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Katsauksia

Resorts and regional development at the local level: cores in a periphery

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For decades, peripheral rural areas have been faced with socio-economic decline characterized by economic restructuring, unemployment, out-migration and an ageing population. Due to economic restructuring, the primary sector has lost its role and significance as a main tool for regional development in those areas and some other economic industries, including tourism, have emerged (see Butler, Hall, & Jenkins, 1998; Hall, Müller, & Saarinen, 2009; Montanari & Williams, 1995; Müller & Jansson, 2007; Williams & Shaw, 1998). Although tourism is usually considered as the only industry having growth prospects in peripheral rural areas in the future, it is not automatically the saviour for all municipalities and communities (see Hall et al., 2009; Kauppila, Saarinen, & Leinonen, 2009; Lundmark, 2005; Saarinen, 2007a).

It seems that the tourism industry has a tendency to accumulate spatially and temporally: tourism demand and supply meet in resorts. In other words, resorts are first and foremost considered as places for the interface between tourists and the tourism industry. Geographically and functionally the definition of resort refers to a local level regional unit having tourism as the dominant industry and the principal economic activity (see Goodall, 1987). Prideaux (2004, pp. 28–29), for example, states that there exists an agreement on the functions of resorts on a general level; they provide different kinds of attractions, facilities and services for both day-trippers and overnight stayers.

If the tourism phenomenon concentrates in resorts, then it is obvious that positive regional development – an increase in the number of enterprises, jobs and the permanent population – can be discovered in those destinations. It is well-known and noted that in many cases positive socio-economic development is focused on resorts only, not a wider geographical area. In the literature, this is conceptualized as an enclave development process (Jenkins, 1982; Wall, 1996) or an integrated development process (Pearce, 1991). However, from the viewpoint of the regional development of peripheral rural areas in general, the main challenge is to extend the positive socio-economic impacts of resorts to a wider geographical area at the local level.

The aim of this review is to discuss the development process of resorts and their role in regional development at the local level from the viewpoint of a Northern periphery. The paper deals with the four largest resorts – Levi, Ruka, Saariselkä and Ylläs – in Northern Finland, and the statistical data is provided by Statistics Finland. As an outcome of the analysis, the socio-economic characteristics of the resorts are conceptualized in the classic core–periphery framework.

Resorts in the Finnish context

Finland is a Western country with typical development challenges concerning peripheral rural areas. During the last few decades, the number of jobs in forestry and agriculture in these areas has dramatically decreased as well as the unemployment rate being higher than in Finland on an average. In addition, out-migration and an ageing population characterize rural areas (see Rosenqvist, 2003). Therefore, tourism is seen as an opportunity to diversify the economic base of peripheral rural areas. Along with the tourism industry, particularly in Northern Finland, the mining industry has recently aroused great interest among politicians and developers at different regional levels.

In the Finnish context, resorts are defined – in a geographical sense – as smaller regional units than municipalities (Vuoristo, 2002). In other words, they constitute a functional centre of their own within one municipality or on the border of two or more municipalities. Most resorts in the country are located in Northern or Eastern Finland (Figure 1). The importance of resorts in the tourism development of Finland is manifested throughout the valid tourism policy (Suomen matkailustrategia 2020, 2011): one key point of the policy is resort-oriented tourism development and hence, resorts are expected to strengthen their position in both tourism demand and supply. In this light, the number of enterprises and jobs should also increase, and resorts can therefore be interpreted to become nodes for regional development over a wider geographical area, too.

As noted earlier, resorts are regarded as local level regional units, but are not always paralleled with the lowest official statistical regional unit, i.e. the municipality. Along with the case of Finland, this has also been noticed in England by Agarwal and Brunt (2006). They manifest this problem when attempting to provide comparable resort level data: resorts are usually considered as district level regional units, although the geographical area of a ‘real’ resort is just a part of a district. Hence, when the study area is smaller than a municipality in a geographical sense, then GIS (*Geographical Information Systems*) and georeferenced data seem to be a respectable option for the statistical socio-economic analysis of resorts. A model for using GIS and georeferenced data in the context of Finnish resorts has been presented extensively elsewhere (see Häkkinen & Kauppila, 2009a, 2009b; Kauppila, 2004; Kauppila & Rusanen, 2009). Georeferenced data include a range of socio-economic variables stressing population but variables related to economic activity are largely ignored. Unfortunately, there is no georeferenced data dealing with enterprises, for example, and in the case of enterprises, the data is based on postal code areas and the Finland-CD database. It must be emphasized that the postal code areas do not exactly fit the

geographical areas of the resorts under study outlined by GIS and georeferenced data (see Häkkinen & Kauppila, 2009a; Kauppila, 2004).

