TOURISM DEVELOPMENT IN PERIPHERAL AREAS
Processes of Local Innovation and Change in Northern Sweden

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Abstract

Tourism has reached almost all regions of the world and has had a notable growth in the peripheral regions of Europe. Attempts at tourism development in rural and peripheral areas have resulted in widely varying outcomes and have often been undertaken as a last resort by communities. Despite mixed results, tourism persists as a tool for regional development. There has not been so much research on the evolving nature of tourism entrepreneurship in regions where tourism is relatively new as a commercial/entrepreneurial activity, e.g., the rural and peripheral north of Europe. This thesis presents Northern Sweden as a regional case study but it is reasonable to assume that the research results are transferable to similar regions with a similar range of nature-based tourism in small communities.

The results show that tourism stakeholders co-evolve over time even though formal networks are loose and project-based (Article 1). Tourism firm survival improves for entrepreneurs with previous related experience but there is not necessarily an outsider advantage and new tourism firms contribute to job creation despite high rates of attrition (Article II). Protected areas with unique attributes (e.g., Laponia) can attract distant entrepreneurs but must manage these stakeholders more proactively (Article III). Climate change is a long-term challenge with firms not needing to adapt yet but facing differing exposures dependent on location and firm mobility (Article IV). Finally, evolutionary economic geography helps to better understand the processes of change in tourism in rural and peripheral areas (Article V).

Keywords: change, development, evolution, peripheral, Sweden, tourism.
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Mo chlann agus mo chairde, go raibh maith agaibh go léir!

Patrick Brouder
Östersund, March 2013
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1. Introduction

1.1 Tourism Development in Rural and Peripheral Areas

The tourism economy has expanded consistently over the last few decades with global international arrivals reaching one billion annually in 2012 (UNWTO, 2012). An increase in demand met by a general growth in business activities has seen many regions develop the tourism economy, usually as part of broader regional development strategies. Tourism has reached almost all regions of the world and has had a notable growth in the peripheral regions of Europe where many communities traditionally dependent on the primary sector find themselves adapting somewhat to the tertiary (service) sector including tourism. Attempts at tourism development in rural and peripheral areas have resulted in widely varying outcomes, with many successes presented in case studies of tourism (e.g., Brown & Hall, 2000; Hall, Kirkpatrick, & Mitchell, 2005) and many more communities disappointed by the false hope offered by tourism (Hall, 2007).

Tourism development has often been undertaken as a last resort by communities which have few remaining resources to exploit other than the expanse that surrounds them (Hall, 2005). Despite mixed results, tourism persists as a tool for regional development but with a more carefully considered approach needed (Saarinen, 2003), i.e., understanding that tourism growth is limited and only part of regional development strategies. In order to better understand the evolution of the tourism economy in rural and peripheral areas the role of key agents of change needs to be
investigated more closely. In particular, there has not been so much research on the evolving nature of tourism entrepreneurship in regions where tourism is relatively new as a commercial/entrepreneurial activity, e.g., the rural and peripheral north of Europe.

In peripheral areas all over the world, businesses with tourism as a focus are found (Ateljevic, 2009). These businesses survive where enterprise is not usually expected to flourish (Müller, 2011a). Although some tourism development is evidenced through employment (Müller & Ulrich, 2007), Hall and Boyd (2005) claim that many peripheral destinations have limited potential to develop tourism due to a lack of access to transport networks, information, political power and capital. Moreover, the small-scale supply leverages few resources to compete in major markets making internationalisation difficult (Agndal & Elbe, 2007). Some development through tourism is a possibility for many communities but measurement of the impact of tourism is quite difficult. In fact, few studies have actually provided evidence of the extent to which tourism contributes to regional development in rural and peripheral areas (e.g., Lundmark, 2006; Müller, 2006). If entrepreneurs are to deliver some benefits to their communities, their place in the evolving tourism economy needs to be better understood.

Northern Sweden (the chosen study area for this thesis) offers a challenging environment for tourism entrepreneurs. Economic restructuring due to a decline in primary sector and public sector employment has forced communities to seek out new development paths (Müller, 2011a). Tourism development is one path and has received much support from European
Union regional development funding (Wanhill, 2000). As in other northern regions, the north of Sweden includes several large protected areas and these are key resources for tourism development due to their appeal to outdoor recreation enthusiasts (Eagles & McCool, 2002; Fredman & Heberlein, 2005; Newsome, Moore, & Dowling, 2002).

Tourism in rural and peripheral areas is often nature-based and so is closely connected to the land and local physical environment (Hall & Boyd, 2005). In Northern Sweden, not only tourism entrepreneurs but land owners, management agencies, forestry, agriculture, and nature protection organisations have vested interests in the region (Fredman & Tyrväinen, 2010). Many competing interests are of greater economic significance (e.g., mining and forestry) and so tourism entrepreneurs are often in a disempowered position in regional development matters (Sæþórsdóttir, 2012). At the local level, however, the value of tourism development is increasingly accepted, whether in terms of its contribution to the local economy (Löffler, 2007) or its potential in development of social, political and cultural capital (Macbeth, Carson, & Northcote, 2004; Schmallegger, Harwood, Cerveny, & Müller, 2011). In rural and peripheral areas, tourism development usually results from a combination of top-down government strategies (e.g., establishing protected areas and funding tourism infrastructure) (Saarinen, 2003; Wanhill, 2000) and bottom-up enterprise (e.g., tourism entrepreneurship and community initiatives) (Ateljevic, 2009; Fullerton, 2013). How these top-down and bottom-up forces meld together to lead to local tourism development is a central concern of tourism studies.
This thesis explores one of the key bottom-up forces – tourism entrepreneurship – in terms of innovation, business survival, protected areas, and climate change – drawing on evolutionary perspectives of change. Tourism entrepreneurs are key agents of change whose innovative activities lead first to their own survival in business and ultimately contribute to the survival of their communities. Their innovation can be seen on three levels – in the broadest sense, their embrace of tourism as a new opportunity; in the narrowest sense, their product development choices which attract custom; and, in between these two, their interaction with other stakeholders in the community and the region which enables them to get new ideas and new connections in the tourism sector and elsewhere. Such multidimensional innovative behaviour is essential for tourism business survival given the high rates of attrition in the sector. In rural and peripheral areas, increasing business survival is vital as more and more regions seek out endogenous development opportunities.

The development environment for tourism in Northern Sweden also has other special conditions. For example, there are large protected areas which attract tourists although the management of these areas is only now coming to terms with small-scale tourism entrepreneurship within the protected areas. Understanding the role of tourism entrepreneurship within these areas is important for protected area management and also for delivering benefits of protected areas to gateway communities. Another aspect of development is the changing physical conditions. Climate change is a particular threat to winter tourism in high-latitude destinations and its impacts need careful consideration today (Hall & Saarinen, 2010a; Johnston,
A changing climate is not necessarily a problem for tourism development since it would present opportunities as well as challenges in the long-term (Johnston, 2006) but when actions are being taken as a result of perceived changes then it becomes an important factor at the local level.

In this thesis, the challenges facing tourism entrepreneurs in Northern Sweden are clear – tourism development has positive potential for many northern communities but business survival is very difficult. The challenges of tourism development – whether local processes of innovation, or making the most out of protected areas, or even negotiating the changing climate going forward – make business survival a complex matter in Northern Sweden. However, tourism entrepreneurs continue to forge ahead and the research papers in this thesis try to better understand the challenging tourism development environment which entrepreneurs continue to face.

In trying to understand the processes of tourism development in this thesis, new perspectives on the tourism economy are sought out. One such perspective comes from evolutionary economic geography (EEG) – a theoretical approach which views the disparities across the spatial economy as a result of long-term, path-dependent processes. EEG incorporates heterodox thinking into regional development studies and so it helps to understand small-scale tourism in regions where it is not the dominant sector while not ignoring the existence of other development paths. It has much potential for studies in peripheral regions where economic restructuring has created macro trends of decline but where new paths are emerging and need to be carefully explored at a more localised level.
1.2 Aim of the Thesis

The aim of this thesis is to gain a better understanding of the evolutionary processes of tourism development in peripheral areas. Evolution here equates to the production and reproduction of sector-specific knowledge and its ongoing utilisation which leads to changes in the long-term economic development of regions. This is achieved by examining a selection of challenges to tourism development in Northern Sweden with a supply-side perspective focussing on tourism firms. Challenges faced include business survival, climate change impacts on future tourism development, and the particular circumstances of tourism innovation in the study area. Northern Sweden is the case study region and the thesis looks primarily at small businesses in tourism and the challenges faced by tourism entrepreneurs in rural and peripheral regions.

Thomas, Shaw, and Page (2011) note that much more research on tourism entrepreneurship is required in tourism studies and this thesis addresses at least five of the two dozen areas on Thomas et alia’s (2011) indicative research agenda on small firms in tourism:

- Small business networks and clusters
- Local economic development
- Small business growth and failure
- Training and learning
- Policy formation and participation in local ‘partnerships’
By incorporating recent advances in evolutionary economic geography, the thesis analyses a selection of elements which influence change in the tourism economy. The empirical work is focussed on tourism firms but includes important links to the community (through the local institutions) and the physical environment (through the study of climate change issues and protected area management). Consequently, the objectives of this thesis (with the associated papers) are as follows:

i. Explore the dynamics of tourism innovation among local stakeholders (Paper I)

ii. Examine the survival patterns and economic contributions of tourism firms (Paper II)

iii. Measure market reach across main segments for a peripheral protected area (Paper III)

iv. Assess the intra-regional climate change vulnerability of tourism firms (Paper IV)

v. Develop evolutionary economic geography (EEG) in the context of tourism studies (Paper V & Overview)

The objectives depart from recent developments in research on tourism, including Thomas et alia’s (2011) research agenda on small firms in tourism and Hall and Saarinen’s (2010b) tourism-specific issues vis-à-vis change in the polar regions: tourism entrepreneur perceptions of climate change, the role of tourism in economic development and diversification, and the role of tourism in sociocultural resilience of remote communities. Hence, this thesis aims to shed new light on the role of tourism entrepreneurship in Northern Sweden and the implications from the dissertation will be germane to other regions, particularly other high-latitude regions of the world.
The issues explored in this thesis are relevant to rural and peripheral areas in many countries. From the difficult path of individual business survival to the fruitful interactions of local stakeholders, the empirical studies present the challenging reality of tourism development. The changing dynamics of protected area management and climate change keep the studies rooted to the local while the application of evolutionary economic geography theory allows a synthesis of the studies and an extrapolation of the main findings in order to raise future research questions for tourism studies of entrepreneurship in rural and peripheral regions.

