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## **Development trends and the association of stakeholders in tourism development process in the case of Pärnu County (Estonia)**

### ***Abstract***

In the last years almost every state, region or city in the world, included Estonia, has taken the goal to increase the portion of tourism economy in total economy. The reason is that they consider tourism to be a possible development key to economic growth. Tourism is a total sum of phenomena and relations which arise from interrelation processes between tourists, suppliers, hosting governments and communities to attract and host tourist and other visitors.

Western Estonia, where Pärnu County is situated, is the lowest and the most marine region, covering the coast of the Gulf of Riga. The coastal area is mostly low, stony, sandy or overgrows with reed here and there. The most important push factor in tourism demand is Pärnu city, having an over 160-years history as a resort. The visitors surveys in the last couple years are showing that the visitors of Pärnu city are a little bit tired of the static destination and they are pleased to broaden their travel experiences. The finest possibility would be to widen the tourism product to the county where there is a lot of unused tourism potential – cultural and natural attractions, interesting people and beautiful scenery.

The main purpose of this article is to analyse potential development trends and the association of stakeholders in development process: their benefits and responsibilities, the flows of money and information.

## Introduction

*Small states and nations must seize every opportunity that could bring them either political, economical or other benefit. We should take advantage of every chance that could increase our national wealth and profit our citizens.*

*Tourism is one of such activities providing sufficient extra income for small nations and helping upswing economic balance of small states. It does not require big economic investments, but all the more good organisation, foreseeing promotion and enough will to carry it forward. But making one country popular as a tourism country demands appropriate preparation for years, starting with putting in order every single home and household and ending with corresponding far-reaching steps taken by the government (Velner, 1939).*

This is how the influence of tourism on the economy of a small state was seen in Estonia in the first half of the 20th century. In the last years almost every state, region or city in the world, included Estonia, has taken the goal to increase the portion of tourism economy in total economy. The reason is that they consider tourism to be a possible development key to economic growth. Tourism is a total sum of phenomena and relations which arise from interrelation processes between tourists, suppliers, hosting governments and communities to attract and host tourist and other visitors.

Tourism development is a complex activity including not only tourism destinations, countries generating tourism, motivations and influences, but also complex relationships between people and institutions that combine the global supply and demand system.(Pearce 1989).

Tourism development is facing all bigger changes in society – changes in life style, shortening of working week, increase of leisure time, higher income and longer life-time. All these trends not only influence development of tourism but also give rise to fast development of different forms of tourism. According to Ritchie (1993) such changes affect tourism more than any other sector. Most attention is given to resident-responsive tourism , global life-style, demographic changes and ever increasing gap between north and south.

Xiao (1997, through Dann, 2002) has stated that although tourism development is aimed at profit (visitors) and recreation economy's development is aimed at welfare

(residents), holiday experience could be a tourism experience at the same time and a future prospect lies in mutual matching and integrating just these two.

### ***Integration of tourism into regional development***

In tourism context the term “integration” has several meanings. Most generally speaking it means an integrated offer. Tourism in its modern way has existed for approximately 150 years, the starting point was when mass transport was used for the first time to organise a holiday trip. Thomas Cook was the first formal representative of integration – a founder of modern tourism who coordinated railway and bus service, accommodation and guide service. At the beginning of mass tourism integration meant activities only on behalf of suppliers – tour operators.

At the end of the 19th century integrated tourism planning became extremely important in seaside spas and this trend could be observed in many destinations since then. Developing integrated spas signified an opportunity to monitor both possible environmental damage and quality, at the same time in case of such spas big economical leakage and minimizing tourism expenses in the local community are criticized (Butler, 2002).

In a real world very few economic or socio-cultural activities are equal in terms of their priority. There is usually a constant competition between them – some of them are developed for preference, when others are at the same time in stagnation or decline. In many parts of the world where tourism is just taking its first steps, the traditional primary industry has maintained its first position in the economy of a particular region for a long time and agriculture is also tightly connected to the regional culture model and behaviour. Tourism is very often seen as a competitor to traditional activities and in such a situation in order to develop tourism we could rather use integrated attitude than strong attack.

