THE ROLE OF TOURISM IN THE DEVELOPMENT OF RUSSIA’S NORTHWESTERN BORDER REGIONS

S. V. Stepanova*

This article examines the development of tourism and recreation in the border regions of Russia’s North-West as a new promising area of regional growth. The unique natural, historical, and cultural resources, nature, and a favourable economic and geographical position are basic prerequisites for the development of tourism in the region. Historically, the barriers of state borders hampered the development of tourism; and tourism was seen as an activity bringing no economic benefits to regions since most Soviet citizens travelled as beneficiaries of social programmes. This article aims to research prospects of tourism and recreation development of Russia’s northwestern border regions. The author analyses statistical and analytical data and does the content analysis of regional strategies for tourism and socioeconomic development. A number of statistical methods, namely, the regression and the time series ones are used to give a deeper insight into the problem. The article explores the practices of tourism and recreation development in a historical perspective and examines the effect of barrier and contact functions of state borders on tourism. Particular attention is paid to tourism development in the border regions of Russia’s North-West. The author evaluates the development of tourism and recreation in the border regions of northwestern Russia at the beginning of the 21st century. The article identifies factors hindering tourism development and suggests measures to stimulate tourism as a regional economic activity.

Key words: tourism development, border regions, Northwestern Federal district, tourism infrastructure

The uniqueness of local tourism and recreational potential, the economic and geographic position, and a changed perception of tourism as an economic activity has led to considering tourism a priority; it is a rapidly developing industry in the border regions of Russia’s North-West.
Tourism development in the Northwestern border regions: historical context

The development of tourism and recreation in the border regions of Russia’s North-West is not a new phenomenon. In different historical periods, transport networks and catering companies emerged on these territories. The northwestern regions published visitor guidebooks and launched tourism promotion campaigns. For instance, the border Murmansk region, which was part of Finland before the war, had a ski resort and a national park. It is planned to restore the recreational functions of these facilities in a long-term perspective. The Kutsa nature park will be extended to join the Russian and Finnish transboundary parks of Paanajärvi and Oulanka [7].

The development of tourism and recreation in the border territories of the modern Republic of Karelia — the North and North-West of the Ladoga region — and infrastructure initiatives date back to the late 19th century. They continued until 1940 — first, on the territory of the newly established Grand Duchy of Finland, which was part of Russia and, after 1917, in independent Finland [16]. For instance, an 1895 visitor’s guide to Finland demonstrated the area’s recreational potential and described tourist routes, including local one-day trips and longer routes, for example, to Helsinki, and accommodations in the North Ladoga region [24]. The northern shores of Lake Ladoga were advertised in European guides as an amazing land bested only by the Swiss Alps [16, p. 210]. Serdobol (today, the border town of Sortavala) became the centre of tourism. From 1896, it hosted important singing festivals [24]. At the beginning of the 20th century, the expansion of the local motor, rail, and water transport industries (the port towns of Sortavlav and Lahdenpolhja, regular communications with the island of Valaam) contributed to the development of tourism. Moreover, the schedules of steamers and trains arriving from the south were coordinated [16].

The development of tourism and recreation in today’s Kaliningrad region dates back to the 1930s. In 1921, the town of Pillau (Baltiysk) became a German navy base. Nevertheless, the town did not stop developing its tourism infrastructure. Numerous hotels, pensions, and small cafes appeared in the town at that time. In 1934, the construction of an airfield as launched and transport links between different parts of the town and with Königsberg appeared [11].

In the Soviet period, the development of tourism in the border regions of Russia was restricted due to the geopolitical position of the territories and the then perception of tourism. In the 1960—90s, tourism was not considered a cost-effective industry by the Union’s, regional, or local authorities. It was perceived as a purely social activity of recreation, entertainment, and health promotion. It is also important to take into account the social nature of most tourist trips made by Soviet citizens (tourism was funded by the state) and the significant proportion of individual tourists. Karelian water routes were extremely popular — every day approximately 800 people — mostly
individual tourists — went on boat trips. In the 1980s, as the ferry line Petrozavodsk — Kizhi — Valaam — Leningrad — Petrozavodsk started its operation, the number of group tourists reached 800 thousand people per year [16].

