitiveness

Although from the economic point of view (Gursoy and Baloglu, 2009) the concept of tourism competitiveness is defined as the capacity to cope with the competition in an effective and profitable tourism market, and integrates in the specialized literature, the specific contents of tourism requires a complex and multidimensional approach. This approach is given by the TTCI.

Based on the information provided in the Travel&Tourism Competitiveness Index Report of the World Economic Forum (2013), Bulgaria and the Slovak Republic have 2 World Heritage natural sites, while in Croatia, Romania and Poland there are 2 such areas.

The same report offers information about the quality of the natural environment heritage. The first ranked, among all the analyzed countries, is Slovenia - 5.7, followed by Croatia – 5.6, Poland - 4.3, Romania - 3.8 and Bulgaria - 3.4.

The largest number of World Heritage cultural sites in 2013, according to the same report, are in Croatia (18), followed by Czech Republic (16), Poland (12), Bulgaria (9), Romania (8). The lowest number of World Heritage cultural sites was registered in Latvia, which has only 4 sites.

The figures 3 and 4 show the evolution registered by the countries from the CEE region in the analyzed period. The analysis of the travel and tourism competitiveness index, at global level, reveals that, in 2013, the first position was occupied by the Czech Republic (21 at world level), comparing to the 30th place in the previous year, leaving Estonia on second place.

![Figure 3. Evolution of the global TTCI in the CEE region](image-url)
countries from the region (49); Poland is the next ranked country (54). For the pillar Legal Framework, Romania (59) has registered a significant growth compared to 2009, but is still behind the first ranked country, Estonia (48). There are problems regarding the land and air infrastructure for tourism (83) and the rather low competitiveness of the tourism prices (110).

According to the data contained in the TTCI Competitiveness Index Report, the countries can be divided in 3 groups, according to the third pillar of the TTCI. Estonia, Czech Republic, Slovenia, Croatia (4.88 – 4.60) are in the first group, the second group comprises Hungary, Bulgaria, Poland (4.54 – 4.30), while in the third group we can find the following countries: Latvia, Slovak Republic, Lithuania, Romania (4.29 – 4.17).

Comparing the structure of these 3 groups with the structure of another groups (obtained by clustering the same countries by their GDP contribution of tourism), as shown in fig. 5, some considerable differences can be highlighted.

Countries such as Croatia, Bulgaria or the Czech Republic move to a lower cluster, which indicates that, although the GDP contribution is lower, the cultural competitiveness degree of these countries is high and, in the long run, will help these economies to obtain a greater level of tourism economic contribution.

5 Conclusions

This article aimed towards filling a gap encountered in the scientific research and in the specialized literature. Although there is an abundance of information on the subject of cultural heritage and the tourism competitiveness, the researches regarding the connection between those concepts, in the emerging region of the Central and Eastern Europe is rather scarce.

The research followed a double path. First, it looked into the impact of the tourism sector in the economy, through the overview of the tourism contribution to the Gross Domestic Product and the labor market, as direct employment. Secondly, the research turned to a modern approach of the tourism sector and its economic impact – the evolution of the travel and tourism competitiveness index. Both analysis focused on the Central and Eastern Europe region, which comprises 11 countries, all members of the European Union. Although these economies started more or less from the same level, having passed through a post-socialism regime transition period, their evolutions have been different, have fluctuated greatly, yet all of them followed the same general growth trend.

The cultural heritage, speaking in terms of tourism activities, is of great importance, which goes beyond the mere social significance. The
correlated analysis of the TTCI pillar *Cultural, human and natural resources* and the clusters in terms of GDP contribution of tourism reveals that the unique features of a country play an important role in the competitiveness of a country.

Emphasizing the case of Romania, there is also a positive development, the tourism sector fluctuates while maintaining a slightly upward trend, based on the criteria considered in the index, demonstrating that there are countries whose travel and tourism sectors seem to recover quickly from the global financial crisis, overcoming and even moving upward in the rankings.

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**References**

Author description

The author is a teaching assistant PhD at the Faculty of Business and Tourism (former Commerce) of the Bucharest University of Economic Studies. The main competences fall in the following fields: tourism macroeconomics, emerging economies, sustainable development, cultural heritage, tourism competitiveness.