The overview of this thesis is structured as follows. First, the study area is introduced. Second, the theoretical approach is presented in five sections in order to contextualise the empirical work and theoretical contribution:

- Tourism’s Contribution to Local and Regional Development
- Challenges to Tourism Development in Peripheral Areas
- Tourism Innovation in a Peripheral Context
- Tourism Entrepreneurship in Peripheral Areas
- Evolutionary Economic Geography and Tourism Studies

Third, the methodology and limitations of the empirical papers are discussed. Fourth, each paper is summarised. Fifth, the research is discussed and a number of future research possibilities and policy implications are highlighted. Finally, the conclusions of the thesis are presented and the five empirical studies are appended to the thesis.
1.3 The Study Area

Northern Sweden is the chosen study area for this thesis (see Figure 1). As a relatively well-developed, accessible region in comparison with other high-latitude areas, it holds a vanguard position in tourism development studies in northern areas, e.g., Northern Sweden has tourism development potential because of its relative proximity to population centres where demand comes from. The area has quite good infrastructural connectivity including an extensive road network, an improving rail network, and several quite large airports making it not as remote as other northern areas, e.g., Northern Canada. It has long winters, making the winter tourism season a significant part of the tourism economy (Heberlein, Fredman, & Vuorio, 2002).

The area has the Gulf of Bothnia on its east coast and the Scandinavian Range on its western border with Norway. Two thirds of the population live in the coastal municipalities and the inland municipalities are sparsely populated, being among the least-densely populated regions of Europe. The land is part of the circumpolar boreal forest and dominant industries have been forestry (across the region), mining (in local centres), hydro-electric power (on most of the large rivers) as well as large tracts of reindeer herding land utilised for centuries by the indigenous Sámi people. Today one in five employed people are working in the primary sector with more than one third of all employed people within the public sector (Statistics Sweden [SCB] employment data, 2007). The inland area in particular is perceived as not holding many prospects for young people in the future.
and the north of Sweden is sometimes portrayed in negative terms at the national level – it is seen as a backward region which is doomed to socioeconomic decline although some resistance to this is being mobilised in the coastal cities, where attempts are being made at imaging Northern Sweden as a progressive region (Eriksson, 2010).

Tourism in Sweden has been growing in recent years with guest nights going from 25 million (1999) to 34 million (2011) across the period included in the empirical work for this thesis (SCB, 2013). In the study area, Norrbotten has the most holiday travellers (in terms of overnight stays) followed by Jämtland, Västerbotten, and Västernorrland (SCB, 2013). The leisure travel market is strong in the region with international visitors accounting for a large share of the total (Müller, 2011b).

An emphasis on tourism growth has become tied up with the regional development discourse (Svensk Turism, 2010), particularly in rural and peripheral areas, with tourism development strategies emerging out of both opportunity and necessity – partly a result of increasing demand and partly a result of few alternative opportunities (Müller & Ulrich, 2007) – but its perpetuation has also been fuelled by European Union funding focussed on rural development with tourism being one of the most common sectors promoted in EU regional development policy (Wanhill, 2000). Going forward, however, regions will have to be competitive since EU regional funding is not interminable and was originally intended to spawn increased regional competitiveness (Wanhill, 2000).
Tourism supply in Northern Sweden consists primarily of small firms and has high seasonal variation in employment (Lundberg & Fredman, 2012; Lundmark, 2006) with nature-based tourism and accommodation the most common offers. Domestic tourism dominates across the seasons and across the region, with a few destinations receiving larger proportions of international visitors (e.g., Åre winter resort in Jämtland and Kiruna – home municipality of the Icehotel – in Norrbotten) (Müller, 2011b; Nordin, 2003).

Small business is often described by governments as the driver of regional economic growth and is positioned within the European Union’s definition of SMEs (small & medium-sized enterprises) under the following thresholds (European Commission, 2005):

- **Medium**: < 250 employees and < €50 million in annual turnover
- **Small**: < 50 employees and < €10 million in annual turnover
- **Micro**: < 10 employees and < €2 million in annual turnover

According to this definition all firms included in this thesis are small and most are, in fact, micro-firms. Research on micro-firms, both internationally and in Sweden, focuses on the economic performance of firms (e.g., Heshmati, 2001; Hughes, 2001; Larsson, Hedelin, & Gärling, 2003; Raffo, Lovatt, Banks, & O’Connor, 2000; Smith, 1999; Storey, 1994; Thomas & Thomas, 2006). However, there are arguments for the specific nature of tourism entrepreneurship (Ateljevic & Li, 2009) since tourism offers intangible services; speculative investment by customers; heterogeneous experiences; and, simultaneous production and consumption at destinations (Holloway, 1998). Thus, tourism differs from many other sectors (Ioannides
& Debbage, 1998) although the general growth of the ‘experience economy’ is leading to a blurring of the boundaries of production and consumption (Pine & Gilmore, 2011) and so tourism may not be quite as special any more.

Nonetheless, Northern Sweden as a research area offers a number of particular challenges and opportunities. The vast distances between many of the communities make them island-like in terms of socio-economic effects. The fact that most tourism businesses are micro-firms creates unique frame conditions for research, e.g., small population of interest spread across a vast territory. It also means that EU mandated definitions of SMEs have little resonance across this vast territory and in this sector, i.e., few businesses included in the empirical studies had ten or more employees, most had fewer than five employees and many were just owner-only entities. Thus, there are large variations in the businesses even though, from an inter-regional perspective, the population appears homogeneous.

Paper I focuses on Jokkmokk municipality in Norrbotten County through interviews with tourism firms and local institutional actors while Paper III investigates the limits of this localisation by exploring the importance of one protected area (Laponia) to regional tourism firms. Paper IV studies climate change in Västerbotten and Norrbotten by investigating whether the region is homogeneous in climate change vulnerabilities. Paper II studies all new tourism firms in Jämtland, Västernorrland, Västerbotten and Norrbotten at the turn of the millennium. Paper V is a conceptual contribution inspired by the preceding four papers. Thus, much of Paper V has relevance for the study area although it also has a much broader, more general scope.
Figure 1. Northern Sweden.
2. Theoretical Approach

This section provides an overview of the theoretical approach to this thesis. It sets out why tourism development matters to rural and peripheral areas and presents the major challenges faced in developing tourism in such areas. Because of the significant challenges faced, innovation is required to capitalise on the opportunities which exist. Since entrepreneurs are key agents of change, the nature of tourism entrepreneurship in rural and peripheral areas is discussed in more detail. Finally, evolutionary economic geography is presented with its relationship to the empirical studies of this thesis highlighted. Each of these topics is then discussed in relation to the empirical findings in the discussion section.

2.1 Tourism’s Contribution to Local and Regional Development

Tourism and regional development in rural and peripheral areas are inextricably linked due, at least in part, to their omnipresence in the rhetoric of authorities from the local level right through to the supra-national level (European Commission, 2002; Jenkins, Hall, & Troughton, 1998; OECD, 2010). Saarinen (2007) identified three drivers behind tourism-related regional development in Northern Europe: the project-driven EU policy; the growing trend for nature-based tourism; and, the real or perceived lack of alternatives to tourism. While the notion of tourism as a panacea for rural and peripheral areas has been debunked by researchers (Hall & Boyd, 2005; Lundmark, 2006; Müller & Jansson, 2007; Schmallegger & Carson, 2010), and by the experience of many communities, tourism remains “an important policy tool dedicated to the change, development and
reconstruction of the social and physical environment” (Saarinen, 2003, p. 92). It is the growing awareness of the economic role of tourism which has made it a social and political issue (Saarinen, 2003), even if the economic contribution is unevenly distributed. What is clear is that tourism does have a local economic impact (Rinne & Saastamoinen, 2005) and that for rural and peripheral regions it is still generally welcomed as part of a diversified economy (Noakes & Johnston, 2009).

Some studies on tourism in rural and peripheral areas have focussed on the localities where the tourism businesses are based using cluster theory (Maskell & Kebir, 2005; Porter, 1998; Weidenfeld, Butler, & Williams, 2011) to highlight the successful places in rural and peripheral tourism. However, regional development through tourism remains an elusive, even unrealistic, goal for most rural and peripheral areas and broader regional development strategies with tourism as one element are more realistic (Müller, 2011a).

In relative terms, tourism may be more important in peripheral places than in more central places. Christaller’s (1964) seminal work on tourism in Europe identified tourism as one way to extract some economic value from the rural landscape. This idea has been developed by Hall, Müller, and Saarinen (2009) who point to how the expanse-surrounded rural and peripheral communities can capitalise on their distance from the core by selling the only thing they have which may appeal to people in the core – the idea of ‘wilderness’ or, as others have highlighted, the amenity-rich environs of rural and peripheral areas attract people and are important for development (Lawson, Jarosz, & Bonds, 2010; McGranahan & Wojan, 2007).
The presence of tourism in rural and peripheral areas has created new opportunities for entrepreneurs to create value where there previously was none (Anderson, 2000). Creative development is seen as one pathway to regional prosperity. Studies on the shift towards creativity in development have focussed on metropolitan areas (Florida, 2002) but “it is also important to trace any such shift towards creativity in other space-settings” (Cloke, 2007, p. 40). Recent studies on creativity in tourism have focussed on creative clusters, the creative class, and creative industries (Richards & Wilson, 2007a). In a broader sense, however, creative development in rural and peripheral communities is closely aligned with community economic development (Fullerton, 2013), i.e., the creative processes required to improve local quality of life are often the same ones that will lead to local economic development. The creativity conundrum for rural and peripheral regions is not so much why they should be interested in creative development but how to make it work for their particular situation, with tourism one possible route to community economic development.