It is important to stress the regulated nature of tourist route development. In 1975, there were 350 Union-level and over 6,000 local planned routes. The former were developed by the Central Tourist and Excursion Council. The List of Union Routes featured 20 routes on the territories of today’s border regions of North-West Russia and the Baltic States [23].

Although, tourism as an area of economic activity had little effect on socioeconomic development, the territories’ image was being formed at the time — the Republic of Karelia and the Kaliningrad region became known as green areas having a unique tourism and recreation potential.

Borders and the development of tourism

The socioeconomic development of border regions is determined primarily by their geopolitical, economic and geographic position of border regions. The geographic position determines the development of tourism and recreation [3]. Borders have an impeding effect on the development of tourism, especially, international one, if the barrier function is strengthened and restricted areas are created. However, the contact function of borders can contribute to thriving tourism and recreation and the generation of a national and international tourist flows.

This can be corroborated by the experience of tourism and recreation development in the Republic of Karelia. From the late 19th century to 1940, tourism was rapidly developing in today’s Karelian border districts, in the Soviet period, the border with the capitalist state of Finland became a watershed in terms of legislation, power, property rights, culture, and traditions. The border turned into a barrier to the movement of goods, people, and capital. This resulted in a poor development of transport infrastructure as compared to other regions of North-West Russia [16].

The status of closed territories restricted the movement of tourists. Tourists were allowed to enter those regions only after obtaining special documents — a travel permit for business trips, an invitation for visiting friends and relatives, or an itinerary for tourist groups. There were such closed territories in all border regions of North-West Russia, where military installations were located. Globalisation and integration as well as transformations in the socioeconomic space of countries contributed to borders changing their function from a barrier to a contact one. The opening of closed border regions, visa regime simplification, and cross-border cooperation generated a large influx of international tourists, including those taking ‘nostalgic trips’ — from Finland to the Republic of Karelia and the Leningrad regions and from Germany to the Kaliningrad region. In 1992, the Kaliningrad region was visited by approximately 40 thousand and, in 1993, by 100 thousand German tourists [26]. In the early 1990s, the number of Finnish tourists reached 700 thousand people per year; ‘nostalgic tourism’ from Finland created a solid basis for a modern tourism industry in the Republic of Karelia [14]. The development of local border traffic (LBT) as a cooperation tool helps to overcome the barrier function of borders [3]. Local border traffic agreements were
signed between the Russian Federation and Poland (December 14, 2001), the Russian Federation and the Republic of Latvia (ratified on February 15, 2012), and the Russian Federation and Norway. They simplified the border-crossing procedure for residents of the Kaliningrad, Pskov, and Murmansk regions and the corresponding territories of the neighbouring states. For instance, the number of crossings on the Russian-Polish state border increased 4.5-fold from 1.45 million in 2010 to 6.56 million in 2014. 4.7 million people used their LBT document when crossing the border in 2014 [3]. Most Russians travel to Poland for tourism purposes, including shopping. A survey of students of the Immanuel Kant Baltic Federal University [13] demonstrated that most of them visited Poland for shopping and over 50% for tourism and entertainment. Shopping (16%) and leisure (40%) were named as key reasons for visiting Lithuania.

The development of tourism in the border regions of Russia’s Northwest

Identifying tourism as a priority for the development of Northwestern border regions has brought about positive changes in the tourism industry performance. In some of the border regions, it is above the national and NWFD average (table 1).

