

COOPERATION
BETWEEN RUSSIA
AND THE EU IN THE FIELD
OF INNOVATIVE
DEVELOPMENT
OF TOURISM: THE CASE
OF THE LITHUANIA —
POLAND — RUSSIA
CROSS-BORDER
COOPERATION PROGRAMME

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The article focuses on key instruments of international cooperation between Russia and the European Union aimed at stimulating innovative development of tourism co-financed by the EU and Russia. The author describes specific projects implemented in the framework of the Lithuania-Poland-Russia cross-border cooperation programme for 2009—2013 in the field of tourism. Special attention is paid to analysing tourism innovations that have emerged as a result of the projects aimed at cooperation and tourism development in the border regions of Russia and the EU countries. A number of projects have been implemented under the supervision and with the participation of the author. The article focuses on the role of innovative types of tourism in the regional development of territories in the case of the Kaliningrad region.

The current approaches to defining tourism innovations in Russian and international studies are not comprehensive and do not reflect the essence of innovative processes. Innovative development is often reduced to the introduction of new information technologies; i. e. informatization replaces innovative development. However, it is important to take into account other innovative tools: for instance, interactive network museums in developing innovative tourist attraction objects, e-marketing in introducing innovations in tourist product promotion, programmes of private-public partnership in the field of public regulation and tourism stimulation, etc. These technologies contribute to the transition from a certain economic agent, the industry as a whole, or a tourist destination to a fundamentally new level in terms of tourist product presentation and increase of competitiveness. The sources for innovations in tourism are both the providers and consumers of tourist services. In those regions where tourism is considered an economic priority, local authorities and even super-governmental organisations, such as the European Commission (through different co-financing programmes), can also become innovators.

Key words: tourism innovations, regional development, cross-border cooperation, regional economy, Russia-EU international cooperation, tourism development in the Baltic region

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Introduction

This article addresses a topical issue relating to three important sources of innovations. Firstly, it is tourism — one of the ‘pioneers’ in creating and introducing innovations in the service industry. The innovative nature of tourism is reflected in a number of initiatives: application of advanced technologies in the course of the development and promotion of a tourism product; orientation towards novelty in transport development and know-how mobility, which leads to innovation transfer, etc. Moreover, the development of the industry is accompanied by the emergence of new types and forms of tourism, which is an innovation in itself.

Secondly, it is cooperation between the European Union and Russia, including that in the socioeconomic sphere with innovative development being identified as its priority. Support for tourism as a sector of the economy has been confirmed in the programme documents by both the EU and Russia.

Thirdly, it is the policy towards transboundary regions pursued by the EU and Russia. The conclusion of agreements on local border traffic between the Russian Federation and the Republic of Poland is undoubtedly an innovative political act as well as an incentive for the development of innovations in the border regions of these countries.

The Kaliningrad region — a Russian exclave on the Baltic — is mostly a border territory. Until the 1990s, its southern border (with Poland) used to be part of the Iron Curtain, which eliminated any possibilities of exchange of tourism innovations and made the periphery regions of the neighbouring countries excluded, partly or completely, from innovative development processes. Today, it is a transboundary innovation exchange that is becoming an increasingly important factor of innovative tourism development.

1. The concept of innovation in tourism

Innovations are one of the most important topics in modern tourism studies. They have been actively studied since an increase in the role of tourism in the regional economy, which is susceptible to a multiplicative effect of tourism activities on related industries.

In Russia, the most significant achievements in this field have been made by two researchers: a member of the Council of the International Academy of Tourism, V. S. Novikov, and G. N. Ovchinnikova. In his work *Innovations in Tourism* [6], V. S. Novikov focuses on the theoretical aspects of innovative activities, examines the relationship between entrepreneurship and innovations, identifies the essence and functions of innovative activities, and quotes legal provisions regulating these activities. Most of these issues are handled in the context of tourism activities.