Tourism has been seen as one way of overcoming barriers to regional development (Butler, Hall, & Jenkins, 1998), not least through the growth in demand markets by bringing tourists to the rural communities. The operationalisation of local creativity through tourism innovation offers one route to rural tourism development by allowing those involved in the cultural or creative sectors to connect with innovative people in the local institutions, as well as the tourism entrepreneurs. The tourism demand present in rural and peripheral communities then becomes a resource for innovative locals to capitalise on and develop.
Community development is urgently needed in most rural and peripheral areas but the particular type of development which should be pursued is not easily agreed upon (George, Mair, & Reid, 2009). Economic development has been the mainstay but recently the ‘triple-bottom-line’ of economic, environmental and social development has found its place in community planning (Dwyer, 2005). For rural and peripheral communities, development paths will always have a strong exogenous influence, at least in terms of large investments coming their way. This has meant that rural areas engaged in primary production for export markets are subject to the staples thesis – when their staple product is experiencing a boom so does their community, but when it experiences a bust so, too, does the community (Innis, 1967). Thus, by relying on one main product, communities make themselves vulnerable to fluctuations within that sector.

Tourism, as an invisible export, does not escape this process either and the question has been raised as to whether tourism in rural and peripheral regions is just another staple (Schmallegger & Carson, 2010). One solution to the staples quagmire is to add value to the product so that there is more than just an extractive element and to diversify the economy so that the community is less vulnerable to cycles in one sector. The same approach is necessary for tourism development in remote regions (Noakes & Johnston, 2009; Schmallegger & Carson, 2010). The challenge for rural and peripheral areas is how best to capitalise on tourism-related opportunities while not becoming overly dependent on the sector since over-dependence exposes the local economy to acute exogenous pressure through fluctuations in
demand. However, what communities do have some control over are the endogenous elements in the tourism system so that local social capital becomes a primary resource in the coping strategies of peripheral communities (Bærenholdt, 2007; Jóhannesson, Skaptadóttir, & Benediktsson, 2003; Schmallegger et al., 2011) and tourism is one catalyst which allows that resource to flourish. Thus, while rural communities increasingly look outside to find new customers, they must also look inside to activate their positive local social capital and tie economic development goals to other community goals.

Sharpley and Telfer (2002, p. 2) argue “it is illogical to claim that tourism… is an effective vehicle of development without defining the desired outcome – that is, ‘development’”. This thesis examines both the economic and the social elements which allow communities to survive and to thrive and shows that tourism, in fact, makes a subtle yet substantive contribution. Development is defined in this thesis, not in purely economic terms, but in terms of community economic development (CED) which “places a stronger (though not complete) emphasis on the procurement of local investment and the identification, training and continued activity of local entrepreneurial talent, particularly in the interest of small business development” (Fullerton, 2010, p. 427). Thus, development is closely aligned with endogenous enterprise and is not necessarily growth oriented. Entrepreneurs are seen as a resource for helping to improve communities while entrepreneurial activity is also seen as a requirement for communities to survive in the long-term. Therefore, ‘development’ must be thought of differently in this context as a gradual process tied to community goals.
2.2 Challenges to Tourism Development in Peripheral Areas

Despite the opportunities presented by tourism development, the reality is that most communities have not managed to embed tourism as part of their general development strategy. There are a number of general challenges to peripheral communities which have a knock-on effect on small business formation and survival, i.e., the restrictive circumstances make it less likely that someone will start a new business and if they do start a business these circumstances will condition the range of possibilities for survival and the limits to economic development.

Müller (2011b) lists a number of the general challenges facing peripheral areas, which also affect tourism development initiatives: (i) lack of local control over decision-making – communities try to focus on endogenous growth to reduce this dependence on external actors; (ii) weak internal economic linkages and information flows – making individual economic development more directly tied to the core or other regions rather than encouraging local cooperation; (iii) geographical remoteness from markets and poor infrastructure – a growing issue of concern for peripheral tourism, particularly in the context of climate change and carbon budgets for travel; (iv) ageing societies with decreasing population figures – most peripheral communities face this trend and it puts pressure on local businesses and public services but tourism has some potential to help stem this decline by creating demand locally and even leading to in-migration; and, (v) lack of innovation and human capital – which makes positive change less likely.
A more positive challenge for peripheral regions is the management of protected areas since large tracts of peripheral areas are often included in national strategies as reserve locations for certain natural resources. In Northern Sweden, as in many other peripheral regions, the establishment of protected natural areas has created an expansive resource for outdoor recreation and tourism. The management of these areas is a particular challenge to northern communities. For example, the value of pristine nature is only realised at certain times of the year since tourism is highly seasonal in peripheral areas while other competing resource uses offer greater stability across the year (e.g., mining or forestry) (Fredman & Tyrväinen, 2010). Nature-based tourism firms generally require free and open access to the land (Fredman, Wall-Reinius, & Grundén, 2012) but, whether it is due to increasing regulations in protected areas or competing land-uses in the northern regions, guaranteed open access for commercial tourism activities is not certain in the long-term. There are potential gains from special designation of protected areas as national parks (Fredman, Hörnsten Friberg, & Emmelin, 2007) while world heritage status may not have as strong an effect on most tourists (Wall-Reinius & Fredman, 2007). There has been a large increase in protected area designation in the study area in the 20th century and gradually increasing endogenous innovation in visitor management in these protected areas (Wall-Reinius, 2009).

Successful tourism development depends largely on long-term business survival but, in rural and peripheral communities, business survival is challenged on several fronts. This thesis cannot examine all of the
challenges to survival listed above but they must be kept in mind in order to fully contextualise the results of the empirical studies undertaken in this thesis. Petrov (2007, p. 453) states that “most peripheries are short of ingredients required to accomplish economic transformation”. So, what are the ingredients which might help communities to thrive? Chief among them is human capital yet “importantly, peripheries lack creative human capital necessary to complete the regional breakthrough and break with path-dependency” (Petrov, 2007, p. 453; also, Bassanini & Dosi, 2001; Schienstock, 2005). One of the main reasons for the lack of human capital is that young people see their future prospects in the urban centres (Lind & Wiberg, 2011). Tourism development, however, may be one catalyst to allow peripheral communities to utilise and develop what social capital they have and may, over time, lead to local development through tourism (Brouder, 2013).

Tourism development must be considered in a long-term perspective with the underlying aim of engaging in tourism which is not damaging to local landscapes and communities and instead links local culture to the local environment (McCool & Moisey, 2001). The rationale for supporting tourism in rural and peripheral areas is that it helps to keep communities buoyant by maintaining the commercial viability of local shops (Löffler, 2007); by adding to local social capital (Macbeth et al., 2004); and by supporting a more diversified regional economy. Thus, tourism has potential even if it is difficult to live up to this potential in practice. George et alia (2009) call for an integrated approach to rural tourism development while remaining aware that tourism is more often than not emergent and dynamic, making management of development more challenging.
Another long-term challenge for tourism development in the north of Sweden is consolidation of the tourism sector (Müller, 2011b). While this does not mean that isolated entrepreneurs will disappear, it does mean that not every community can successfully develop tourism so that it has a meaningful economic impact on the local community. The process of tourism growth through cluster development around a central theme or local champion is still possible (e.g., Hall et al., 2005; Nordin, 2003; Porter, 1998) but only a few such endeavours will consolidate their growth and become fully embedded in the community, e.g., Åre and the Icehotel. For other communities it is more important to consider how tourism can complement other development initiatives and other community goals.

Another challenge to tourism development in peripheral areas is the ability to cope with the effects of climate change. While not a threat to tourism development per se, it certainly conditions the limits and possibilities for tourism development in most regions – from changes in transport policy to changes in precipitation patterns – and it will certainly have consequences for how tourism is practised in the future (Weaver, 2011; Gössling, Hall, Peeters, & Scott, 2010). Hall and Saarinen (2010b) state that the challenges posed by climate change in high-latitude regions require planning already today. However, research has shown that small businesses do not have the time or the money to engage in long-term planning for climate change (Hall, 2006; Saarinen & Tervo, 2006). In Sweden, it is likely to have significant effects on the winter sport sector which could result in huge amounts of lost revenue (Moen & Fredman, 2007). There will be a growing impact of top-
down planning for tourism and climate change which may affect, for example, accessibility to peripheral regions through aviation cost increases (Gössling & Hall, 2006). Just how regions adapt to climate change is not only a question of individual and community adaptations but also depends on larger governance networks at differing levels (Gustavsson, Elander, & Lundmark, 2009; Keskitalo & Kulyasova, 2009). Thus, adaptation to climate change and adaptation to climate change policy are long-term challenges for tourism development, especially in high-latitude regions.

2.3 Tourism Innovation in a Peripheral Context

It has been shown above that tourism can contribute to local and regional development in rural and peripheral areas but there are severe challenges which inhibit successful tourism development in peripheral areas. Thus, endogenous development requires new ways of thinking and new ways of doing things. In other words, innovation – the process of creating change in a given enterprise (Drucker, 2007) – is necessary. Within tourism development there are five types of innovation: product; process; management; logistics; and institutional, and “innovation is a rather pragmatic term that can also include minor adaptations of existing products and services” (Hjalager, 2002, p. 465). Examples of tourism innovation include new product development, e.g., the growth in food tourism products in the Arctic region (de la Barre & Brouder, 2013), or institutional changes, e.g., adaptations by government to meet changing tourism sector conditions (Hall, 2005), such as, devolving tourism planning to local stakeholders rather than centralising it in a government authority.
Hall and Williams (2008, p. 3), in their review on the state of innovation in tourism, emphasise that “tourism innovation is not the preserve of elite places and elite individuals”, implying that tourism in rural and peripheral areas can also be innovative. They list the drivers of tourism innovation: competition; economic performance; demand-led innovation; technology; firm-level strategy and resources; individual entrepreneurship; and the role of the state (Hall & Williams, 2008, p. 18-22). Chief among these for this thesis are competition and economic performance as well as the role of the state but it is worth bearing in mind that “a multitude of actors” (Huijbens et al., 2009, p. 64) are responsible for the success of tourism destinations. Hall and Williams (2008, p. 23, based on Carayannis & Gonzalez, 2003) also list a number of generic inhibitors of innovation:

- Resistance from elites as innovation disturbs the status quo
- Resistance to change – failures of courage and imagination
- Pervading sense of comfort and conservatism
- Lack of courage by government when faced by opposition
- Rigidity of hierarchical structures

While these are germane to many settings, it is easy to see how they may become magnified in rural and peripheral settings where social networks are often highly concentrated and, thus, there is a cost of social capital if it is not put to positive use. In any case, the pursuit of innovation by any number of actors does not necessarily mean success. Path development (Boschma & Martin, 2007; Martin & Sunley, 2006) in rural areas remains a
rough road, where numerous possible dead-ends are common and formulaic developments are not at all common. Nascent successes may be undone by, for example, the inhibitors listed above. This is an important lesson in why the reification of successful case studies is somewhat misleading in studies of rural and peripheral tourism since it is the enormous challenges overwhelming communities which are a better reflection of the rural reality. Thus, understanding innovation in the particular context of peripheral places leads to a broader understanding of the dynamics of economic and community development in general.