### Table 1

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of employees, times</th>
<th>Changes in the volume of services, times</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>tourist agencies</td>
<td>AF* (average over the period)</td>
</tr>
<tr>
<td>Republic of Karelia</td>
<td>1.8</td>
<td>1.38</td>
</tr>
<tr>
<td>Kaliningrad region</td>
<td>1.66</td>
<td>1.41</td>
</tr>
<tr>
<td>Leningrad region</td>
<td>1.14</td>
<td>0.91</td>
</tr>
<tr>
<td>Murmansk region</td>
<td>1.34</td>
<td>0.85</td>
</tr>
<tr>
<td>Pskov region</td>
<td>1.62</td>
<td>1.12</td>
</tr>
<tr>
<td>National average</td>
<td>1.14</td>
<td>0.98</td>
</tr>
<tr>
<td>NWFD average</td>
<td>0.97</td>
<td>0.93</td>
</tr>
</tbody>
</table>

* AF stands for accommodation facilities.
Calculated based on [12].

Saint Petersburg accounted for the largest proportion of tourism and hospitality services provided in the NWFD in 2009—2014. This is explained by the self-evident attractiveness of the city to both national and interna-

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1 In July 2016, Poland unilaterally suspended the LBT agreement with the Kaliningrad region.
tional tourists (over 50% and over 60% respectively). The Leningrad, Kaliningrad, and Murmansk regions demonstrate the highest tourism and recreation development rates among the border regions (table 2).

Table 2

<table>
<thead>
<tr>
<th>Region</th>
<th>Services</th>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>tourism</td>
<td>hospitality</td>
<td>2009</td>
<td>2014</td>
</tr>
<tr>
<td>Republic of Karelia</td>
<td>5.9</td>
<td>2.9</td>
<td>2009</td>
<td>2014</td>
</tr>
<tr>
<td>Kaliningrad region</td>
<td>4.6</td>
<td>5.3</td>
<td>2009</td>
<td>2014</td>
</tr>
<tr>
<td>Leningrad region</td>
<td>1.4</td>
<td>3.3</td>
<td>2009</td>
<td>2014</td>
</tr>
<tr>
<td>Murmansk region</td>
<td>6.7</td>
<td>4.8</td>
<td>2009</td>
<td>2014</td>
</tr>
<tr>
<td>Pskov region</td>
<td>1.1</td>
<td>2.9</td>
<td>2009</td>
<td>2014</td>
</tr>
</tbody>
</table>

These data on the tourism and recreation development in the border regions show a number of common trends. Firstly, it is the construction and development of accommodation infrastructure in 2000—2014. On average, the number of hospitality facilities and their capacity increased 1.9 and 2-fold respectively. The highest increase rates were observed in the Leningrad region (3.4 and 8.6-fold respectively, 20.7 thousand new accommodation units were created) and the Kaliningrad region (2.4 and 3-fold, respectively, with 5.8 thousand new accommodation units). Nevertheless, the rates of tourism infrastructure development in the NWFD are 0.38 and 0.43 times the national average in terms of the above indicators. Moreover, they are 0.36 and 0.36 times the average calculated for the Russian regions bordering on non-CIS countries. This can be explained by the fact that the number of accommodation facilities in the NWFD border regions is already sufficient (table 3).

Table 3

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Republic of Karelia</td>
<td>3.5</td>
<td>6.4</td>
<td>7.8</td>
<td>8.3</td>
<td>– 11</td>
</tr>
<tr>
<td>Kaliningrad region</td>
<td>2.6</td>
<td>5.2</td>
<td>6.5</td>
<td>9.2</td>
<td>– 1</td>
</tr>
<tr>
<td>Leningrad region</td>
<td>1.6</td>
<td>9.7</td>
<td>12.2</td>
<td>13.3</td>
<td>+ 3</td>
</tr>
<tr>
<td>Murmansk region</td>
<td>4.6</td>
<td>6.4</td>
<td>6.2</td>
<td>7.7</td>
<td>– 12</td>
</tr>
<tr>
<td>Pskov region</td>
<td>1.9</td>
<td>4.6</td>
<td>5.3</td>
<td>6.6</td>
<td>– 13</td>
</tr>
<tr>
<td>National average</td>
<td>2.36</td>
<td>3.7</td>
<td>4.3</td>
<td>5.7</td>
<td>—</td>
</tr>
<tr>
<td>Border region average</td>
<td>2.7</td>
<td>5.3</td>
<td>6.1</td>
<td>7.4</td>
<td>—</td>
</tr>
</tbody>
</table>

