EXECUTIVE SUMMARY

Abstract

This report provides a description and analysis of how, why, when and where industrial heritage based tourism and rural tourism have developed in Europe. It discusses current issues in those subjects and suggests ways in which both activities could be expanded, made more viable and sustainable, and so deliver greater economic, environmental and socio-cultural benefits for the local communities involved and for Europe as a whole.
EXECUTIVE SUMMARY

Introduction
This study examines the development of and defines industrial heritage and rural tourism in Europe. It outlines the value of these tourism sectors in economic, environmental and socio-cultural terms. It presents a series of case studies of organizations, enterprises, communities and regions in a number of European countries that have had a range of experiences in these sectors. Discussing current issues and future possibilities, it suggests ways in which industrial heritage and rural tourism could be expanded, made more viable and sustainable, and deliver greater benefits for their local communities and for Europe's economy and its natural and cultural heritage as a whole. Both are forms of special interest tourism; both have grown rapidly since 1970 by responding to new markets, new lifestyles and new product development opportunities. Whilst the sectors are in some ways very different to each other, they have many issues in common.

Industrial Heritage Tourism
Although examples of industrial heritage tourism can be found across Europe it is concentrated in North-West Europe, the location of the early years of the Industrial Revolution. However, there is increasing activity in Southern, Central and Eastern Europe. Europe is very much the dominant player in industrial heritage tourism on a global basis. It is a European speciality, existing in both rural and urban areas. However, the sector is fragmented and largely composed of small attractions that rarely cooperate with each other. There are many different types of industrial heritage: some are more attractive to visitors than others.

Industrial heritage tourism is dominated by the public sector and ‘not for profit’ groups. It is often reliant on volunteers, many of whom are passionately involved with the conservation of industrial heritage. It does not replace the employment lost in former industries but it does bring notable direct and indirect income wherever it is successful, and can improve the image and reputation of former industrial areas. There are, however, often too few effective links to tourism agencies and other tourism businesses, despite the need for tourism income to support conservation. Tourism skills are often weak. Its success and sophistication varies considerably locally, regionally and nationally.

Rural Tourism
Rural Tourism is by comparison widespread across Europe, and is a very much larger activity in terms of turnover and employment. It is composed of a very large number of micro-businesses. Like industrial heritage tourism, it suffers from fragmentation, little cooperation or coordination and increasing competition internally and externally. Unlike industrial heritage tourism, it is essentially private sector, and primarily driven by economic goals and employment creation, often by developing part-time/pluriactivity jobs. It is important in terms of rural income and employment, typically providing between 10 and 20% of rural income and employment, twice tourism's income and employment levels averaged across Europe.

While industrial heritage tourism principally provides tourist attractions, rural tourism provides a complete tourism experience, offering both accommodation and attractions. Rural tourism creates place attachment, encouraging visitor loyalty and, therefore, repeat
visits. Rural tourism has a good record in product development and innovation, and in drawing in new capital and entrepreneurs from cities, other regions and countries, often driven by particular lifestyle choices. However, standards of service quality, marketing, product development and economic success vary considerably regionally and nationally.

**Shared Issues, Common Goals and Impacts**

Within both rural and industrial heritage tourism a number of membership groups have been established, at national and pan-European level, to assist with marketing and / or to act as lobbying organisations. Generally they have access to only limited funding, and their potential value is often not realised. Their tourism skills vary, and marketing, a traditional source of income, is now challenged by low cost internet based marketing sites. Both sectors are typically weak on market knowledge and on marketing techniques, although there are examples where specific enterprises and institutions perform very well indeed. Both rural and industrial heritage tourism are often situated in poorer regions, or in regions which are undergoing structural change. Neither is as well linked into regional development and restructuring actions as they could be.

Both rural tourism and industrial heritage tourism are important in terms of heritage conservation. Both help retain aspects of heritage landscapes – either directly though the conservation and re-use of buildings and structures for tourism use, or indirectly through valorising the work of conservation agencies in monetary terms, by bringing in visitor income. Both have job training and re-training impacts and have potential for expansion in this area. On a national scale they have great potential to become part of the new European growth in the creative industries, with their links to the arts, cultural activities and knowledge growth and dissemination. Both sectors offer benefits to local communities in which they operate.

There is no definitive value for industrial heritage tourism to the European Union economy. This study has estimated its economic impact based on fractions of existing tourism flows, showing an estimated 18 million overnight tourist trips plus 146 million day visits, generating a direct spend of almost €9 billion annually. The total impact is likely to be larger when the indirect and induced impacts are taken into account as many industrial heritage sites tend to be locally based with strong links to local communities increasing the local economic impact. EuroGites, the European rural tourism umbrella group, collected financial data from its member associations in 2008, and extrapolated that information to include known bed numbers from associations outside its membership. These calculations suggest that rural tourism supports 900,000 direct and indirect jobs in Europe, and generates €150 billion in gross income each year.

**Conclusions**

Rural tourism is essentially a private sector activity, driven by wealth and job creation, and often by farm diversification, which relies on landscape and related heritage conservation and infrastructure that is often paid for by the public sector. Industrial heritage tourism is primarily a non-profit or public sector conservation activity which relies in large part on tourism, along with public sector funding and volunteering, for its economic viability. Both have the capacity to expand, be better organized and use good practice more widely.

Both sectors have problems but have great potential to raise local and national prosperity, to help conserve Europe’s industrial and rural heritage and to demonstrate how a pan European approach to solving problems and releasing potentials could be effective in creating world beating enterprises. Strengthening market knowledge, increasing skills,
improving governance, partnerships and networking, and creating innovative ways forward are all seen as keys to success, as is the development of more sustainable tourism including moving towards low carbon approaches.

**Recommendations** aim to tackle the problems noted in the study and provide information to guide future investment policies in industrial heritage and rural tourism, develop means to guide and increase the competiveness of the SMEs involved, provide effective governance systems to help partnerships and networking and create ways to develop the social, economic and environmental performance of the sectors involved. Seven specific recommendations are put forward:

- A virtual research and development centre, to analyse, assess and disseminate best practice;
- A prototype demonstration Industrial Heritage Region project;
- A prototype demonstration Second Generation Rural Tourism region;
- A demonstration project on Slow Tourism;
- A Heritage Hardware Training programme, developing repair and conservation skills for buildings and equipment;
- Innovative practice dissemination seminars;
- A niche product development and marketing initiative aimed at Asia and the BRIC countries.

The central recommendation is the establishment of a virtual research group based on an existing and successful applied science project across 18 European countries.

All recommendations are envisaged as relatively low cost and designed to be eventually self-supporting. Several of the recommendations could help regenerate pan-European development and support groups, and some national groups.

There are a number of Annexes which contain additional case studies, supportive material and evidence. Annex H answers a range of frequently asked questions, including why these niche tourism areas are special to Europe, if there will be sufficient future market demand, if they are operating according to the principles of sustainable tourism, and if they take into account local people's views in the areas involved.

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1 Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Romania, Slovakia, Spain, Sweden, and the United Kingdom.