Institutional innovation is another important element in tourism development, particularly in rural and peripheral areas where institutions are an important part of the frame conditions for entrepreneurial success (along with, e.g., natural amenities). According to Amin (2001), the ‘institutions’ of regional development can be formal (e.g., regional government authorities such as the local tourist office and local business development office) and informal (e.g., the established norms and ways of doing things in the region) (cf. Morgan, 1997). This thesis follows Amin’s definition, using the term ‘institutions’ to refer to both the concrete institutions and the more abstract institutions which are present in discussions of routines, norms, co-operation, etc., in the empirical papers. Institutions should not be thought of as determining regional success. Instead, they co-evolve with local entrepreneurs over the long-term. In the case of new sectors emerging (e.g., tourism in peripheral areas) there may be significant changes to formal and informal institutions over time as the regional stakeholders adjust to the new development environment.
Thus, while this thesis focusses on entrepreneurs, it is also important to incorporate the role of state actors in tourism development since they co-evolve with the entrepreneurs and are not entirely separate from them. Coordination; planning; legislation and regulation; stimulation; promotion; interest protection, as well as acting as an entrepreneur through its own projects, are the main innovative dimensions of the institutions of the state (Hall & Williams, 2008). Moreover, there are intermediaries, such as tour operators, who can drive local development (Rønningen, 2010) although their efficacy is very much dependent on the firms they work with and this co-evolution of firms, intermediaries, and institutions is dependent on power relations and is not always optimised (Eagles et al., 2013). Therefore, studying innovation should include a systems perspective to help see the full spectrum of development relations.

This thesis utilises a systems approach to aid understanding of tourism innovation in the northern context (cf. Hjalager, 2010; Huijbens et al., 2009). Tourism innovation systems include the tourism actors – both entrepreneurial and institutional – and can be viewed through a national, regional, sectoral or technological lens as well as through the various innovation systems environments – Social; Economic; Institutional; Regulatory; and, Cultural (Huijbens et al., 2009). Research on innovation systems has been developing for decades with the seminal work of Freeman (1987) and Lundvall (1992) on national innovation systems highlighting the need to understand processes of innovation within the economy, as well as at the firm level.
Innovation systems “involve the creation, diffusion, and use of knowledge” (Carlsson, Jacobsson, Holmen, & Rickne, 2002, p. 233) and since the late 1990s the theory has been adopted as a new way to generate economic growth. The extant theory has two main areas: regional innovation systems, which is a more localised version of the national system with a strong theoretical association with cluster theory (Asheim & Isaksen, 1997; Cooke, 1992), and sectoral innovation systems (Malerba, 2004). The tourism sector is not usually considered in the context of innovation (Hall & Williams, 2008). However, Malerba (2004) has stated that various sectors are organised and work according to different regimes of knowledge, regulatory frameworks and technology (e.g., tourism in rural and peripheral areas includes high levels of tacit and local knowledge, regulations are changing but are difficult to enforce across the vast territory, and, for most SMEs in the region, technology plays a limited role).

Lundmark and Müller (2013) call for an Arctic Tourism Innovation System (ATIS) to analyse tourism development in northern peripheries. They propose the ATIS as a unified sectoral and regional innovation system which is intended to be a framework for empirical studies of tourism innovation systems in northern high-latitude regions. This framework should incorporate the idiosyncrasies of the Arctic regions so that processes of innovation can be better contextualised and understood. This thesis tries to understand tourism innovation in a northern, peripheral context and Lundmark and Müller (2013) argue for raising the geographical significance of such a context since it has important implications for tourism innovation.
Particular reasons for developing such an analytical framework include: Arctic climatic conditions lead to strong seasonality; regional infrastructure is limited compared to urban settings; the population is spread across a vast terrain; there is a traditional dependency on exogenous capital and decision-making; and, there is a weak institutional set-up. Furthermore, climate change impacts on snow-based activities; self-determination of northern indigenous peoples, including their place in tourism development; and, large tracts of protected areas as well as extractive industries, create unique dynamics for tourism development. This thesis employs the ATIS as a descriptive frame of reference for the particular dynamics of evolution of the tourism economy in Northern Sweden and so the processes of change in the empirical work are more fully contextualised within the study region.

2.4 Tourism Entrepreneurship in Peripheral Areas

Tourism innovation is driven by the individuals who start new businesses and try to succeed in the evolving tourism economy. Throughout the thesis, entrepreneur, owner, business and firm are conflated even though they have different meanings in other contexts beyond this thesis (cf. Carland, Hoy, Boulton, & Carland, 1984; Cunningham & Lischeron, 1991; Thomas & Mueller, 2000). This thesis follows Hall and Williams (2008) in asserting that rural and peripheral tourism business owners are entrepreneurial because they manage to survive in what is a particularly unfavourable business environment. However, it is not only firms which engage in innovative activity: “We are also witnessing new approaches by both the private and public sectors in the creation of innovative businesses as well as tourism
development models worldwide” (Ateljevic & Li, 2009, p. 10). Therefore, while the main descriptor used in this thesis is entrepreneur, since it captures the spirit of innovation present in tourism development, the innovative activity in the region is not restricted to business people only.

The focus of interest in this thesis is not on business development per se but rather on tourism entrepreneurs as key agents of local development in a broader sense. Smith’s (1988) definition of the supply-side of tourism, which distinguishes between those who exclusively serve tourists and those who serve tourists and partly serve locals, is an important consideration in the empirical work undertaken. However, there are also other tourism impacts which, while aimed at tourists, affect local communities, e.g., tourists help support local services and also support non-tourism entrepreneurs.

Tourism entrepreneurship in rural and peripheral areas occurs without much regard for regional development questions and more in line with the Schumpeterian view on entrepreneurship as perceiving new opportunities and creating a market offer around them (Schumpeter, 1934). The role of tourism entrepreneurship in rural areas in creating new value from capital of otherwise low value in rural tourism is what Anderson (2000) refers to as the paradox in the periphery. Individual tourism entrepreneurship has an impact on regional product development, however small, and when a group of tourism entrepreneurs are clustered in a village or other small municipal centre the development becomes palpable.
Entrepreneurship is a particular type of human capital and is one of the key factors of production in 21st century economies (Krugman, Wells, & Graddy, 2008). Together with the physical capital factors of land and built capital, enterprise is one of the drivers of development. In fact, enterprise is unique among the factors of production as it is not easily measurable even though the associated labour is. Peter F. Drucker notes entrepreneurship is the mobilising factor in the production process (Drucker, 2007) and rural and peripheral areas need this mobilisation as much as anywhere else.

Entrepreneurship may also be seen as an inherent capacity to innovate and so there is a question mark over whether all those who mobilise the other factors of production should be considered entrepreneurs. However, “entrepreneurship is a multidimensional concept, the definition of which depends largely on the focus of the research undertaken” (Verheul, Wennekers, Audretsch, & Thurik, 2001, p. 9). For the purposes of this thesis, there is no need to overdraw the distinction between small-business owners and entrepreneurs since they are most often the same person and they are certainly mobilising the other factors of production. In addition, Audretsch (2006) found that low-technology entrepreneurship had a strong influence on regional growth in Germany making this group worthy of further study.

Ateljevic (2009, p. 154) connects the growth of numbers of small firms across the industrial world in the recent decades with the growth in tourism demand in the same time frame stating that “opportunities have been created worldwide for a wider array of specialized small-scale tourism firms”, going on to state that tourism helps sustain the local economy and
that ‘outsiders’ drive regional tourism development, at least in the New Zealand context. In a broader context, it is institutional support, together with local tourism initiatives of entrepreneurs, which is causing development in rural tourism (Hall & Williams, 2008). Thus, a more complete view of rural and peripheral innovation is obtained by broadening the base of actors who can take positive actions to include the public sector.

Government policy has an effect on the level of entrepreneurship (Storey, 1994) as does the local social, political and cultural capital (Macbeth et al., 2004). Entrepreneurship is also affected by the economic development history of a region – some regions have a long tradition of reliance on large industrial employers while others have had an entrepreneurial spirit since their foundation. Moreover, entrepreneurship rates have grown rapidly across the globe since the 1970s (Carree, van Stel, Thurik, & Wennekers, 2002) and so entrepreneurs, when defined as starters and managers of new business ventures, are becoming more common, even in peripheral areas.

Tourism development in rural and peripheral areas must consider two important characters – the lifestyle entrepreneur and the outsider. A lifestyle entrepreneur is one whose primary motive for being in business is an enjoyment of the activity pursued. An outsider is someone who has moved into the area and started a business (Ateljevic & Doorne, 2000). In many cases, tourism entrepreneurs are both lifestyle entrepreneurs and outsiders. Outsiders are highly-desired in peripheral areas since their perceived innovative capacity and creativity means they may be the chaos-makers (Russell & Faulkner, 1999) who will be catalysts for development.
However, Prats, Guia, and Molina (2008, p. 190) caution that the acceptance of these chaos-makers is not guaranteed since, in the case of the Costa Brava in Spain, “most of them are newcomers in the area, meaning that there is a possible social distance with respect to the traditional core agents of the destination”. The benefits of these outsiders are most often extolled in case studies of how they have breathed new life into otherwise depressed areas (Anderson, 2000).

The idea of attracting outsiders to rural and peripheral areas, resulting in improved net migration figures and new business creation, is contested by other research on rural migration in the United Kingdom where in-migrants, who were endowed with high levels of human capital, were not associated with new job creation and were more often simply self-employed (Stockdale, 2006). If such entrepreneurs are only concerned with generating some modest side income for their rural resettlement, then arguments for their contribution to rural development are seriously weakened.