Calculated based on [12].
The increased availability of accommodation infrastructure in the border regions of North-West Russia makes tourism an economic activity capable of involving related industries into the scope of tourism proposals. Calculating the coefficients of localisation and production per capita\(^2\) suggests that tourism can be classed as an economic specialisation of the Republic of Karelia and the Kaliningrad and Murmansk regions (table 4).

### Table 4

<table>
<thead>
<tr>
<th>Region</th>
<th>Coefficient of tourism and recreation service localisation</th>
<th>Coefficient of production of tourism and recreation services per capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Karelia</td>
<td>1.2</td>
<td>1.2</td>
</tr>
<tr>
<td>Murmansk region</td>
<td>1.17</td>
<td>1.17</td>
</tr>
<tr>
<td>Kaliningrad region</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Pskov region</td>
<td>0.71</td>
<td>0.65</td>
</tr>
<tr>
<td>Leningrad region</td>
<td>0.34</td>
<td>0.34</td>
</tr>
<tr>
<td>NWFD</td>
<td>1.16</td>
<td>1.15</td>
</tr>
</tbody>
</table>

Calculated based on [12].

In the NWFD, where tourism and recreation are areas of specialisation, the highest coefficient values are observed in Saint Petersburg (1.65 and 1.67, respectively) and the Nenets autonomous region (1.56 and 1.67). The development of tourism industry is affected by seasonality. Organisations providing tourism services are most active in summer — the high tourist season — with additional peaks during the New Year and Christmas holidays. The average coefficient showing the usage of hotels and other accommodation facilities is around the national average (0.32). It ranges from 0.33 in the Kaliningrad region to 0.27 in the Pskov region. The development and promotion of event tourism is one of the factors helping to overcome seasonality of regional tourism.

### Characteristics of tourism development in border regions

The historical aspects of the economic and geographic position of a territory determine the characteristics of international inbound and outbound tourism. This holds true for Russia’s northwestern border regions (for more

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\(^2\) *Coefficient of tourism and recreation localisation* is calculated as a ratio of the volume of services provided in the region per capita to the volume of services provided in the RF per capita. The *coefficient of production of tourism and recreation services per capita* is calculated as the ratio of the proportion of the services provided in the total volume of national services to the proportion of the region’s population in the national population. *Tourism and recreation services* are an aggregate index of health promotion and tourism services, as well as those provided by hotels and similar accommodation facilities.
detail, see [14]). Calculation of cross-border tourist characteristics\(^3\), based on the methodology developed by M.N. Mezhevich and N.P Zhuk [10], describes tourist activities between border regions of neighbouring countries. In the case of the NWFD, it shows a high level of dependence of inbound tourism on the preferences of tourists from the neighbouring states (table 5). The highest level of dependence is observed in the Republic of Karelia (an average of 96.4% in 2004—2014), the Murmansk region (Norway accounts for 24.3% and Finland for 23.6%), and the Pskov region (the Baltics account for 27.5%). The historical background of the Kaliningrad region explains a high proportion of German tourists in the regional inbound tourism (72%).

One of the impeding factors peculiar to Russian border regions is border zones having restrictions on economic activities and the movement of people. Tourism development in the border regions having nature parks and reserves is regulated by a number of documents concerning visits, economic activity and border control procedures. For instance, this applies to the Kostomuksha reserve in the Republic of Karelia and the Pasvik reserve in the Murmansk region.

