

The Basis for Sustainable Place-based Economic Development: The Role of Cultural Heritage in Latvia, Sweden and Ukraine

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Abstract. The study provides an insight into the changes in the principle of sustainability, i.e., the transition from the approach of three pillars of sustainability (environment, economy, human) to multi-faceted definitions of sustainability, with particular emphasis on the role of cultural dimension. To estimate the importance of sustainability dimensions at different stages (levels) of economic development in the particular countries, the comparative study of the three local communities – in Latvia (Carnikava village), Sweden (Hults Bruk village) and Ukraine (Vygodna village) – is performed. The analytical and comparative method for the examination of the current situation and mutual comparison of places as well as the induction method to ensure that the results obtained contribute to drawing general conclusions has been applied. The findings of the study highlight an essential role of cultural heritage and cultural values in economic and community development regardless of the current economic situation in a country or a particular region.

1. Introduction

One of multi-dimensional sustainability models is proposed by G.M. Mudacumura in his study “Toward a General Theory of Sustainability” [2], where the scholar distinguishes six dimensions of sustainability, including economic and cultural ones. Exactly these dimensions include the interconnection among place, economy and its development based on cultural heritage and cultural values.

The study aims at conducting on-site research to explore the impact of cultural aspects on the economic development of community in certain villages of different European countries. In the study, the authors perform a comparative study of the three local communities – in Latvia (Carnikava village), Sweden (Hults Bruk village) and Ukraine (Vygodna village) – to recognise the role of cultural values and cultural heritage in the development of local community and local economy. The certain areas (villages) have been chosen to estimate the importance of sustainability dimensions at different stages (levels) of economic development in the countries under analysis on condition that the village is situated close to the important place (city) of economic development.

Based on the results of the study, the authors conclude that regardless of the current economic situation in a country or a particular region, cultural heritage and cultural values play an essential role in economic and community development. Economic development under the cultural influence is promoted both directly and indirectly – creating advantages to the growth of historical and economic sectors, as well as to the growth of related industries and services.

To achieve the goal of the study, the authors have used the analytical and comparative method for the examination of the current situation and mutual comparison of places as well as the induction method to ensure that the results obtained contribute to drawing general conclusions.

The main target group of the study is the regional development policy planning specialists at national, regional and local levels, as well as local communities and local entrepreneurs.

2. Theoretical Aspects

The commonly accepted definition of sustainability is enshrined in the report “Our Common Future” of the UN World Commission on Environment and Development [1], where sustainable development is characterised by the three interlinked dimensions: environmental, economic and social. However, G.M.Mudacumura in his study “Toward a General Theory of Sustainability” [2] defines six dimensions of sustainability:

1. Economic dimension as a dynamic structural change process that preserves cultural values and human dignity, while exploring their interconnected relationships aimed toward improving people’s economic welfare;
2. Social dimension – every individual has an opportunity to participate in the decision-making process, thus taking responsibility for the effect of decisions not only on the current generation, but also on the future ones;
3. Political dimension – politicians should create the co-operation and monitoring system, in which joint and responsible decisions on sustainable development are made within the framework of private and public relations;
4. Cultural dimension – the system, in which a community of people acknowledges their common shared values, knowledge and skills that contribute to achieving a common goal;
5. Ecological dimension – making sustainable decisions, it is necessary to take into account the need to preserve the natural and cultural heritage for future generations in order to ensure their welfare;
6. Spiritual dimension – it is assumed that a person is in the centre of activities, around whom the development takes place at the global level.

Thus, the role of culture in the context of sustainable development is indicated not only in the cultural dimension, but also within the framework of the economic dimension.

At the same time, the new economic growth theory [3] is based on the idea that each country or region should look for its own path of technological development. It is necessary to achieve technological progress appropriate for a particular environment, nature and human knowledge level, as the adaptation of technologies of other regions means the repetition of old and already used ideas but today’s buyers are only interested in innovative, efficient and less expensive products or services. However, this result can only be achieved through the efficient use of new ideas, technologies and materials, as well as human resources management. Thus, exactly at the local level it is possible to provide support for the development of entrepreneurship, by creating knowledge, human capital and sustainable resource use types.

Community development has been studied enough in Europe, for example, in Great Britain [4] and Ireland [5]. After the fall of the Soviet Union, special attention was also devoted to the post-Soviet national communities and their development principles, for example, the case studies of Georgia [6] Ukraine [7], Lithuania [8] were performed. Unfortunately, in the scientific literature there are only few studies about the Latvian community development.

Within the framework of the present study, the authors have conducted international research on the role of culture in the development of local community and local economy, including the evaluation of an opportunity of technological path formation based on site-specific cultural values.