However, recent research is emerging to question the presumed homogeneity and lack of growth potential of such groups as outsiders and lifestyle entrepreneurs (Marchant & Mottiær, 2011). Not all who have lifestyle motives are constrained by them over time. Constraints on their growth are more likely due to the general challenges of operating in rural and peripheral locations, for example, lack of capital, inferior infrastructure, and government regulations (Lundberg & Fredman, 2012).
Other factors constraining profitability in particular include reliance on niche markets, a focus on sustainable practices, and firms’ lack of control over the production process (Lundberg, Fredman, & Wall-Reinius, 2012). At the very least then, lifestyle entrepreneurs should not be seen as inhibiting development by definition but should be studied systematically by their performance over time and not only by their stated motives (which may be part of their storytelling strategy). Is it reasonable to argue that even if lifestyle entrepreneurs are not against growth per se their lack of focus on a growth-oriented strategy inhibits development anyway? The answer depends on two further elements of development – how development is defined and the residual space left for others to develop. First, striving for growth-oriented tourism development is an unrealistic goal for most communities in rural and peripheral areas (Sharpley, 2002). Rather, communities should prefer to see entrepreneurs who create a few jobs and can survive in the fluctuating markets of rural tourism, entrepreneurs who perhaps add to the local tourism product offer rather than strive to become the dominant local tourism product offer.

This leads to the second element – space for others. Tourism is a composite product offer (Cooper & Hall, 2008; Ioannides & Debbage, 1998) and so, in one respect, the more entrepreneurs offering various products and services the better it is for tourism development in the community. Thus, by not trying to become the dominant player locally, entrepreneurs leave space for others to add to the market offer of the destination. This space creates a fruitful ‘local breeding-ground’ (Karlsson, 2005) where development may be slow, but certainly has the potential to be more sustainable.
2.5 Evolutionary Economic Geography and Tourism Studies

The preceding sections have set out the challenges for tourism development in rural and peripheral areas which are met by entrepreneurs engaging in innovative activity at the micro-level. This gradual, incremental change to the regional economy can also be understood by applying new perspectives and throughout this thesis there is an iterative engagement with economic geography, most notably evolutionary economic geography (EEG). From an EEG perspective, knowledge is constantly being produced and reproduced and the cumulative transfer and utilisation of this knowledge leads to changes in the long-term economic development of regions. Thus, it is appropriate for studies of relatively new sectors emerging in regions where they had not been previously, e.g., tourism in rural and peripheral areas.

Tourism, for example, has developed to varying degrees in most rural and peripheral areas. EEG is relatively untested in tourism studies and it sees “economic geography as dealing with the uneven distribution of economic activity across space. An evolutionary approach specifically focuses on the historical processes that produce these patterns” (Boschma & Frenken, 2011, p. 296). Thus, by studying the local processes of innovation which lead to change within the tourism economy of a region, it is possible to see how tourism becomes embedded in certain locales while remaining tentative or underdeveloped in others. Since it is focussed on long-term, gradual evolution, EEG also makes it possible to focus on areas which are not the classic success stories (usually presented in tourism studies) and is thus well suited to empirical work on rural and peripheral tourism development.
This thesis shows that EEG offers a useful analytical approach to understanding tourism development. EEG has a number of advantages:

- EEG focusses on economic issues but is open to broader definitions of development than purely monetary ones
- EEG is embedded in local conditions and is not spatially-blind while it is also concerned with long-term, gradual developments
- EEG relates to innovation through its neo-Schumpeterian view on continuous reproduction of knowledge as central to change

EEG highlights relational exchange through network development but does not, however, limit this to inter-firm exchanges. The role of the public sector has already been incorporated into evolutionary economics through the concept of innovation systems (Cooke, 1992; Freeman, 1987; Lundvall, 2010; Malerba, 2004). However, EEG holds that if change comes, it usually comes slowly. If a region is to change its industrial profile, it will do so over the long-term and any diversification will be conditioned by the related and complementary sectors available in the region (Neffke, 2009). This is one central issue for tourism evolution in rural and peripheral areas. How does a region like the north of Sweden branch into the tourism economy? Which particular economic actors drive this change?

The challenge in tourism studies of economic change is whether the tourism sector or the regional economy should be given primacy. An evolutionary perspective treats tourism development as one path (or perhaps several paths) co-evolving alongside other sectoral paths in the regional economy.
Tourism development paths in rural and peripheral areas could atrophy over time even if they have had some success in previous years. Completely new paths may emerge in a region as well and may challenge the existing economic focus (e.g., mining in nature-based tourism regions). Thus, the micro-processes of tourism development need to be examined more closely in order to see how embedded the tourism economy is in the wider regional economy. EEG sees the regional environment as a conditioning factor for evolutionary change – both climate change and protected areas are thus important frame conditions for the evolution of the tourism economy in Northern Sweden.

Since the aim of this thesis is to gain a better understanding of the evolutionary processes of tourism development in peripheral areas, a significant share of EEG theory is present in the empirical studies:

- Co-evolution of firms and the public sector
- Incremental knowledge gains from long-term networking
- Role of related experience and local knowledge for firm survival
- Contribution of new firms to regional branching
- The physical environment as a frame for development potential

These five points are present in each of the papers and are discussed in this overview with specific reference to EEG as an analytical framework. Together with the three advantages of an evolutionary approach listed above, these points show how EEG offers a fruitful perspective on tourism development in rural and peripheral areas.
3. Methodology

3.1 Approach to the Study

Operationalising the research objectives of this thesis required a balance between quantitative criteria as well as measures of entrepreneurs’ perceptions and more qualitative material to delve into evolutionary, long-term change in the study area. The overarching analytical approach of evolutionary economic geography opens the research process to both statistical and thematic analysis (Paper I and Paper II). It is also important that each study should be able to stand alone and contribute to tourism studies in the region. Therefore, a multiple methods approach was employed and is discussed below in greater detail.

The area under study is the north of Sweden. There is limited extant research knowledge of tourism entrepreneurs (e.g., Lundberg & Fredman, 2012) in this region with previous studies focussing on protected area management, local labour markets for tourism, and specific case studies of indigenous tourism (Lundmark, 2006; Lundmark, Fredman, & Sandell, 2010; Müller, 2011b; Pettersson, 2004). Since little knowledge was available from the tourism entrepreneurs’ perspective, the approach to the study was exploratory in nature and each study was connected to another important theme in tourism studies (climate change, protected area management, regional development and local innovation). The focus, however, remains on the tourism entrepreneurs throughout.
3.2 Multiple Methods

A multiple methods approach allows independent approaches to each study while the individual studies can still be related to each other. The method employed in each study is discussed in greater detail in each paper. The multiple methods approach is a methodological commitment to openness (Olsen & Morgan, 2005), one that allows the most pertinent, logical techniques to be used for the empirical work (Grix, 2002) while not limiting the scope of the researcher’s enquiry to only one method. As a result, the multiple methods approach allows for methodological reductionism in the empirical work while maintaining a critical realist ontological position (cf. Yeung, 1997), a position which is compatible with an evolutionary perspective since the empirical focus remains on generative mechanisms.

An important point to note is that the findings of any one study (or any one thesis) are not definitive but should lead to helping the understanding of the research topic in the research area. This approach allows the empirical work to address distinct questions while theoretical elements (e.g., evolutionary economic geography) can be synthesised in the discussion with broader implications of the research for other regions also included. For example, the findings in Paper II both complement the extant theory in other rural and peripheral settings (cf. Marchant & Mottiar, 2011) and open the theoretical space for other similar studies in other regions. The sections below discuss the three empirical approaches used.
3.3 Semi-structured Interviews

Paper I is based on interviews with tourism stakeholders in one municipality in Northern Sweden, used as the basis for generating a case study on rural innovation and tourism. Innovation here equates to creative processes of development which allow rural and peripheral communities to be more liveable by utilising tourism potential for community goals. Since the processes of tourism development are not well understood, one approach is to gain an appreciation of these processes through a series of interviews with local tourism stakeholders. Thus, semi-structured interviews were conducted around the subject of local tourism innovation.

Much qualitative research faces the challenge of tempering the influence of the existing theory on the research process (Ritchie & Lewis, 2003) and in this study it would have been easy to allow existing notions of tourism innovation to skew the questions asked in order to confirm previous studies. Of course, it is both unrealistic and impractical to avoid the theory and so the most prudent route was to engage in careful research design which would prevent the interviewer from leading the interviewees according to a pre-defined, narrow agenda. Instead, tourism innovation theory informed the use of broad themes which were presented to the interviewees. They were then allowed to speak freely on the topic and even raise topics of their own, thus opening up for adjustments in the interview process (Quinn Patton, 2002). Only occasional interjections, included in a natural, conversational way, were used and the interviewer was constantly conscious of not skewing the interview process with a loaded question or
comment. Conducting some of the interviews in a second language (Swedish) for the interviewer made the interviews a unique challenge, one which was mitigated by the fact that it is mostly the interviewees who were speaking and the interviewer has a strong passive knowledge of the Swedish language. The interviews were also recorded and played back as often as necessary to ensure the accuracy of statements.

Overall, the research took on an inductive approach with the themes coming from the interviews leading to the central idea of the existence of creative outposts. This was achieved by maintaining the inductive approach built into the research design all the way through the post-interview analysis stage (Flowerdew & Martin, 2005). It is reasonable to state that the themes were not selective but emerged from the text and context, with the themes present in Paper I being the most robust and most frequent among a wide range of opinions and comments. These main themes were then isolated and selected for further analysis vis-à-vis the extant literature in an iterative process which related the findings to the literature (Flowerdew & Martin, 2005). Thus, the results in Paper I do not reflect the personal views of any one of the interviewees but rather represent the most common views of the tourism stakeholders interviewed, contextualised with reference to the literature on innovation in tourism studies.

The results do not necessarily represent the views of the local people since they were not included directly in this study. It must also be noted that the case selection had a built-in bias – the researcher had anecdotal evidence (e.g., discussions with tourism experts) that Jokkmokk might have some
ongoing positive developments locally. By investigating the local dynamics of tourism innovation among tourism stakeholders it was possible to identify development processes deemed important by the local actors.

3.4 Longitudinal Micro-data

Paper II was designed to give an overview of the situation of tourism entrepreneurs across the north of Sweden. Paper I (Creative Outposts) showed that there are fruitful interactions locally and that tourism is a worthwhile endeavour. However, this positive view should be tempered by a general overview of tourism’s performance in the wider region. Thus, a quantitative study measuring the performance of new tourism firms should offer an informative first step in this direction.