G. N. Ovchinnikova’s textbook *Innovations in Socio-cultural Services and Tourism* addresses innovation processes in general (innovation management, development of innovation programmes and projects, strategic innovation management, etc.). However, as to tourism activities, all these processes are not analysed in detail, which results in exaggerating the role of

research as a basis for generating scientific knowledge for innovations. In my opinion, “the key measurable achievements of a research process” proposed by G.N. Ovchinnikova are the very results of innovations generated by tourism businesses. They include:

- a new and improved product or service, which can be measured in terms of quality, cost reduction, etc.;
- new application of old objects;
- replacement of a tourism product for the purpose of using the existing means of production and service facilities;
- patents granting competitive advantages;
- know-how licences;
- net income from research application;
- higher qualifications of managers and staff;
- efficient management of secondary products;
- valuable information for promotion and application of the product [7, c. 22].

However, G.N. Ovchinnikova offers a close analysis of the innovative essence of socio-cultural services and tourism; one cannot but agree with the author’s statement: “The orientation towards consumer demand, the pursuit of a flexible development, technology and product policy, and aspirations towards innovation have become the major ideas of innovative transformation in the field of socio-cultural services and tourism” [7, c. 25—26].

The regional features of innovations in tourism are not systematically analysed. Among more in-depth works, one cannot but mention the work *Innovation Areas of Development of Tourism Services in the Nizhny Novgorod Region* by O. Yu. Angelova and Ye.M. Dmitriyeva. In their opinion, “innovative activities in tourism are aimed at creating a new product or making some alterations to an existing product, improving transport, hotel and other services, exploring new markets, and introducing information and telecommunication technologies and modern forms of organisational and managerial activities” [1, c. 17]. However, the examples of innovations drawn by the authors are reduced to isolated initiatives: the introduction of GPS-audio guides, a laser show picturing the city of Kitezh and its church domes above the surface of a lake, etc. Moreover, this study lacks an integrated approach to the problem of introduction of innovations aimed at achieving the objectives set in the programme *The Development of Domestic and International Tourism in the Nizhny Novgorod region for 2012—2016*.

In my opinion, the best definition of innovations in tourism was proposed by V.S. Novikov: “Innovations in tourism are a result of actions aimed at creating a new product or making an alteration to an existing product, exploring new markets, applying advanced information and telecommunication technologies, improving the provision of tourism, transport and hotel services, establishing strategic alliances for conducting business, and introducing modern forms of organisational and managerial activities at tourism enterprises” [4, c. 344].

Although the above-mentioned definition conveys the essence of innovations in tourism, it is still based on listing their types and results, which can

be considered a significant limitation from the perspective of generating new types of innovations. Moreover, they are not an end in themselves, but rather a tool (method) of further promotion and development. Thus, it could more correct to interpret innovations not as “results of actions” but rather as “processes or tools/methods used in the transition of an agent in the field of tourism business (travel agency, hotel, etc.) to a fundamentally new stage of development”. The introduction of innovations in tourism is accompanied by strengthening and even increasing tourism enterprises’ competitiveness.

It is not a coincidence that foreign researchers pay special attention to this aspect. For instance, Portuguese scholars O. Meneses and A Teixeira (the Faculty of Economics, the University of Porto) studied the role of suppliers as a source of innovations in the most of tourism branches. Other researchers — e. g. Evangelist, Soete, Jong, Marsili, Castellacci, etc. — examined the role of users/customers as sources of innovations in tourism [14].

The introduction of innovations involves overcoming numerous barriers to dissemination of new forms of production organisations and new production technologies for the existing and new goods and services as well as barriers to the opening of new markets. An important condition for achieving these results is a developed financial sector of the economy ensuring the flow of capital from one branch into another [10].

A. Weidenfeld’s work *Tourism and Cross-border Regional Innovation* stresses that management of knowledge and an inter-company exchange of ideas are vital for firms and destinations willing to create and maintain competitive advantages as these processes lead to innovations. A knowledge exchange within networks takes place both at the micro- and macrolevel. At the microlevel (for instance, the level of individual companies), empirical and ‘home’ knowledge is created; whereas, at the macrolevel (for example, the level of inter-organisation networks), the transfer of more apparent knowledge takes place [15, p. 195].