**Table 5**

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</tr>
</thead>
<tbody>
<tr>
<td>Murmansk region</td>
<td>Norway</td>
<td>12.4</td>
<td>3.8</td>
<td>27.6</td>
<td>0</td>
<td>37</td>
<td>62.8</td>
<td>38.7</td>
<td>27.1</td>
<td>21.4</td>
<td>8.9</td>
</tr>
<tr>
<td></td>
<td>Finland</td>
<td>23.5</td>
<td>41.6</td>
<td>51.3</td>
<td>3</td>
<td>28.2</td>
<td>22.3</td>
<td>4.8</td>
<td>16.6</td>
<td>29</td>
<td>5.3</td>
</tr>
<tr>
<td>Republic of Karelia</td>
<td>Finland</td>
<td>90.6</td>
<td>92.2</td>
<td>95.4</td>
<td>99.1</td>
<td>98.7</td>
<td>98.6</td>
<td>99.1</td>
<td>99.3</td>
<td>99.1</td>
<td>98.3</td>
</tr>
<tr>
<td>Leningrad region</td>
<td>Finland</td>
<td>99</td>
<td>0</td>
<td>67</td>
<td>0</td>
<td>0</td>
<td>100</td>
<td>0</td>
<td>100</td>
<td>100</td>
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<td></td>
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<td>0</td>
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<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pskov region</td>
<td>Baltics</td>
<td>5.8</td>
<td>40.8</td>
<td>33.7</td>
<td>34.3</td>
<td>38.5</td>
<td>22.5</td>
<td>32.6</td>
<td>21.7</td>
<td>14.3</td>
<td>4</td>
</tr>
<tr>
<td>Kaliningrad region</td>
<td>Baltics</td>
<td>2.7</td>
<td>6.9</td>
<td>12.1</td>
<td>8.7</td>
<td>5.5</td>
<td>18.6</td>
<td>13.2</td>
<td>12</td>
<td>12.5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poland</td>
<td>4</td>
<td>2.4</td>
<td>3.2</td>
<td>4</td>
<td>1.6</td>
<td>1.2</td>
<td>2.8</td>
<td>2.8</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Germany</td>
<td>79.3</td>
<td>69.9</td>
<td>99.6</td>
<td>82.7</td>
<td>73</td>
<td>59.4</td>
<td>65.5</td>
<td>83.3</td>
<td>48.3</td>
<td>51</td>
</tr>
</tbody>
</table>

Calculated based on [12].

The development of domestic tourism in the exclave Kaliningrad region is largely affected by the territory’s transport accessibility and the visa regime being just a formality. Expanding the geography of the 72-hour visa regime for international tourists arriving by passenger ferries (which is a common practice in Saint Petersburg [1]) can contribute to the development of international tourism in the border regions of North-West Russia.

\(^3\) It is the quotient of tourist exchange with the neighbouring country by the total tourist exchange of the border region.
Strategic approaches to tourism development

According to the Strategy for the Socioeconomic Development of the NWFD until 2020, historical, cultural, and natural attractions are a potential source of income for regions and municipalities. Relevant initiatives can boost regional economic development and improve socioeconomic performance [22]. Moreover, tourism and recreation development contributes to the preservation and reproduction of cultural, social, and economic potential, accelerates socioeconomic development, reduces the increasing fragmentation of the border regions’ economic space, and helps to overcome the ‘periphery’ trends in such regions. Tourism is becoming a priority area of development in the border regions as more industries are getting involved in tourism-related activities [2].

In the 1990s, tourism and recreation development required management. Another pressing issue was devising a system of strategic management of tourism. At the federal level, the public tourism policy is regulated by the following documents:


Today, the border regions boast an established and constantly improving strategic management system, which includes tourism strategies and regional development programmes. Being a regional development priority, tourism is included into conceptual and strategic documents of socioeconomic development of the border regions and their municipalities. These documents propose creating tourism and recreation clusters as a key measure to attain the strategic goals of socioeconomic development in North-West Russia. These are the Pskov cluster [17; 20; 25], Old Ladoga in the Leningrad region, the Kaliningrad cluster [17], South Karelia in the Republic of Karelia, and special economic zones with a focus on tourism and recreation (for instance, in the Pskov region and Russian Lapland in the Murmansk region [17; 22]).