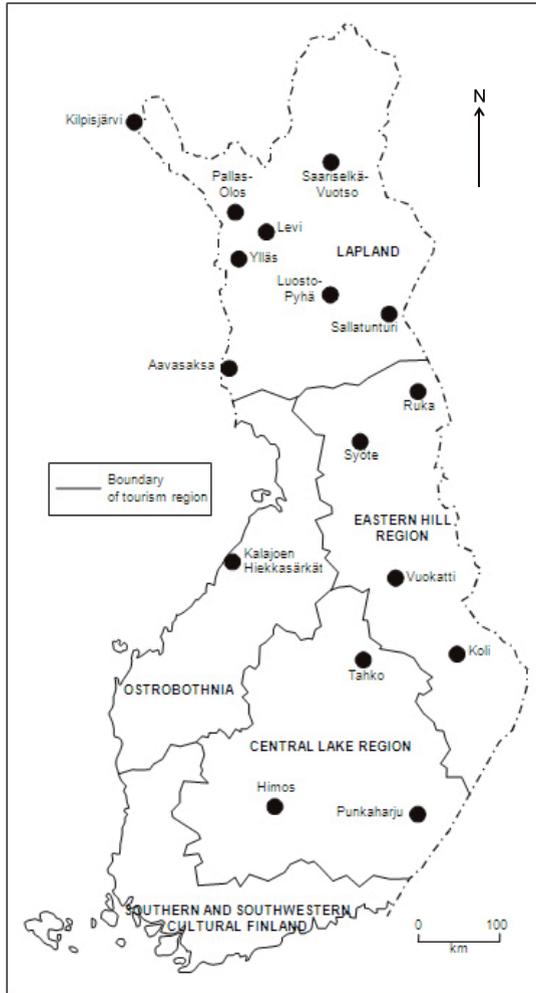


Figure 1. The tourism regions in Finland and the local tourism centers (resorts) (adapted from Vuoristo, 2002, Figure 1).

Resorts, location municipalities and regional development

Resorts as target areas for tourism development and furthermore tools for regional development in Finland is a quite new phenomenon. Nevertheless, the first stage of the development process of the four largest resorts in Northern Finland – Levi, Ruka, Saariselkä and Ylläs – can be found in the late 1800's and early 1900's (Kauppila, 2004; Kauppila & Rusanen, 2009). In referring to Butler's (1980) seminal destination life cycle model, the stage is interpreted as the exploring stage. Large-scale development began at least in the late 1960's and early 1970's and during that time, according to the destination life cycle model, the resorts moved into the development stage. Recently, very massive plans have been publicly manifested for the resorts for the

next few years. At the moment, the largest resorts in Northern Finland are target areas for hundreds of thousands of accommodation nights, several dozens of enterprises, hundreds of jobs, permanent residents and second homes (Table 1). For the resorts, all-year tourism and internationalisation seem to be the most important challenges in the future.

Table 1. Basic information on Levi, Ruka, Saariselkä and Ylläs in different years (FinlandCD, 2006; Georeferenced data by Statistics Finland, 2008; Summer cottage statistics by Statistics Finland, 2006; Statistics Finland, 2008).

	Levi	Ruka	Saariselkä	Ylläs
Location municipality	Kittilä	Kuusamo	Inari	Kolari
Commercial accommodation nights (2007) (% international tourists)	688 717 (27)	841 129 (12)	377 012 (32)	419 026 (24)
Enterprises (2006)	152	80	82	98
Jobs (2006)	752	303	355	168
Permanent population (2007)	814	347	345	373
Second homes (2004)	1 092	1 036	205	591

The development process of the resorts in the Finnish periphery has meant first and foremost an increase in the number of accommodated tourists. In consequence, this has led to a growth in the number of enterprises, jobs and the permanent population during the last few decades (Table 2). Particularly this process can be noticed at Levi. In absolute terms, the number of enterprises has increased to almost 120, jobs over 700 and the permanent population of nearly 450. The development process of Ruka, Saariselkä and Ylläs has been similar to Levi but the intensity seems to be slightly lower. In all, the development process of the resorts has progressed in absolute terms.

In the case of Saariselkä, the basis for tourism development is different compared to the other resorts. Saariselkä was established for tourism and had no traditional settlements or industries before the tourism era. All the other resorts under study are originally founded in villages and therefore, they have their own socio-economic history. Referring to Baud-Bovy and Lawson's (1998, p. 129) terminology, Saariselkä can be conceptualized as an integrated resort and Levi, Ruka and Ylläs are comprehended as traditional resorts. As a result, the trajectory of Saariselkä has been very rapid since 1970, which can be seen from the population variable (see Table 2) (also see Kauppila, 2004; Kauppila & Rusanen, 2009).