Thus, one can arrive at a conclusion that one of the specific features of tourism is its role in the socioeconomic development of territories. It means that not only entrepreneurs interested in the development of their own businesses can be considered innovators; national, regional and local officials striving to develop their territories and even supra-governmental organisations (for example, the European Commission) through priority support programmes can contribute to these processes.

2. Russia-EU programmes for the development of innovations

Scholars of the Immanuel Kant Baltic Federal University have conducted an analysis of financing instruments that were applied in a number of trans-border projects in the field of R&D carried out jointly by Russia and the EU (see, T. N. Chekalina, 2008 [9], A. V. Belova, 2012 [2]). Their studies demonstrated a change in programme priorities that was gradually taking place throughout the implementation of the projects. This process revealed a constant increase in the importance of an innovative component.

One of the priorities of *The Baltic Sea Region Programme for 2007—2013* is to create conditions for the development and dissemination of inno-

vations in the Baltic Sea region (BSR). The programme document defines innovations as “successful production, assimilation and exploitation of novelties in the economic and social spheres” [6].

The key priority of the programme is to support innovation sources and facilitate the transnational transfer of technologies and knowledge — in particular, to small and medium enterprises (SMEs). It also involves training people to absorb new knowledge.

This priority suggests financing the following areas: support for innovation sources, facilitation of the transfer of technology and knowledge in the BSR, development of social potential (human capital) for generation and absorption of new knowledge.

The expected results of the programme implementation are as follows [6]:

- increased international productivity of innovation sources and improved links between small and medium enterprises;
- improved transnational transfer of technology and knowledge;
- a firmer social basis for the development and use of innovations.

The projects of a new programme scheduled to be implemented in 2014—2020 identify support for research, technological development and innovations as one of the key thematic priorities.

3. *The Lithuania — Poland — Russia Cross-border Cooperation Programme 2009—2013* as a tool for stimulating innovations in the field of tourism

For the Kaliningrad region, *the Lithuania — Poland — Russia Cross-border Cooperation Programme 2009—2013* assumes considerable significance in the framework of Russia-EU cooperation. The programme is aimed at strengthening links between Poland, Russia and Lithuania through the development of bilateral and trilateral relations, which requires facilitation of socioeconomic development and an increase in living standards throughout the entire programme territory.

Its key principles were developed in view of an assumption that “the Programme area should become the node of East-West and North-South transport axes and trade and tourism routes. Further, it should evolve into a cross-border region of mutual understanding between the neighbours working together to develop or maintain the most important developmental assets of the area, such as natural and cultural heritage and human capital (in particular entrepreneurship)” [8].

According to J. Schumpeter [11], innovations emerge as a result of a new combination of means of production. Thus, the following activities are considered to be innovative:

- (1) introduction of a new type of goods;
- (2) introduction of a new method of production;
- (3) conquest of new types of materials;
- (4) opening of a new market;
- (5) creation of a monopoly position or the breaking up of a monopoly position;
- (6) implementation of a new form of organisation in any industry.

Although the above-mentioned criteria predominantly concern goods and production, one can extend this approach to innovations to services, including those in the field of tourism. It is possible because it has certain features characteristic of production. The arguments in favour of this thesis are as follows: large investment, significance of capital and workforce, industry-specific staff training schools, industry-specific financial sector, market research departments, strong producers, vast network of tour operators, travel agencies, and industry-specific media.

From the economic perspective, one can assume that even if tourism does not produce material goods from natural resources, it changes a type of the use of these goods imparting entertainment and cultural ‘utility’ to them. Although there is no material good production, the creation of value does take place. So, all these features are common to industry and tourism [3].

The tourism innovation system is defined as “the parts and aspects of an economic structure and an institutional set-up affecting learning and innovation in tourism firms... Two types of an approach to the innovation system — geographical and sectoral — can be distinguished in theoretical terms” [14, p. 93]. They consist of a large number of interconnected actors involved in tourism, which are represented by public, non-commercial and business sectors (for example, organisations, institutions and individuals) [16, p. 191—213]. It seems that it is these actors who serve as the key target groups in the current EU programmes. Their interactions are facilitated by initiatives aimed at stimulating public-private partnership in Russia. Let us focus on what is happening to the tourism industry from the perspective of innovative transformations and what is being done in the framework of Russia-EU cooperation for the development of this sector:

1. The introduction of a new type of goods (in the tourism sector — a tourism product).

The programme of cross-border cooperation is aimed at developing new joint routes. Out of 14 analysed projects, four projects suggest their development and promotion (along with other initiatives) [8].