Although the term “integration” is often used it is not defined sufficiently. A dictionary gives the following meanings for the term “to integrate” (Collins, 1988) “*to make or be made into a whole; incorporate or be incorporated*” and “*to amalgamate or mix... with and existing community*”. The extent of integration of tourism development means that tourism is added into a complex – other business activities and processes already

existing in a destination. A key issue is the connection between the activities and processes in a complex and the relations between those activities and tourism (Butler, 2002). Introduction of tourism and its mixing must take place in an appropriate harmonious way so that the final result would be accepted by local community and be successfully functioning as well - both in ecological and human terms. To get such a result we need to achieve: acceptance, effectiveness and harmony. Successful integration of tourism development into the community or destination must make tourism more acceptable for residents and current users of resources. Successful integration helps avoid the problems that could arise during later phases of development process, creating synergy and symbiosis with the help of existing activities and supporting the process instead of generating competition and conflicts (Butler, 2002).

When developing tourism it is essential to consider the following aspects (Dann, 2002):

- Tourism development requires acknowledging final restrictions (instead of continuous expansion and product promotion);
- Growth of environmental awareness;
- Increase of capital expenses ( competition between competing sectors: education and health);
- Rapid development of technology (“post-tourism”, decrease of conventional tourism development);
- Continuation of globalisation process ( growing need of being pro-active);
- Growth of tension in tourism development between a centre and periphery;
- Continuation of diversification of tourism demand (concurrent with the change of life-style).

Although in theory there are several descriptions of integration of tourism development and planning into general conception of regional development , still it cannot be implemented without pain in practice. In several cases there are big discrepancies in what is described in plans and in what is the outcome in real life. It is usually not the unwillingness to integrate tourism and the rest of the context which causes drawbacks but rather the insufficient knowledge and information on the nature of tourism.

### ***An association of tourism stakeholders in the region***

What are the characteristic features of tourism that is sustainable towards the community and considerate towards local people? Tourism of the kind definitely involves activities that take into account visitors' quality experience and ensure social equality of visitors and hosts and involvement of the whole community. The activities that take into consideration limited resources of the destination – i.e. minimizing tourism-related influences and use of energy, use of effective waste management. Sustainable tourism implies business opportunities that express the nature of destination region, covering a great deal of recreational, educational and cultural objectives regardless of people's age. And the last prerequisite would be integration of tourism into local, regional and national plans.

The objectives of sustainable tourism are (Pearce, *et al.* 1996):

- Improve material and immaterial welfare of the community.
- Maintain inter-generation and inner-generation equality.
- Protect biological diversity and take care of ecological systems.
- Ensure cultural integrity and social compatibility of the community.

The community of the destination is a key element of modern tourism (Godfrey, Clarke, 2000) – they provide accommodation, catering, information, transport and other services. Although at global level tourism is a huge industry, at local level it is very small: majority of tourism enterprises are small or medium-sized. Disunion of supply makes the quality of a local product unstable, generates unsound competition, insufficient flows of information and disregarded possibilities. Although on one side diversity is good, it still makes the community weaker and would not let tourism achieve its whole potential. If all small entrepreneurs are engaged in maximizing their position in the market, they will miss broader opportunities of tourism industry. In order to be sustainable one should cooperate.

It is misleading to think that tourism is a prerogative of merely a private sector – some aspects of tourism industry like information and infrastructure are mostly a direct responsibility of public sector (local government). In addition to that several non-profit organisations and volunteer groups can influence tourism through their activities

(environment protection) and community events (festivals and other festivities). Although the key role in tourism belongs to private sector, we cannot leave it alone. The best destination development plans can be worked out in cooperation with private, public and non-profit sector. One could win through cooperation and improvement not through inner competition and division (Godfrey, Clarke 2000). Organising and coordinating are the activities with the key meaning. An ideal variant would be if someone took the whole responsibility for tourism development, but still a better solution would be formation of a holding enterprise that would represent and coordinate different local groups. Organised community offers several advantages: it is easier to meet the demand, improve flows of information, ensure quality control, invest in local products and develop human resources.