Paper II uses Swedish register data drawn from the composite relational database ASTRID. This rich database consists of wide-ranging and quite detailed data for all Swedish residents including a range of socioeconomic variables, e.g., age; education; occupation; residence; workplace. The data are available on an annual basis making the database very useful for longitudinal studies. This database has been previously used for studies in tourism (e.g., Lundmark, 2006; Marjavaara, 2008) and has further potential for new research. The structure of the database also allows individuals who are self-employed to have their personal characteristics aligned with their business characteristics. The micro-data are available for all residents of Sweden and are anonymous so that individuals cannot be identified. However, working with a small sample from a relatively few rural
municipalities means that anonymity must be designed into the research at the extraction stage, in this case by presenting aggregate data at the (larger) county level.

The greatest challenge in use of the database is that it is not primed for tourism studies. Some negotiation is necessary when using micro-data in studies of tourism. This thesis examines tourism from the supply-side but again the distinction between the broad tourism economy and the selected sub-sectors needs to be mentioned – in Paper II, Standard Industrial Classification (SIC) codes were selected for the lodging, tourism and recreation, and entertainment sectors (see Table 3 in Paper II for a list of codes used). The lodging sector is, by definition, a sub-sector of tourism yet even within this relatively clear-cut sector there is certainly non-tourism revenue earned (e.g., through restaurant revenue of hotels earned from locals). The tourism and recreation sector consists mainly of those classed as working in tourist assistance along with a few other recreational activities.

It is somewhat unclear as to whether all those self-employed in tourist assistance are in fact working exclusively with tourists since they may have non-tourism customers or they may have other sources of income. However, some evidence from Paper IV suggests that, at least for the winter-oriented tourism firms under study, income from tourism accounts for the vast majority of each individual’s earnings. Those in recreation were few in number but warrant a mention since many recreation-based firms have a large share of tourists as their customers, especially in rural areas (Roberts & Hall, 2001). Also included were a number of firms in the
entertainment sector and, similar to recreation, these firms serve a tourist market as well as the local market. Accepting these limitations in the selection of cases, the group remains a relatively conservative measure of small businesses in the tourism economy since it excludes shops, petrol stations and restaurants which benefit from tourism but which have other primary markets and customers with other motives (Smith, 1988).

The use of quantitative register data is relatively rare in tourism studies and the possibility to link individual characteristics of owners to micro-tourism firms is a distinct advantage. The disadvantage of this approach becomes obvious when working with the data – the available samples are relatively small and so the richness of the data cannot be fully exploited because of the limited sample size. This is noted in Paper II where the division along the local/non-local dimension resulted in only a few (nine) non-locals. This demands a cautious interpretation of the results, one that most studies using micro-data simply do not have to deal with due to predominantly large samples.

Results are presented using descriptive statistics (Kaplan-Meier survival graphs) and regression models (Cox proportional hazards model) and these are discussed in greater detail in the research design section of Paper II. This way of representing the data allows the study to discriminate between long-term survivors and failures along a number of covariates and the paper thus presents a picture of tourism firm survival in Northern Sweden never before shown.
3.5 Web-based Surveys

Paper III and Paper IV use web-based surveys in order to learn about entrepreneurs’ attitudes to a large and unique protected area (the Laponia Area) and winter-based tourism entrepreneurs’ views on climate change. The use of web-based surveys is growing rapidly and is not an especially new technique in itself but is more or less an extension of the mail-based survey technique albeit with some important technical differences, not least regarding sampling and response (Dillman & Bowker, 2002; Parsons, 2007). Thus, while the web-based survey may have impacted some respondents (i.e., those with a poor internet connection), the approach is likely not any more biased than a mail survey would have been (Dillman, Eltinge, Groves, & Little, 2002).

The survey in Paper III targeted all tourism firms in Norrbotten County and chose a sample of 140 firms. 77 usable responses were received (55%) with 69 respondents (49%) completing the online questionnaire. The focus of the study was the Laponia Area in Norrbotten but only approximately 10% of respondents were operating in municipalities contiguous with the Laponia Area (Gällivare and Jokkmokk). The small sample here is problematic. However, since the aim is to compare those who are contiguous with those who are non-contiguous rather than delve deeper into the contiguous group, as well as to compare other groupings not dependent on contiguity, the small sample bias is reduced. A failure analysis of 30 non-respondents showed that two-thirds of non-respondents felt they did not have the time to answer the survey or felt they were too far away for the Laponia Area to
matter to their business. The results are tentative but do offer a first analysis of how regional tourism firms value this newly-established protected area in the north of Sweden.

The survey in Paper IV targeted winter-oriented tourism businesses and included most of them in the sample (150 out of an estimated 200 businesses) with contact details not available for the others at the time of the survey. 73 responses were received of which 63 were usable (42%) with the ten unusable respondents only completing the first page of the survey and not included further in the analysis. Thus, in this clearly targeted survey, the risk of a non-representative sample is minimised, however the response issue remains a concern. Of the selection of non-respondents who responded to a failure analysis query after the survey was completed, three-quarters stated they did not have the time to answer the survey but one in five stated their internet connection was too slow to easily complete the survey. Therefore, the dominant reason for non-response seems to be a lack of time. Surveys are always limited by the non-respondents but what was learned from the failure analysis query was that the most common reason was lack of time and not some other reason, for example, if the most common response had been because the respondent did not believe in climate change then this would be a systematic problem and a major cause for concern in the analysis (Fowler, 2008).

Due to the small number of respondents in each of the groups of interest for the research questions of Paper III and Paper IV, Fisher’s exact test was used in the analysis since it is particularly suitable for small samples (Coshall,
The statistical analysis used here bolsters the descriptive information set out in the results section of each paper. When working with small samples the likelihood of finding statistically significant relationships is diminished. Moreover, significant relationships do not offer definitive validations but only act as a support for the descriptive information displayed in the cross-tabulations. The results in Paper III and Paper IV are tentative but reliable since the seemingly small sample is actually quite a large share of the population of interest which increases the validity of the results.

3.6 Methodological Limitations

There are a number of general limitations of this study. First, while the use of multiple methods offers a broad approach the obvious trade-off is less depth. Given that tourism entrepreneurship in rural and peripheral areas is not a large, well-developed research area this trade-off was deemed acceptable. Moreover, each individual paper had its own limitations. Paper I did not include the voice of the local population. However, one representation of their voice came through the municipal stakeholders interviewed. In Paper II the selection of SIC codes is inherently limited since the database is not custom-made for tourism studies and even among the selected cases there may be many tourism entrepreneurs having other sources of income. Thus, the picture is somewhat incomplete although the richness of the individual-level data is a positive trade-off since it allows perspectives on tourism entrepreneurship never before presented for this study area. In Paper III and Paper IV the main limitation of the studies is the
small samples available. The results are valid for the samples taken but it is
difficult to evaluate their validity for the overall population of interest
(however defined). This problem is not easily overcome since the study area
is a peripheral area with a sparse population and thus few tourism firms.
The most prudent way to overcome this limitation would be to repeat the
studies. Similar results on a different sample would make the results more
robust. There is also the question of timing in Paper III and Paper IV –
repeating a study of the Laponia Area today may yield different results as it
has gained much more attention in the last few years. Similarly, the
perceptions of climate change may vary if the study was conducted in a
year with a particularly late and poor snowfall. Ultimately, the results must
be judged based on the rigour of the research design in each paper.

3.7 Overview of Papers I – V

Table 1 provides an overview of the methodological approach and key
findings to each paper of this thesis. The table shows a complex
environment for tourism entrepreneurs with slow but steady development
alongside rapid attrition of new firms, as well as the value of both protected
areas and a stable winter climate in the region. Overall, with the aim of the
thesis being to gain a better understanding of the evolutionary processes of
tourism development in peripheral areas – a relatively new phenomenon to
be studied – the methods used have proved useful and appropriate for
developing a better understanding of tourism evolution in peripheral areas.
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4. Paper Summaries

4.1 Creative Outposts: Tourism’s Place in Rural Innovation

For many rural regions, tourism has become one new development opportunity, partly as a result of declining traditional employment, and recently through support from local, regional, and supra-national bodies. Many see tourism as one sector which benefits rural and peripheral regions, yet, many of its impacts, both economic and social, go unnoticed by locals, particularly the invisible social impacts of tourism. This qualitative paper highlights the positive social impacts of tourism in one rural location. The discussion also highlights the existence of ‘creative outposts’.

Ultimately, most rural locales should face decline but some show local measures of positive development, partly attributable to local tourism engagement by community stakeholders. Creative outposts act as rural gathering places for many tourist services, but they also provide local events and activities for the community. Thus, there are considerable opportunities for local innovation through tourism. This paper explores some of the elements of tourism innovation in Jokkmokk, Northern Sweden.

Broadly speaking, creativity and regional development are linked: there is undoubtedly a creative effervescence in communities which are developing. Links in research between creativity and regional development focus on large metropolitan areas with some studies examining mid-sized cities and
individual tourism destinations. This paper takes the discussion to the rural economy and focuses on the crossover between creative local processes and development in tourism, as well as their impact on rural coping strategies in marginal regions during challenging times. The decline in traditional rural employment has created tremendous pressure on rural communities.

Industries such as forestry do not offer employment growth either. In the north of Europe, however, some rural communities manage to cope, using tourism as one way of sustaining their communities and revitalising their economies. Rural resilience and rural innovation are synonymous in such locales and studies of tourism innovation help to place rural tourism efforts locally within the general context of rural coping. If innovation is being effective, the locale should benefit from some positive externalities, i.e., community gains should be noticeable and, even if innovation efforts seem to be limited, some success should still be palpable in the local community. Using interviews conducted in Jokkmokk during 2011, the research analysed a series of semi-structured interviews with tourism stakeholders (5 local institutional officials and ten entrepreneurs), and aimed to show if local tourism development has some positive social role in the community. Yet, any positive local developments are expected to be subtle in this case.

Quite large municipalities, e.g., Jokkmokk is Sweden’s 2nd largest, are often extremely sparsely-populated. Jokkmokk is no different with a population density of over 3km² per person and a total population of just over 5,000.
Jokkmokk village has just under 3,000 inhabitants and, lying on the Arctic Circle, it is home to Laponia – a world heritage area. The municipality also has a varied tourism sector in both summer and winter. Tourism is found to be an outlet for positive local social capital. The main themes emerging from the interviews were: (i) tourism networks are loose and project-based; (ii) tourism firms and the tourist office co-evolve; (iii) tourism contributes to the local leisure space; and, (iv) tourism is a desirable diversifier. In creative outposts, loose and temporary formal networks are common but the repeated interaction leads to slow but steady evolution of relations between firms and other stakeholders (i & ii). Also, innovation in tourism in these communities benefits the locals by diversifying the economy and making the place more liveable (iii & iv). These themes offer a number of insights into how the Arctic Tourism Innovation System (ATIS) – a unified sectoral and regional innovation systems approach – may operate at the local level.