From the perspective of the location municipalities, the importance of the resorts has strengthened in regional development (see Table 2). This relative viewpoint can be demonstrated best in the case of Levi. For example, the proportion of jobs at the Levi resort was a third of all jobs in the municipality of Kittilä in 2006, but it was only three percent a few decades earlier. The tendency is similar in all the cases, but the intensity varies a little bit. To conclude, the resorts under study have increased their

value within their location municipalities both in absolute and relative terms from the standpoint of regional development.

Table 2. Enterprises, jobs and the permanent population of the resorts in relation to their location municipalities in different years. The relative numbers (%) indicate the proportion of the resorts of their location municipalities. The absolute numbers of the resorts are in the parenthesis (FinlandCD, 1993, 2006; Georeferenced data by Statistics Finland, 1970, 1980, 2008).

Resort	Enterprises		Jobs		Permanent population	
	1993	2006	1980	2006	1970	2007
Levi	14 % (36)	27 % (152)	3 % (37)	34 % (752)	5 % (365)	14 % (814)
Ruka	4 % (21)	8 % (80)	3 % (126)	5 % (303)	1 % (175)	2 % (347)
Saariselkä	12 % (36)	16 % (82)	5 % (111)	15 % (355)	0 % (28)	5 % (345)
Ylläs	16 % (33)	29 % (98)	3 % (35)	16 % (168)	3 % (145)	10 % (373)

At the municipality level, the relative changes have been very rapid in those areas with a strong positive development process of the resort associated with a small-sized regional economy in terms of enterprises, jobs and the permanent population. This is not only due to the fact that the development process of the resorts themselves has been extremely positive during the last decades but simultaneously, the other parts of the municipalities, except the municipality centres, have declined (see Kauppila, 2004). A process characterized by accumulation on the one hand and shrinking on the other hand is conceptualized as a polarization process. In the cases under study, the polarization process of regional development seems to be pronounced in the municipalities of Kittilä and Kolari (see Kauppila, 2004; Kauppila & Rusanen, 2009). The absolute size of Ruka is about the same compared to Levi, Saariselkä and Ylläs with respect to regional development indicators, but the size of the regional economy of the town of Kuusamo is substantially larger than the other location municipalities under study. Therefore, the relative importance of Ruka within Kuusamo is lower. Nevertheless, from the perspective of regional development, the relative importance of the resorts within their location municipalities has increased in all the cases.

The development process of the resorts is progressing and the surrounding areas of the resorts are declining. As a result of this polarization process, the role of the resorts in terms of regional development seems to be strengthened. Along with the quantity indicator, changes have occurred in the structure of population and jobs, too. The age structure of those people living permanently at the resorts is healthy and the job structure of the resorts is diversified. All the above-mentioned changes are totally different comparing them to the trajectory of the location municipalities of the resorts in general (see Kauppila, 2004). Referring to the classic regional development terminology,

Botterill et al. (2000) define the concepts of core and periphery. The characteristics of the former can be conceptualized by the increasing number of population, healthy population structure, large-sized regional economy, diversity of economic structure and large tertiary sector in a relative way. Naturally, the characteristics of the latter represent the other end of a continuum. Based on the findings of the present study, the resorts resemble more the characteristics of cores than a periphery and therefore, they are defined as cores. More precisely, the resorts are considered as ‘cores in a Northern periphery’. Furthermore, utilising the aforementioned terminology the surrounding area of those cores can be conceptualized as a periphery, in other words ‘a periphery in a Northern periphery’.

Generally speaking, the polarization process – interpreting as cores and a periphery – has been noticed at the local level in developing countries such as Indonesia (Hussey, 1989; Shaw & Shaw, 1999; Walpole & Goodwin, 2000), Mexico (Brenner, 2005; Brenner & Aguilar, 2002) and Senegal (Diagne, 2004), as well as in the peripheral areas of Western countries, as in Scotland (Getz, 1981, 1986) and the Spanish Pyrenees (Lasanta, Laguna, & Vicente-Serrano, 2007). In those cases, the tourism industry has caused or strengthened the role of resorts within the municipalities in regional development and, as a result, resorts are conceptualized as enclaves both in social and economic terms (see Edensor 1998, pp. 45–53; Jenkins, 1982; Wall, 1996).

Conclusions including discussion

The purpose of the review was to scrutinize the development process of resorts and their role in regional development at the local level in the context of a Northern periphery. The paper was based on empirical cases of Levi, Ruka, Ylläs and Saariselkä, which are the four largest resorts in Northern Finland, and their location municipalities. The statistical data was provided by Statistics Finland and the results of the study were presented in the classic core–periphery framework.