There are different types of tourism organisations:

- they could have completely different economic, social and other objectives
- they could be monofunctional or multifunctional
- they could be engaged in one or several functions: marketing, development, planning, research, providing guest services, lobby work and working out regulations (Pearce 1992, 1996a and b, 1997a; Choy 1993 through Pearce 2002).

Their main goal is to accelerate the growth of tourism. Pearce has stated that there is no concrete best (tourism) organisation or inter-organisational network – every state and county must find a system reflecting best the local, regional and national situation. It could be a tourism board, a tourism association, tourism committee, advisory group or visitor and convention bureau. Not the name is important, but the ability of this structure to manage tourism development, taking into account the differences of objectives and wishes of the groups, individuals and enterprises involved.

Tourism sector is not separated from general economy, but a part of it and this way tourism should be planned – not working against some of the parties, but meeting the interests of the whole community. The parties concerned in tourism planning could be: local groups of citizens, regional or state government, regional tourist groups, community groups with special interests, enterprise groups (e.g. Chamber of Commerce), local government and hired consultants if necessary. Representatives from different groups should belong to the formed tourism association where they could represent the interests of their group in tourism planning.

Tourism association acts as a catalyst of local interests, channeling the information and ideas received from local government and residents and carrying out necessary research.

The main tasks of the association are to coordinate and manage regional tourism industry, work out tourism policy that is suitable for the area and compatible with national strategies, carry out regional marketing and work at communications, organise hospitality and client service training courses, perform monitoring and carry out necessary research.

Using such a structure makes tourism planning of the destination (Godfrey, Clarke, 2000) more extensive (part of a holistic economic system), interactive and dynamic (tourism issues are regularly taken into consideration and tourism-related influences are understood), systematic, integrated (tourism interests are accepted by the representatives of other business areas), oriented towards community (representatives among residents, enterprises, and other interest groups), renewable (tourism activities are a part of local socio-economic system) and oriented towards objectives and applicable.

### ***Tourism development in Estonia: a brief overview***

A small country in Northern Europe with an area of 45 215.4 sq km, of which about one tenth (4133 sq km) is taken up by islands, Estonia forms the most western and maritime part of the large East-European Plain (see Figure 1). Due to the influence of the Atlantic Ocean and Gulf Stream, the weather in Estonia is considerably milder than the continental climate characteristic of the same latitude. The temperature in the summer months (June - September) is typically 15 - 18°: C; in winter, -4 - -5°: C . Seven thousand rivers and streams carry rainwater to the sea, bogs and wooded swamplands of different types cover over one fifth of the country. Various kinds of forests comprise slightly under half of Estonia's territory. Wetlands, together with primeval forests, represent preserved communities which have for the most part been destroyed in Europe. Estonia lies on the southern border of the northern European coniferous forest zone and on the northern border of the deciduous forests typical of central Europe. Many plant and animal species live in Estonia which are rare or no longer found elsewhere in Europe (Estonian Institute).



Figure 1. Location of Estonia

The beginning of the 20th century marks the start of research of tourism development and planning in Estonia at a national level. The first activity related to tourism was developing summer and health resorts carrying on the activity that had started in Tsar-Russia. Already in 1925 the Riigikogu passed a law on Summer and Health Resorts Suur,1939). Public Health Council was founded to organise the completion of that particular law.