The isolated location of Jokkmokk, being far from the regional population centres but not quite close enough to the mountain areas, limits its scope for development. Also, the prevalence of micro-firms leads to a dependence on other support from the tourist office – the nature of which is a matter of much local debate. Tourism interacts with local creative industries and also adds positively to the local atmosphere by helping to create a lively village where things are happening. While the processes which move communities forward and generate positive externalities are subtle in rural and peripheral areas, the externalities are palpable. Tourism has a role to play in community development in creative outposts.
While there are cases like Jokkmokk, where tourism makes a positive contribution, it is also important to use broader metrics in order to assess tourism’s contribution to the regional economy. The findings of Paper I are certainly encouraging but need to be tempered with some sense of the overall regional situation for tourism firms and other stakeholders in the north of Sweden. Paper II goes some way to addressing this.

4.2 Staying Power: What Influences Micro-firm Survival in Tourism?

Tourism is persistently seen as a tool for regional development in rural and peripheral areas but the actual contribution to local economies is questioned. At the local level, many individuals respond to a growing tourism market by starting new firms and while the rate of start-ups is well documented there is less knowledge about the surviving firms and their contribution, if any, to the region. This paper assesses the staying power of new micro-tourism firms. To achieve this, a sample of all new tourism firms in Northern Sweden was selected (all new firms with tourism-related Standard Industrial Classification codes for 1999, 2000 and 2001 in the four northernmost counties). This paper examines the characteristics of surviving firms vis-à-vis failures so that characteristics associated with survival can be tested. The paper departs from recent contributions in evolutionary economic geography, hypothesising that experience in the sector and experience in the local area increase rates of survival. The paper also assesses these firms’ relative impact on regional development. The paper also makes a rare attempt to bridge the divide between tourism research and economic geography.
Several factors influence firm survival, from macroeconomic conditions to state assistance to ownership structure. This paper adds a further dimension by focusing on skills and routines of entrepreneurs, as well as the geography of new firms – does the surrounding economic structure influence survival? The paper shows the number of new firms and long-term survivors by county and does not go to a finer geographical resolution since the four counties are quite diverse in their tourism offer, and due to the small sample available a finer resolution would not offer a clear picture.

The empirical work is based on data drawn from the ASTRID database. The micro-level data contain socio-economic and demographic variables for all residents of Sweden and, for the entrepreneurs included in this study, their personal characteristics are linked to their business characteristics. Using survival analysis techniques with time to failure as the dependent variable, the paper presents Kaplan-Meier survival estimates in graph form and uses Cox proportional hazards models to deepen the analysis. The key hypothetical success factors tested are: related experience (working in a related job before starting an enterprise thus accumulating sector-specific knowledge); local experience (living locally before starting an enterprise thus accumulating local knowledge); and regional specialisation (starting enterprise in an area more involved in tourism relative to other areas within the study region), while numerous other variables are controlled for. The expected results for all variables run as Kaplan-Meier survival estimates would be little or no deviation from the general Kaplan-Meier graph. As it turns out, for both the related experience and local experience variables there is a clearly visible difference in the descriptive results (bearing in mind...
that the local experience variable has a low number of respondents who are non-local). This encourages attempts at regression analysis using the Cox proportional hazards model, the results of which show that related experience (having worked in related sectors the year before start-up), in particular, reduces the hazard of failure, as does local experience. In fact, new firm owners with related experience in the year before entry face a 56% hazard rate of failure (hazard rate < 100% implies lower chance of firm exit across the study period and vice versa) compared to those with no experience in the year before entry and firms with local experience in the year before entry face a 31% hazard rate of failure compared to those without local experience in the year before entry. The paper goes on to show that surviving firms increase their turnover and contribution to local employment over the first seven years at least. This is shown alongside the performance of the existing established firms and also shows that, despite high rates of failure, positive trends among survivors are present.

This paper shows that previous experience and pre-entry local experience of entrepreneurs play a key role in the staying power of new firms. The findings thus confirm previous studies on new market entries in knowledge-intensive sectors. Furthermore, while the tourism sector is known to have low entry barriers it is necessary to draw the distinction between the easy entry and difficult survival in the tourism sector. Future research should consider previous related experience and local experience of entrepreneurs as well as other factors which may not necessarily inhibit new firm formation but which may impact survival. The paper also exhibits the important economic performance indicators of survivors. The
employment gains in particular make for a positive reading of new firms, which have an average of 1.5 employees by the end of the study period. These slow but steady gains may be well-matched to sustainable tourism development goals. The results encourage simple policy interventions, e.g., mentoring, which are becoming more common in local development policies. This paper is a first step in improving the knowledge of tourism firms’ long-term staying power and taken together with Paper I (Creative Outposts) implies that the processes of change in tourism in peripheral areas such as the north of Sweden are slow-moving yet palpable.

4.3 Post-inscription challenges: Renegotiating World Heritage Management in the Laponia Area in Northern Sweden

The Laponia Area is one of only a few dozen UNESCO World Heritage Sites which is protected for both its natural and cultural heritage. The natural heritage is the landscape which has been shaped by the receding glaciers of the last ice age. The cultural heritage is due to the continuing use of the land by the indigenous Sámi people for herding reindeer. The Laponia World Heritage Area was listed in 1996 but in the years which followed there was little or no active tourism development. Now, there is a new management structure for Laponia, which has emerged as a result of the Laponia Process, a process instigated to identify the key management issues for the area with negotiations being completed in 2009. The new management structure involves Sámi representatives, local municipalities, the county administration and the National Environmental Protection Agency. This new Laponia management structure deals with many important issues, of which tourism development is one.
The aim of this study is to investigate how Norrbotten’s tourism businesses value the Laponia Area and to highlight for the new management that the geographical reach of Laponia needs to be considered in planning. The following research questions are addressed: What do Norrbotten County’s tourism businesses think of the Laponia Area in particular and protected nature in general? What is the value of the Laponia Area’s attributes (Sámi culture and nature) for tourism businesses in Norrbotten County? What is the market reach of the Laponia Area in Norrbotten County and how may this affect management planning?

The results show that nearness matters but that likeness overcomes distance. All firms are positively disposed to protected nature in general and to the Laponia Area in particular. While the defining feature of tourism firms in the study is how much they value the natural environment for their success, the particular nature of the Laponia Area does not distinguish itself. Culture-based tourism businesses, however, value Sámi culture more than nature-based tourism businesses. This is not so surprising but the fact that cultural tourism firms more frequently stated that the Laponia Area itself had value for their business, even though most cultural tourism firms surveyed were not in the contiguous municipalities, is important.

Another question raised from this study is: how ‘local’ is local in the context of protected areas and tourism? Is it purely in terms of proximity or are there more distant stakeholders who must be considered by the Laponia management? This paper shows initial support for a broadening of the base of tourism stakeholders beyond the most geographically-proximate ones.
4.4 Climate Change in Northern Sweden: Intra-regional Perceptions of Vulnerability among Winter-oriented Tourism Businesses

Winter tourism is an important sector in Northern Sweden, generating seasonal employment and bringing tourists from the south of Sweden, Scandinavia, and the rest of the world to the peripheral north of Sweden, and particularly to the Scandinavian Range. The livelihoods of the majority of winter-tourism businesses rely on a relatively stable season with even short-term variations or late arrival of a season’s snow resulting in a loss of business. Northern Sweden is projected to experience marked changes in the 21st century according to climate models. The most frequent approach to regional climate change impacts on tourism is to assume common, standard impacts on all tourism businesses and to plan around these but a more effective approach would identify areas within the region as well as business types which are more at risk and focus plans on vulnerable firms.

Vulnerability in a region is complicated by the fact that tourism is complex and only part of a larger economy and society. Most of the research on climate change and tourism has focussed on the likely losers but this paper considers the physical geography determinants which delineate potential space for losers and also the human geography determinants which provide the agency to adapt to changes in the physical environment. This paper examines the Upper Norrland region of Sweden (Norrbotten and Västerbotten counties), where the winter-tourism sector is mainly made up of micro-firms with less than ten employees. The respondents to the web-based survey used in this paper were mostly full-time employed in tourism,
with at least one third of their business in the winter-season qualifying them as winter-oriented. The survey yielded 63 usable responses (representing a 42% response rate) and the questionnaire had two main sections – a series of categorical (nominal and ordinal) questions and a Likert scale section. Responses were analysed using basic descriptive statistics as well as Fisher’s exact test for the targeted test groups.

Results highlight the importance of the intra-regional scale of analysis. Entrepreneurs in the coastal municipalities see climate change as a problem in their area and are more willing to accept that one relatively poor-snow winter is evidence of climate change in the region, compared with inland entrepreneurs. However, when asked how they prioritise climate change, there was no significant difference by location. Instead, it was the venue-based operators, as opposed to the mobile operators, who were most concerned. Regarding their perceptions on the ten-year future of climate change in the region, respondents affirmed that they expect milder, shorter winters and those on the coastland, to a significant degree, expect milder and rainier winters when compared to those in the inland.

The paper suggests that basic mapping of firms in a given region, along the criteria of exposure and adaptability, allows for a better assessment of climate change vulnerabilities for the region. One caveat is that long-term adaptation is open to all and may even result in non-tourism regional development which would naturally reduce the focus on tourism development. The entrepreneurs in this study, when taken as a group, accept that climate change will impact their sector in the coming decade but
they do not believe that any encroachment on the season will be detrimental to the survival of the industry. Moreover, the entrepreneurs included in this paper have few adaptation plans in place and they intend to remain in the industry as long as possible and to adapt during the season depending on conditions.

The paper argues that those in the coastal municipalities may be the northern equivalent of the ‘canary in the coalmine’, their frontier position holding a real sense of foreboding for the region in terms of changes in weather pattern dependability. The issues raised are not peculiar to Northern Sweden and so further studies of the human/environment interaction at the intra-regional level should reveal further meaningful nuances even in relatively small regions. Winter tourism may not be the dominant sector in the region but it does contribute to the sustenance of many communities across the region and so understanding the impacts of climate change going forward will enable winter tourism to remain part of the broader development strategy for northern communities in Sweden.