3. Discussion and Results

Within the framework of the study, the authors have chosen the three villages in Europe – Sweden, Latvia and Ukraine – to conduct on-site research in order to identify and evaluate the local economic situation, as well as their cultural characteristics and heritage, thus obtaining the views on the impact of cultural dimension on the local economic development. In this section, the authors substantiate the

choice of specific territories and evaluate the most important information obtained in the three local communities – in Latvia (Carnikava village), Sweden (Hults Bruk village) and Ukraine (Vygodna village).

3.1. Substantiation of Research Territory Selection

Based on the theoretical background and assessment that allow identifying the role and interconnection of cultural dimension with the local community development, in order to perform the study, the authors have chosen the research territories by the following characteristics:

- a) The community under investigation should be within reach of researchers, respectively, in Europe;
- b) The communities under investigation should be located in countries of different development levels that do not have a shared cultural heritage;
- c) The communities under investigation should have a similar geographic location – they should be located in the immediate vicinity of large settlements.

Table 1 demonstrates the specific research territory – community – selection according to certain factors.

Table 1. The Community Selection Matrix (made by the authors)

Level of development by GDP [9]	The largest settlement area	Cultural characteristics [10]	The research territory chosen
Sweden – a highly developed country	Norrköping and the region	Belonging to the Scandinavian culture	Hults Bruk village
Latvia – a developing country	Riga and the region	Belonging to the Baltic region culture	Carnikava village
Ukraine – a less developed country	Dolyna and the region	Belonging to the Slavic culture	Vygoda village

For the purposes of visualisation, the selected research territories are shown on the map of Europe (see Fig. 1).



Figure 2. The selected villages on the map of Europe (source: maps.google.com)

The novelty of the research is related to a comprehensive and integrated assessment approach, which takes into account the economic development of a particular country and identifies the selected research territories by the defined features and factors, for conducting on-site research on the effective place-based economic and cultural development in order to determine, study and compare the development level of the communities under investigation, identifying the role of culture in the development of local community and local economy.

3.2. Results of On-site Research on Place-based Economic and Cultural Development

Hults Bruk Village

Hults Bruk village is located in Sweden, near the city of Norrköping. There is practically no economic activity due to small population size. At the same time, the historical economic development of the village is based on the blacksmith craft (since 1697). At present, the village's largest employer is a company with the same name as the village.

Despite changes in economic conditions, blacksmith trade has retained its importance as the main product manufactured in the village is axes, which are exported to many countries around the world. Apart from an essential factor of blacksmith used to manufacture the product, the local community considers blacksmithing as its basis for existence; therefore, the Blacksmith Craft Centre has been developed with the villagers' initiative.

This centre serves as the community's identity and socialisation centre, as well as the social support centre because the disadvantaged persons are given the opportunity to acquire this historic craft.

Villagers consider that the blacksmith craft and products developed by blacksmiths are their common identity, which in future will allow developing complementary economic areas such as tourism and related services.

Carnikava Village

Carnikava village is located in Latvia, near the city of Riga. There is little economic activity because, due to its geographical location, immigration has increased over the past decade related to the desire of capital's population to live in private dwelling areas. As a result of this migration, young people continue working in the city, but live in Carnikava village.

The basis of the historical development of the village is the fishing sector, which at present does not employ a large number of employees. The fishing process result – lamprey – has become the symbol of identity of the local community. At the national level, the village is primarily associated with the particular product.

Owing to the popularity of the product, the local community builds its recognition and the existence of the community on the basis of the historic craft and product. Moreover, the local community has achieved that the “Carnikava lamprey” has been granted the protected geographical status at the EU level.

The villagers consider that the fisherman craft is sufficiently complex and its development will not take place, but the fishermen's products are their common identity, which already now promote tourism and related services, including cultural life, for example, the annual lamprey festival.

Vygoda Village

Vygoda village is located in Ukraine, near the city of Dolyna. There is little economic activity because, due to its geographical location, business development and workplaces are provided in the city or in one of the typical sectors of the region – forestry.

Villagers consider that the cornerstone of their development is the historically preserved narrow-gauge railway, which provides daily entertainment of guests. Initially, the train was used to transport people and goods in the mountainous region, but now it serves the entertainment needs.

The local community has already understood that this historical object is an interesting tourist attraction, so the European Union funds have been used to establish the Tourist Centre with the Railway Museum, in the premises of which domestic products and accessories are sold. At the same time, the increasing number of tourists and visitors contributes to the development of new complementary services, such as catering and related services.

4. Conclusions

In all the three local communities – in Latvia (Carnikava village), Sweden (Hults Bruk village) and Ukraine (Vygodna village) – the cultural heritage has played a role in today's village community identity and economic processes.

Cultural heritage in the economic processes can manifest itself in different forms, for example, as historical products and services, as well as the transformation of historical sites to provide today's services.

Cultural heritage can pose both a direct impact on the economic development, for example, continuing to produce the particular products, and an indirect impact by promoting the production and sales of complementary goods or services, using the historical cultural factors as the identity of the place and force of attraction.

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