In 1930 on initiative of Road Ministry a foundation “Central Organisation of Tourism in Estonia” was founded with a general aim to introduce single tourism enterprises, but also other places of interest abroad. It started to build and organise so-called “tourist homes”, in other words resthomes. In 1938 “Law on Tourism Organisation” ( Tourism Organisation.....,1938) and “Regulation on classification of guest houses, boarding houses and tourist homes” entered into force. Especially innovative was the formation of Tourism Development Foundation (Tourism Development.....,1939), starting from 1st May, 1939 1% from the price of train and bus tickets accrued to that foundation. The foundation funds could be used for supporting local governments of health resorts, organisations developing tourism, property maintenance organisations, advertising, publishing professional literature and also for covering tourism-related expenses of Nature Protection and Tourism Institute. In 1939 Nature Protection and Tourism Institute started issuing an information magazine “Nature Protection and Tourism” that introduced everything concerning nature protection and tourism as well as at home as abroad.



The period of activity of the Institute of Nature Protection and Tourism was rather short due to the tense international situation which after the start of the Second World War did not favour development of tourism. During the Soviet occupation the nature protection and tourism organisation was liquidated and the Institute of Nature Protection and Tourism was transformed into the Department of Leisure, Physical Fitness and Tourism which had completely different functions (Koitjärv, 1998). The main spheres of activities in pre-war years were tourism and planning rest areas (partly began already in 1920s), promotion and forming favourable public relations for Estonia, cooperation with Latvia, Lithuania, Finland and other Nordic Countries, necessity of organising statistics, necessity of simplifying border control on Estonian- Latvian border, becoming a supporting member of International Tourism Association (1 October, 1939), increase of number of places of accommodation and improvement of quality, making international connection more frequent.

On 2 November 1992 after regaining its independence the Government of Estonian Republic admitted that tourism is a priority as an economic sector. Tourism Board was founded in 1990 as a subordinate government body to the Estonian Government. In 1995 Tourism Board prepared a "Tourism Development Conception" according to the main tasks specified in its statutes. The objective of tourism development in Estonia is getting maximum economic and social benefit and contributing to rise of economic welfare and better quality of life for all the residents, at the same time taking into account the needs of protecting environment and cultural heritage (Lõhmus, Rammo). A new Tourism Law was passed in 2000 (RT I, 2000) and in 2000 Tourism Board was reorganised - Tourism Agency was formed as a part of Enterprise Estonia.

Parallel to national level organisations were formed also at field, regional and local government level: Estonian Association of Travel Agencies (ETFL – founded in 1990), Estonian Hotel and Restaurant Association (EHRL – founded in 1992), Estonian Ecotourism Association, Estonian Rural Tourism Association (founded in 2000), Estonian Marine Tourism Association, South-Estonian Tourism Foundation (founded in 1998), etc.

The national tourism development plan of Estonia for the years 2002-2005 defines that due to the geographical position, natural and climatic conditions, sights, attractions, resources and cultural traditions the main competitors of Estonia are Scotland, Wales,

Ireland, rural parts of England, Sweden, Denmark, Finland, Poland, Latvia and Lithuania. The basis of tourism experience of all these destinations is historical sights and architectural heritage, the cultural life based on traditions and pure and diversified nature, but there are no world-famous attractions.

In 1930s the main tourist attractions were spas (Pärnu, Narva-Jõesuu, Haapsalu and Kuressaare) – in 1939 the total number of holiday-makers in these towns was 21,928 including 1/3 of foreigners (more than a half were Swedes, then Finns, Latvians and Germans) (Nelja kuurordi ...1939).

The significance of tourism in Estonian economy has continually been increasing in the last 10 years, having direct impact of 10% and indirect impact of 15% to GDP. The importance of employment and the share of Estonian export of goods and services provide about 16%. In the year 2002 there were 3.25 million international visitors in Estonia and the income from tourism increased 3-4%, reaching 12 billion Estonian kroons.