Attaining these strategic goals will contribute to the socioeconomic development of border regions, creation of competitive tourism products, and a better quality of tourism services. It is expected that the proportion of Karelian tourism products in the national tourism market will have increased by 7.5% by 2020, if the number of inbound tourists in the region increases to 3.5 million people. In this case, tourism will comprise 15% of GRP [5; 21]. The expected number of inbound tourists in the Leningrad region is 2.3 mil-
lion people and the number of people employed in tourism 25,000 people [8]. In the Kaliningrad region, reaching the strategic goals will have created up to 70 thousand jobs by 2020 and will have increased the number of inbound tourists to 7 million people [18].

Factors impeding tourism and recreation development in the border regions

The development of tourism and recreation in the border regions is often impeded by the current condition of the regional infrastructure and organisational and institutional problems. Firstly, it is important to identify problems relating to the condition of tourism infrastructure [6; 15]:

— insufficient development of tourism infrastructure in terms of both quality and quantity, which prevents regions from full exploitation of the regional tourism and recreation potential and leads to a reduction in the efficiency of the tourism industry and regional economy in general;

— considerable territorial disparities in tourism infrastructure availability and gravitation of maximum concentration towards large centres, which affects the volume and direction of tourist flows;

— unsatisfactory condition of certain historical and cultural sights, etc.

The functioning of tourism infrastructure in the border regions and its compliance with international standards allow for providing a broad range of competitive tourism services and attracting tourists in the conditions of interregional and international competition for tourists and investment.

At the same time, the development of the tourism and recreation industry is impeded by the existing regional infrastructure framework. For instance, the limited railway passenger traffic amid a lack of air connections hinders the growth of inbound tourism in the Republic of Karelia. The poor transport accessibility of some attractions [20] hampers tourism development in the Pskov region.

Regional tourist information centres play a special role in raising awareness of the regional tourism attractions among potential and actual tourists. Organisational problems hampering the development of tourism in border regions are the following ones:

— the need to complete certain formalities to visit natural and cultural tourist attractions in restricted areas;

— insufficient development of inter-municipal and interregional cooperation on tourism;

— poor promotion of tourism services in the Russian and international markets;

— limited differentiation of tourism services characterised by the homogeneity of tourism products and a lack of package proposals.

The tourism and recreation industry is characterised by a lack of qualified staff, which has a negative effect on the quality of services [9] and the competitiveness of regional tourism products. Institutional risks are associated with the imperfection of the legal framework for tourism, the heteroge-
neity of regional and municipal programmes and strategies for tourism development, and a lack of coherence between strategic and territorial planning documents at all administrative levels [19]. Problems with allocation of land for investment projects, unavailability of long-term loans with low interest rates [6] together with the underdevelopment of the existing investment platforms and zones designed for tourism facilities [18] constitute additional barriers for the development of tourism and recreation.

Conclusions

Tourism and recreation development in the border regions of North-West Russia acquires considerable importance in the context of national security. Measures that can boost the development of regional tourism as an economic activity are as follows:

— *creating and improving tourism infrastructure* in the framework of initiatives contained in strategic documents;

— *increasing the attractiveness of cultural and natural sights*, improving the condition and transport accessibility of certain objects, rejuvenating adjoining grounds, disseminating information, etc.;

— *tourism marketing*, which includes inter-municipal and interregional cooperation aimed to develop and promote tourism products in the national and international tourism markets;

— *developing a research framework for tourism development in the border regions of Russian North-West and reconciling the interests of the authorities, business, and local communities in the process of tourism and recreation development*, etc.

As Russian tourists are increasingly attracted by foreign tourism destination, it becomes crucially important to develop unique tours and cruises, as well as environmental, ethnographic, medical, and event tourism. International projects aimed at the development of tourism and recreation in border regions of North-West Russia can solve or alleviate infrastructural, institutional, and organisational problems.

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