The study results proved that the development process of the resorts has been very positive in terms of the number of enterprises, jobs and the permanent population. The resorts are progressing and simultaneously, the other parts of the location municipalities, excluding the municipality centres, are declining. In consequence, the polarization process within the municipalities is very strong at the moment. There are, however, some differences in the rate of the changes between the municipalities. Therefore, it is relevant to discuss some geographical characteristics of the resorts and their location municipalities: more precisely, the socio-economic size of the resorts in relation to their location municipality as well as the internal accessibility and regional structure of the location municipality (also see Kauppila, 2010).

Firstly, it can be argued that the relationship between the socio-economic size of resorts and location municipalities has an influence on the ability of the resorts to contribute to regional development at the local level. In the case of Levi, the numbers of enterprises, jobs and the permanent population are substantial in relation to the municipality of Kittilä. This is due to the fact that the overall socio-economic activity within Kittilä is concentrated increasingly at Levi. Contrary to the municipality of Kittilä, the strength of Ruka within the town of Kuusamo is relatively low in socio-

economic terms, although the absolute numbers of enterprises, jobs and the permanent population at Ruka are quite substantial. This is a result from the larger size of the regional economy of the town of Kuusamo in terms of the number of enterprises, jobs and the permanent population. To conclude, from the perspective of regional development, Kittilä is more dependent on Levi than Kuusamo on Ruka.

Secondly, the accessibility of resorts within municipalities and the regional structure of municipalities influence the development process of resorts and thus, the role of resorts in regional development at the local level. In the case of Ylläs, the absolute numbers of enterprises, jobs and permanent residents are quite modest in relation to the other resorts, but their proportion is high within the municipality of Kolari. In addition, generally speaking, during the last few decades the trajectory of Kolari has been modest with respect to socio-economic indicators (also see Kauppila, 2004). This could imply that the role of Ylläs is not so substantial in regional development at the local level compared to the other resorts under study. The internal accessibility and the location of Ylläs within the municipality of Kolari are unfavourable in comparison to Levi, Ruka and Saariselkä within their own location municipalities. The Ylläs resort is situated about 45 kilometres from the municipality centre, whereas the absolute distance between the other resorts and their municipality centres is 20–30 kilometres. In addition, Ylläs is located on the north-eastern edge of the municipality of Kolari and not by the main road. Generally, these factors set challenges on the interplay of resorts and municipality centres in commuting and collaboration within the tourism industries, as well as between the tourism industries and other local industries benefiting indirectly from tourism.

There exist, of course, many other reasons which have an influence on resorts and their role in regional development from the perspective of the local level. In tourism literature, the emphasis has been, above all, in the socio-economic linkages of resorts and their surrounding areas (e.g. Akama & Kieti, 2007; Andriotis, 2008; Kauppila, 2004; Kauppila et al., 2009; Lacher & Nepal, 2010; Meyer, 2007; Saarinen, 2003, 2007b; Scheyvens & Momsen, 2008; Tooman, 1997a, 1997b) and the ownership of enterprises (e.g. Akama & Kieti, 2007; Andriotis, 2008; Lacher & Nepal, 2010; Mbaiwa, 2005a, 2005b; Meyer, 2007; Scheyvens & Momsen, 2008; Tooman, 1997a, 1997b). The former implies the resorts' integration into the wider socio-economic structure of a larger geographical area. Thus, a resort is not an enclave but a part of a wider socio-economic functional entity. The latter stresses the local ownership of enterprises. It is argued that local control over the economic life is usually beneficial for regional development at the local level. Both the linkages within a municipality and the local ownership generate on the one hand, larger multiplicative effects on the area and on the other hand, smaller leakages from that area. As a whole, this influences in a positive way regional development at the local level, reflecting an increase in the number of enterprises, jobs and the permanent population.

Regardless of the promising prospects in the future, tourism has some challenges with respect to using the industry as a vehicle for regional development. First of all tourism is influenced by a myriad of factors, which are out of local hands. For example, global environmental, social, political and economic changes have an effect on every single resort and therefore, it is always a risk to rely on such an industry.

Also seasonal fluctuations of the tourism phenomenon cause challenges from the standpoint of regional development. It has been noticed that seasonality is typical for rural, peripheral areas, because those areas and their tourism is based on attractive nature and nature-based activities. In Northern Finland, for example, nature has its own cycle and owing to this, it is the most attractive for tourists in winter and spring. In spite of the external factors affecting the tourism phenomenon, it seems to be, however, almost the only industry – along with the mining industry – with a flourishing future in a Northern periphery.

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Unpublished raw data

FinlandCD, 1993 and 2006

Georeferenced data by Statistics Finland, 1970, 1980 and 2008

Summer cottage statistics by Statistics Finland, 2006