Based on the data of EAS Tourism Agency in 2002 there were 3.25 million foreign visitors in Estonia, arrivals in Estonia increased by 23,000 or approximately 1%. Comparable to the data of World Tourism Organisation – the number of trips lasting more than a day, according to initial data rose to 1,36 million or by 3%. 42% of visitors stayed in Estonia for several days. The number of one-day visitors that started to decrease in 2000, fell by 1% in 2002.

Generally in the last years we can observe an increase of holiday, transit and health travellers and a decrease of shopping tourists, visiting relatives-aquaintances among foreign visitors. There is no substantial change in business travellers. Last year holiday travellers made up 44% of tourists, business travellers about a quarter, visiting relatives or acquaintances 16%.

A little more than 2/3 of foreign tourists see the sights on their own, 1/4 visit the museums and exhibitions, 19% visit cultural events, 1/10 organised excursions and 8% is involved in some active hobby. A great many (29%) of tourists spend time in nature or visit some natural attractions. Especially interested in nature are German and Russian

tourists who are less oriented towards visiting towns and at the same time stay in Estonia longer than average.

***The network of stakeholders in tourism development process in Pärnu County: their benefits and roles***

Western Estonia, where Pärnu County is situated, is the lowest and the most marine region, covering the coast of the Gulf of Riga (See Figure 2). The coastal area is mostly low, stony, sandy or overgrows with reed here and there. The biggest lake of the county is Ermistu (4.8 km<sup>2</sup>) in the vicinity of Tõstamaa is well-known for its curative mud and only two of the 177 small islands and islets are inhabited (the biggest of them is Kihnu island, 17 km<sup>2</sup> and 600 inhabitants). The coastline of the county is 242 km long and the Pärnu River, which passes through the county and flows into the sea in Pärnu, is the longest in Estonia. The coastal areas in the Gulf of Pärnu are one of the warmest in Estonia.

The most important push factor in tourism demand is Pärnu city, having an over 160-years history as a resort. The visitor's surveys in the last couple years are showing that the visitors of Pärnu city are a little bit tired of the static destination and they are pleased to broaden their travel experiences. The finest possibility would be to widen the tourism product to the county where there is a lot of unused tourism potential – cultural and natural attractions, interesting people and beautiful scenery.



Figure 2. Location of Pärnu County

In Pärnu County there are approximately 100,000 inhabitants (7% of the population of Estonia). The density of population is 21 people per 1 square kilometre, with the

Estonian average of 32. The county is irregularly inhabited because of forests, marshes and bogs, 2/3 of the population live in Pärnu and its neighbourhood.

Pärnu county is relatively backward in tourism development compared to some other Estonian region (especially South – Estonia). In the process of drawing up the comprehensive plan of the county the more essential problems and favourable activities in tourism development were pointed out. The problems were divided into three big categories: 1) Organisational: weak cooperation between private and public sector; “the makers” insufficient competence (in private as well as in public sector) and insufficiency of training possibilities; non-existence of statistics; 2) product development (supply): seasonality, dependence on summer, private sector’s weak inner cooperation (travel agencies, tour operators, service providers), shortage of different niche products, lack of information about possibilities, insufficient system of signs; 3) Marketing (demand): big dependance on Finnish market, where the majority of foreign tourists come from, occasional inefficiency of advertising and PR work and their insufficiency, weak cooperation of private and public sectors on creating the image, insufficient market research.

The main factors favourable for development in Pärnu were private sector’s positive attitude and readiness for cooperation in tourism industry, town greenery ja relatively good property maintenance, long-term traditions as a health resort. Besides that Pärnu has a good reputation, competent tourism specialists, tourist information centre, guide association, service basis for medical rehabilitation, accommodation, catering , etc. and infrastructure essential to tourism.