For example, the project *Creation of Tourist Route from the Tilsit Peace Treaty of 1807 to Tauroggen Convention of 1812* is innovative in its essence, since it offers tourists a new destination and a new method of learning history.

The project *Crossroads 2.0* (implemented in 2012—2014 under the supervision of the author of this article) also supports the development of four new transboundary routes. Innovation tourism products are to be created through promoting new sites situated on the coast the Vistula and Curonian Lagoons. Special emphasis is placed on water routes — an innovative type of travel for the Kaliningrad region.

2. The introduction of a new method of production.

From this perspective, tourism is one of the most innovative activities as it extensively employs new technologies — from booking and sales to the use of new means of transport. The cross-border cooperation programme contains innovative proposals such as the development of an information terminal network in the programme area and the application of corresponding technologies in municipalities of the Kaliningrad region. The project *Tourism Information*

Network — TourInfoNet funds the deployment of these terminals and the development of a common database in seven municipalities of the Kaliningrad region. This innovation will result in creating a more rapid and convenient source of information about the region's tourism potential.

3. The conquest of new types of materials.

In the case of tourism, this aspect will be interpreted as introduction of new types of activities (tourism), which were not developed earlier on the territory in question due to some infrastructural and institutional limitations. Since all EU projects are aimed at sustainable development, new environmentally friendly forms and types of tourism are considered innovative. In the framework of this programme, all projects approved for financing meet the sustainable development requirements. Sustainable development of cross-border tourism is the focus of the project *Improvement of Public Areas' Infrastructure to Increase Tourism Attractiveness in the Cross-border Region*. This project is aimed at the creation of environmentally friendly infrastructure (open-air concert and exhibition facilities) for holding events targeted at tourists. It will make it possible to create new attractions for tourists from border regions.

4. The opening of a new market.

In Russia, international sailing tourism on the Kaliningrad coast of the Baltic Sea is a rather innovative activity in itself (due to insufficient infrastructure). However, for the EU, the innovative element is formed by the opening of new markets for customers. Thus, a number of projects aimed at the development of water tourism were supported in the *Lithuania — Poland — Russia* programme.

— *Opportunities and Benefits of Joint Use of the Vistula Lagoon* — this project aims at creating conditions for the joint use of the lagoon, and the development of transport and tourism — in particular, the development of recreation and tourism within the transboundary area of the Vistula Lagoon;

— *Baltic Amber Coast* — an infrastructure project aimed at constructing a new esplanade and a marina in the village of Yantarny in the Kaliningrad region; its implementation will make the region's coast accessible for the development of sailing tourism.

For the EU, the advantages of implementation of these projects lie in extending tourist routes and exploring new areas.

5. Breaking up a monopoly position.

Many tourist routes are attractive because they cross several countries. In this relation, the Nordic states and the Baltics have a distinct advantage — they offer joint routes. However, for a long time (until the 1990s), the Kaliningrad region remained a 'blank spot' on the map of the Baltic region due to geopolitical reasons. It hindered the development of those tourist routes in the Kaliningrad region making them disrupted. It was the case of the EuroVelo bicycle route, E70 water route and many others. This situation made South-East Baltic less competitive compared to its neighbours.

6. The implementation of a new form of organisation.

In many EU states, as well as in Russia, there are restrictions on the work of a foreign guide on their territory. As a result, many companies are

forced to employ guides from the countries covered by a tourist route. It creates complications for all participants, including tourists themselves who have to receive information from foreign guides. In order to solve this problem, the *Crossroads 2.0* project includes an initiative aimed at re-training guides from Lithuania, Poland and Russia who specialise on the region of South-East Baltic. These guides will have an opportunity to gain certification granting them the right to work throughout the programme area (i. e. beyond the borders of their native countries). This innovation will make transboundary tourist routes more attractive.