Possibilities for the county are: good potential for developing varied specific tourism products (rich cultural heritage and traditional way of life , changeful landscape beginning from islands and seaside, and ending with primeval forests and impassable bogs of inland), a great number of rural inhabitants have good abilities for doing business as tourism entrepreneurs (state of being educated, openness, enterprising spirit), starting with tourism business does not require immediate large-volume investments into means of production and raw materials. On the tourism market there is a growing demand for spending vacation away from overpopulated regions and experience something completely different and genuine from usual circumstances and

environment. The essential demand trends for Pärnu County are growth of domestic tourism, among the residents of big cities it is getting more and more popular to have a rest in the countryside and foreign tourists "discover" more and more Estonia that is outside the borders of Tallinn.

According to the analysis of the situation and evaluation of the future a vision and possible patterns for tourism in the county were drawn up. County's tourism vision focuses foremost on the position of Pärnu town on the market: Estonian summer capital Pärnu will be a health resort also in the future, a recognised tourism centre of the Baltic Sea. A good reputation of a holiday town will be guaranteed by a great number of interesting events, beautiful beach, numerous parks and friendly service. Several international-level conference and cultural facilities and rehabilitation establishments promote tourism economy all the year round. The Tourism Research and Training Centre of the countries at the Baltic Sea is situated in Pärnu.

The development trends supporting the vision focus on the county's development possibilities in tourism sector: in densely inhabited regions of the county (in the surroundings of settlements), catering and accommodation services will be developed on Via Baltica that is passing through the county and other highways. A number of golf courts and golf clubs, shopping centres, entertainment and topic parks, cross-country motorrace tracks, etc. will be set up. Tori must be developed into a horse-riding centre. On the seaside a chain of yacht harbours will be developed, from year to year the number of visiting yachts will be growing in the summer period. Recreation areas, camping sites and bicycle roads will be established. The whole county will be covered by a network of farms where farm holiday will be offered primarily to families from large cities. People from the whole world who are interested in birds will visit the coastal regions during spring and autumn bird migration. As an exclusive tourism product hunting trips will be offered in big forest territories. In the river-basin water and fishing trips will gather more popularity. On the borderlands – the areas with the lowest population concentration – the importance of tourism will equal to that of forestry in economic terms.

The nearest objectives that were pointed out:

- Pärnu's development as a health resort;

- rise of competence of sole traders and officials through training;
- improvement of private sector's inner cooperation for making tourism economy more effective;
- tourism developing into all-the-year-round sector of economy;
- growth of tourism economy in "new" regions;
- effective information system and image creating;
- bring tourism services into accordance with quality standards and environmental requirements;
- expansion of coastal region and conformity of its condition with international requirements.

To realize all these visions, development trends and objectives, a correct network of stakeholders of tourism development should be started to fulfil all the set objectives. Unfortunately the weakness of tourism development in Pärnu County lies in lack of such a structure. In Pärnu county there is only one tourism-related professional association – Pärnu Guide Association and a more extensive structure has not been established in the re-independent Estonia.

Next the author of the article will propose a vision on her part about the network of stakeholders in tourism development in Pärnu County- about its members and their mutual relations and connections (see Figure 3).

All the stakeholders in tourism development could broadly be divided into five large categories: 1) private sector, 2) non-profit sector, 3) residents, 4) public sector and 5) others involved. The representatives of each group will form Pärnu County Tourism Chamber which in its turn would be a part of Pärnu County Regional Development Committee with the representatives from other business, social and environment sectors. The Regional Development Committee would be responsible for holistic development taking into account the interests of all parties involved to the extent where all of them would benefit from these activities and negative effects would be as little as possible.

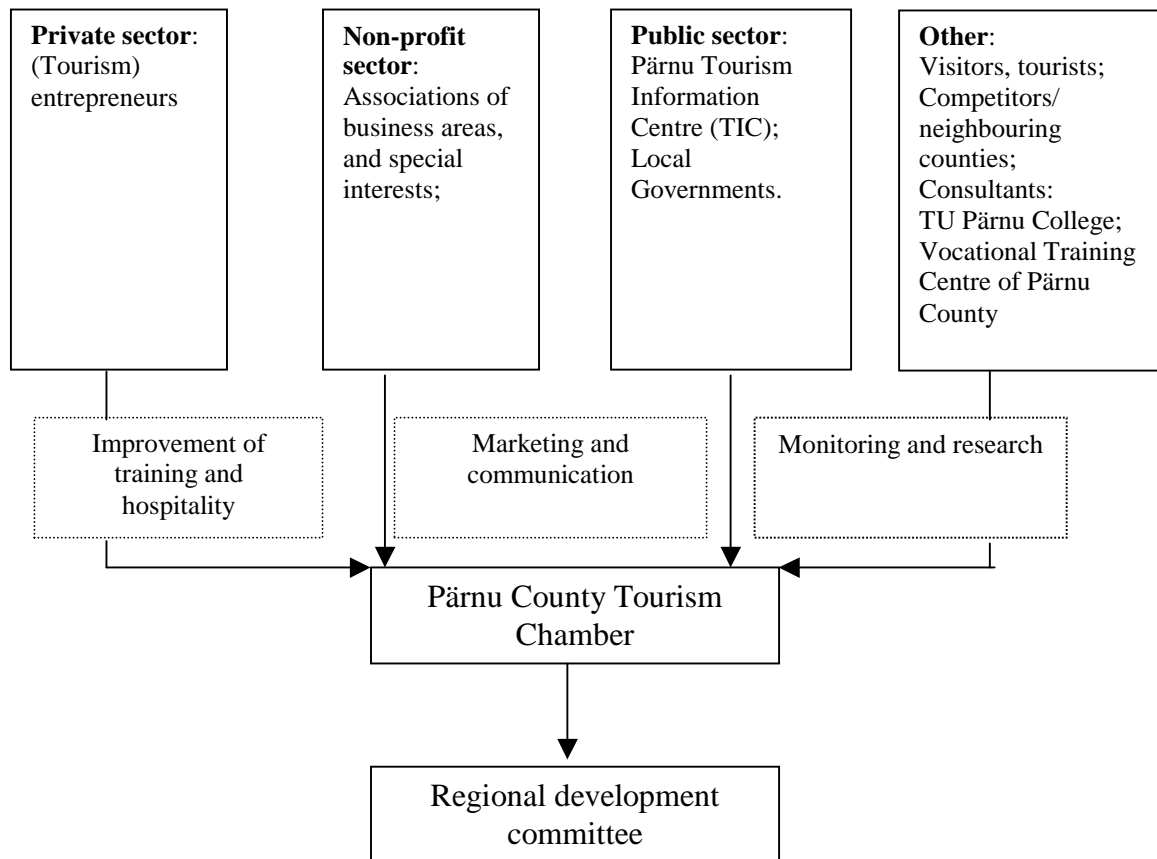


Figure 3. Conception of stakeholders in tourism development in Pärnu County

Private sector's or (tourism) entrepreneurs' interests in participating in that holding organisation of tourism and developing regional tourism would be: offering visitors and tourists a more complete product package, cooperating with other suppliers and through that increasing turnover and profit. Not only profit is important, but also a chance to get a better overview and if necessary check the impact of other enterprises on regional environment, competition, infrastructure and social values of the community (Gunn, Var, 2002).

The role of public sector as a programmer of tourism will be governance – enforcement and implementation of acts and regulations and offering protection. In many countries public sector takes care of several other fields of activity like tourism promotion and marketing of the region – this responsibility should be taken by local governments of Pärnu County, but up to now we have to admit that their activity at regional level has been relatively weak and they rely rather on the success of Pärnu as an attraction centre. Public sector also has to develop and take care of infrastructure which is indispensable for tourism.

Non-profit sector embodies the social and ethical values of the community. The associations will voluntarily put in order different natural and construction complexes where private sector is unable to make direct profit and which without the associations' attention would be neglected quickly and thus be out of the tourism supply. Non-profit special associations can also organise various events that will become tourist attractions in the course of time.