Alongside the above-mentioned areas of innovative tourism development identified on the basis of J. Shumpeter's innovation types, it would be logical to discuss a number of other areas relevant to tourism.

7. The impact of a seasonality factor.

Most resorts in the Baltic region face the problem of seasonality. In this connection, the most competitive destination is the one that can attract tourists throughout the year, which requires innovations. The most effective means are capital intensive as they involve the development of an all-year-round infrastructure (e. g. balnearies, congress halls, exhibition halls, musical theatres, theme parks, etc.). At the same time, the introduction of new technologies — for example, changing museum exhibits or creating new exhibition halls — has a beneficial effect on demand for this type of recreation, which increases attendance rates of museums and makes tourist centres more attractive for visitors.

The project *Museums over the Borders* plans to reconstruct the Friedland Gate museum in Kaliningrad, which is situated in a historical heritage building, the Friedland Gate. The museum will be transformed into an interactive platform as a result of 3D spatial modelling. Moreover, it is planned to equip exhibitions in a way so that they become more accessible to both Russian and foreign tourists — first of all, from the neighbouring border regions of Poland and Lithuania.

8. Even distribution of tourist flows over the territory.

The project partners are distributed quite evenly along the border territory. Financial support was given to the projects aimed at the promotion of the existing but unpopular routes and the implementation of new ideas for making the territory more attractive through creating new tourist routes. So, the project *Development of Active Tourism as a Common Ground for Russian-Polish Cooperation* is aimed at joint sports tourism activities between the municipalities of Elk (Poland) and Ozersk (Russia) as the most peripheral ones.

9. Cross-border transfer of innovations.

The impact of borders on tourism development has been a focus of numerous studies. For example, in their work *From Hostile Boundaries to Tourist Attractions* [12], Gelbman and Timothy give the traditional definition to borders between countries as a line limiting the national sovereignty through separating a location where the state exercises its legal authority (filtering the flows of goods and people) [12, p. 240]. However, they also stress that borders mark differences in political and ideological systems, administrative systems, economic and social structures and can greatly affect tourist experience [12, p. 241].

The *Lithuania — Poland — Russia* programme is aimed at stimulating interactions between individuals residing on both sides of the border, which naturally results in the transfer of skills and knowledge. The idea of creating open-air museums, featuring the Viking Age, was borrowed from the Scandinavian countries and developed in the project *Lagoons as Crossroads for Tourism and Interactions of Peoples of South-East Baltic: from the history to present*. The project will result in the creation of the first Russian open-air museum dedicated to the everyday life and traditions of peoples who lived on the territory of today's Kaliningrad region in the times of the Vikings.

Conclusion

Thus, the programmes of Russia-EU cooperation pay special attention to the innovative development of tourism. It is explained by the unique features of tourism as a specific service industry that is highly susceptible to innovations, on the one hand, and can serve a 'conductor' of innovative territorial development, on the other.

The increasing significance of tourism in cross-border territories makes it possible to accelerate innovative development of tourism in the geographical and sectoral aspects. A sectoral economic growth is possible due to a multiplicative effect of tourism embracing many sectors of the economy. The territorial transfer of innovations through tourism owes to the geographical features of this industry, which, in effect, has no borders.

For border regions, which are mostly peripheral from the perspective of innovation transfer (as a result of considerable distances to capitals and other large cities that accumulate new ideas), tourism becomes a 'driver' of production and innovation dissemination. These innovations also penetrate — either directly or indirectly — the related economic sectors.

The *Lithuania — Poland — Russia Cross-border Cooperation Programme 2009—2013* is an effective tool for the socioeconomic development of border territories as a result of the innovative nature of its projects. The tourist projects funded within the programme embrace the following areas of innovations: innovative tourism products, innovative ideas for the modification of the existing tourism products; innovative tourist attractions; innovations relating to the means of transportation and accommodation; innovations in tourism infrastructure; innovations in the promotion of tourism products; restoration of the traditions and culture of the territory through innovative visualisation and presentation approaches; innovative projects in the field of ethnographic/ethnic tourism; innovative technologies in tourism; innovations in the field of governmental regulation and stimulation aimed at the development of and support for tourism.

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