Under other involved parties there are professional consultants, neighbouring counties, educational institutions of the region offering tourism and recreation economy-related education as well as tourists visiting the particular region. Professional consultants and educational institutions are supposed to offer holding organisation impartial information and plans. Their functions are ranging from advisory services to specific location developments. Neighbouring counties are in their turn interested in marketing and promoting a complete Lääne County, a part of which is Pärnu and tourists could benefit from getting a perfect holiday experience.

As the main development factors of tourism are information and money, next the information and cash flows between the holding organisation and its members will be determined.

For putting information into complete operation and optimal implementing of the activities all the information flows must be bilateral, therefore all the information channels between those involved, and the stakeholders and a holding organisation will be two-way. There are different arrows of cash flows:

- steady and two-way - a holding organisation and local businessmen. Direction to the outside of the organisation shows possible funding of projects, applications of which businessmen have submitted to the organisation and for which suitable coverage has been found. Direction towards the organisation shows annual fees that businessmen pay in order to participate in the work of a holding organisation;
- steady one –way:
  - from organisation towards non-profit organisations – the latter can present project applications to develop specific attractions based on local individuality (either natural or cultural);



- from organisation towards Pärnu College/ Vocational Training Centre – to order necessary research and get support in development activities
- broken-line one-way:
  - competitors/neighbouring counties with the direction towards the
  - organisation- to themselves as well as necessary cooperation
  - projects for Pärnu County(working out common products,
  - support for marketing and promotion of a more extensive area)
  - tourists/visitors with the direction towards the organisation-if the tourism service is of good quality in the county, we may consider the possibility of imposing so-called “tourist taxes” that will be added to the price of accommodation.
- besides the previously mentioned cash flows, the organisation must practice project writing in order to raise extra funds.

During the first years of activity such an organisation needs support financially as well as in terms of obtaining information and this is the responsibility that could be taken by county government and local governments. In a long-term perspective the tourism entrepreneur will see the benefit he could get from such a network and hopefully be willing to contribute on their behalf to support the organisation and at the same time development of tourism in the whole county.

### ***Summary***

Pearce (1989) has said that tourism development is an integrated activity including not only tourist destinations, countries generating tourism, motivations and influences, but also complex relationships between people and institutions that combine the system of global supply and demand.

The extent of integration of tourism development means that tourism is added into a complex – other business activities and processes already existing in the destination. A key issue is the connection between the activities and processes in a complex and the relations between those activities and tourism (Butler, 2002). Introduction of tourism and its mixing must take place in an appropriate harmonious way so that the final result

would be accepted by local community and be successfully functioning as well- both in ecological and human terms.

The best destination development plans can be worked out in cooperation with private, public and non-profit sector. One could win through cooperation and improvement not through inner competition and division (Godfrey, Clarke 2000). Organising and coordinating are the activities with the key meaning. An ideal variant would be if someone took the whole responsibility for tourism development, but still a better solution would be formation of a holding enterprise that would represent and coordinate different local groups.

What kind of benefit would the previously mentioned stakeholders in tourism development expect from Pärnu County Tourism Chamber's activities and the results, i.e. tourism development? The main task of a holding organisation would be to coordinate and manage the fields of activities shown in Figure 3 (see Figure 3): training and improvement of hospitality, county's marketing and general communication, monitoring of activities and organising necessary research for development. All these activities were pointed out as problems concerning tourism development in Pärnu County.

After the holding organisation has started its operation and the objectives have been fulfilled the gained benefits would be: different physical and sensuous experience and satisfaction greatly dependent on destinations and activities chosen by tourists and offered in the county. Business people make profit offering more complete products and services demanded by tourism markets. Local governments of the host community support tourism as one possible wealth factor of economy in their responsibility area which is suitably integrated into economic activities of the region and local people see in tourism a possibility to demonstrate and maintain their cultural heritage and a chance to find a job in that sector.

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