There are two implications from this study. First, most innovation systems approaches fail to consider the physical environment beyond proximity to regional centres and agglomeration effects. For most regions this does not really matter. However, in the Arctic and sub-Arctic regions it may matter, especially going forward if climate models prove to be accurate. Therefore, an effective innovation system for tourism in the north should incorporate the unique climatic conditions somehow since tourism in the region is primarily nature-based. Second, there is scope for theoretical development
on how to incorporate slow but changing frame conditions in the physical environment (at the regional or even intra-regional level) on behaviour of tourism stakeholders, i.e., how do these subtle environmental conditions affect the decisions of, not just tourists, but of current and potential winter tourism entrepreneurs?

4.5 The Evolution of the Tourism Economy: On the Latent Synergies of Tourism Studies and Evolutionary Economic Geography

Having seen that the four empirical studies of this thesis could be enhanced by certain aspects of evolutionary economic geography (EEG) theory, it is worth delving into EEG in greater detail and discussing whether, where, and how it might be further applied in research within tourism studies. To further develop our existing knowledge on the vast and diverse tourism economy a more systematic, theoretically-informed analysis, including long-term developments across the spatial economy, would be of use. In this paper the ongoing ‘evolutionary turn’ within economic geography and the recent advances in evolutionary economic geography (EEG) are shown to have potential latent synergies for theoretical discussions on economic change and development within tourism. In particular, the possibility to explain macro-level trends while allowing for micro-level agency resulting in varying outcomes across the spatial economy is argued to be of central interest to the theoretical development of tourism studies.

EEG offers tourism researchers concerned with questions of regional development a new perspective on why the spatial economy of the tourism sector looks like it does. It does so by departing from a neo-Schumpeterian
viewpoint asserting that human creativity (or knowledge) and innovation is crucial for economic evolution. This is because knowledge within firms and individuals is constantly created (not a pre-given factor of production as often assumed in endogenous growth theory). This conceptualisation of knowledge and the economic actors carrying knowledge may help tourism researchers to achieve a greater understanding on the growth and decline of certain economies and why some places are resilient while others are in a more precarious position. EEG challenges researchers to not only rely on the territorial scale of regional development but to also include the important historical change element, as well as the particular localised preconditions, in studies of sectoral (tourism) development. The tourism economy is vast and diverse which encourages a more systematic, theoretically-informed analysis of the long-term development across the spatial economy of the tourism sector.

Tourism researchers are well poised to contribute to the further development of EEG since low-technology service sectors are under-researched in EEG and much of the tourism economy offers prime empirical material for such studies. Moreover, the EEG lens offers new perspectives on important questions in tourism studies by contextualising micro-level processes in their particular geographical milieus while accounting for macro-level trends and the all-important historical factor. The paper argues that researchers engaging in this matter will contribute in two ways: by validating (or contesting) EEG principles in a new and different context and by utilising a powerful explanatory paradigm (EEG) to examine developments in the tourism economy and advance tourism studies.
The paper provides a number of suggestions on new research paths within tourism, introduced by a brief illustration comparing Butler’s Tourism Area Life Cycle (TALC) to Martin’s stylised alternative development paths. This comparison shows that there is certainly scope for evolutionary theory in studies of the tourism economy when considering the life cycle approach from an evolutionary perspective. Five research themes of common concern for EEG and tourism are discussed: (i) regional branching – the process through which new firms emerge in a regional economy; (ii) path dependence and new path creation – how regions break away from the historical legacies of their economic development; (iii) networks and knowledge transfer – well-established in tourism studies but with few studies on mechanisms of change; (iv) entrepreneurship as the optimal unit of analysis – already holds a strong position in tourism research but could benefit from incorporating evolutionary perspectives; and, (v) generalised Darwinism – a potential unifying theory within EEG which has quite a high level of abstraction and has not been applied in tourism studies previously.

How to operationalise any of these five research themes remains a challenge but their potential explanatory power means the effort will lead to epistemological development within tourism studies. The potential drawbacks of embracing EEG approaches in tourism studies are presented, as well as the common ground and scope for further studies. The paper concludes by calling for active theoretical engagement between tourism researchers and economic geographers to better understand tourism’s place in wider processes of economic restructuring and regional development.
5. Discussion

The aim of this thesis is to gain a better understanding of the evolutionary processes of tourism development in Northern Sweden and the results highlight the important role of tourism entrepreneurship in rural and peripheral tourism development. Understanding how communities can make the most out of tourism is important – as Moscardo (2008a, p. ix) puts it: “How can we improve the process of tourism development and enhance its benefits for destinations in developing, rural and/or peripheral regions?”. This is important because tourism can help marginal northern economies to prosper but only if it is an integrated part of broader community development strategies (Müller, 2011a).

The following discussion links the findings of the first four sub-sections from the theoretical approach to the main results from the empirical work. The discussion then concludes by connecting the empirical results to evolutionary economic geography (EEG) theory. This is followed by a section on future research, as well as some policy implications of the thesis. The discussion focusses on the processes of tourism development in Northern Sweden but is also relevant for such processes in similar regions.

5.1 Discussion of Findings

Tourism’s contribution to local and regional development
Paper I explores the local dynamics of innovation in rural and peripheral tourism, e.g., the relationship between the public institutions and tourism
firms creates a number of positive externalities locally in an environment which is expected to have low innovation potential. The local tourism firms undoubtedly contribute to the local leisure space which makes the communities more liveable, meeting an immediate challenge (for the local institutions) which, if left unchecked, would impact community survival further down the line. In rural and peripheral communities, the embedded nature of tourism means, however, that the boundaries between the local economy and society blur. McKercher (1998) highlights the intrinsic appeal of peripheral tourist destinations, where primary attractions are of less importance than the general feel of the area. From a supply-side perspective, many peripheral tourism communities have a low number of tourism firms but many of the local spaces of leisure are utilised by tourists and locals alike. Thus, when local spaces of leisure need economic support for their survival, tourism becomes important for the maintenance of the local leisure supply – just as Löffler (2007) found it was important for the supply of other services.

The reality in some rural and peripheral communities is that, as municipal authorities have to manage ever-tightening budgets, tourism is seen as a positive support. In Paper I this notion of tourism contributing to the local ‘third space’ (leisure space other than work and home for locals) (Mair, 2009) is acknowledged. While Paper I adds to Mair’s (2009) research by showing that in certain cases tourism supports the local ‘third space’, it also shows the unique opportunities created by tourism development for local artists and other creative, innovative individuals to make their good ideas commercially viable. In many rural and peripheral areas, tourism numbers
remain modest but tourist spending can be enough to help keep marginal businesses and artists commercially buoyant.

Thus, Richards and Wilson’s call “to look in more detail at the structure and dynamics of creative spaces, and the way in which these relate to resident populations, tourists and other flows of people and ideas” (Richards & Wilson, 2007b, p. 257) is pertinent for rural and peripheral areas. Paper I shows that local artists benefit from tourist flows to the destination and so there is a clear crossover between the cultural industries and tourism. Further empirical work on other ‘creative outposts’ can show tourism’s potential in aiding community coping in rural and peripheral areas (e.g., Fullerton’s, 2010, study on Gravelbourg, Saskatchewan).

Turning to the success of surviving firms, Paper II has offered new insight into the more or less untouched area of nascent micro-tourism firm growth. Demonstrated using firm turnover and employment gains, the paper shows that new firms are important for tourism development. Given the dismal appearance of new firm survival trends, it is imperative that the performance of survivors be contextualised alongside survival trends. In addressing this matter, Paper II answers the call of Thomas et alia (2011) for more studies on SMEs in tourism and helps develop how future empirical work may be designed. Of particular note is the employment contribution of new firms. While low in number of employees per firm, the rate of increase of employees per firm over the early years is encouraging. Although many firms remain as owner-only entities, some are established employers after only a couple of years in operation.
This has implications for support of tourism development since key measures of economic growth are increases in the size of firms and increases in the number of firms, i.e., growth may be measured in employment generated by new tourism firms but may also be measured by the increasing number of tourism firms present and surviving in a given region. While this is not a new concept, the approach employed in Paper II is novel and includes all new firms rather than a selection of survivors. The data presented show that it is relatively simple to measure this growth (given the data available on Swedish firms) and perhaps the remaining challenge is contextualising the contribution of the new firms in a long-term perspective and in relation to the wider economy (cf. Fritsch & Schindele, 2011). Since it is more logical to support a sector if that sector is showing some potential future growth, Paper II shows that tourism development must be studied using longitudinal data in order to fully appreciate the long-term dynamics of development.

Challenges to tourism development in peripheral areas

There were two specific challenges to tourism development in Northern Sweden studied in Paper III and Paper IV, both relating to the physical environment. Paper III explores the question of who is ‘local’ when talking about protected area management. Previous studies on both world heritage areas (Aas & Ladkin, 2005) and other tourism destinations (Ruhanen, 2004; Sautter & Leisen, 1999) rightly focus on local tourism firms as primary stakeholders. However, in the context of peripheral destinations, such a focus is too limited. Paper III shows that there is a small but significant
group of tourism firms far away from the Laponia Area who view it as important for their business. Laponia managers must consider how to work with not only other tourism stakeholders in Gällivare and Jokkmokk but also how to integrate the more distant stakeholders into the local plans.

Networking is shown to offer at least some improvement in rural settings (Cawley & Gillmor, 2008) and horizontal networking may have a greater reach in regions with potential flagship attractions, e.g., Laponia with its promotional benefits for all tourism businesses operating near to “the last wilderness of Europe” (as it is somewhat simplistically promoted) (cf. Wall-Reinius, 2009, p. 120). Sharpley (2007) has argued that flagship attractions can be growth poles for the local community but this argument needs to be augmented by the notion that flagship attractions may have some satellite companies coming from hundreds of kilometres away, e.g., cultural-tourism companies on the Bothnian Coast in the case of Laponia and, hypothetically, other companies from further afield. Given their interest in the cultural aspects of Laponia, they are potentially valuable contributors to the development of cultural tourism in the Laponia Area and their views should be sought out. In fact, there is an opportunity for innovative exchange if the ‘outsiders’ are brought in to the management structure for consultation with both local firms and the other management stakeholders since they are likely to have different views but common goals – an ideal scenario for innovative exchange. A further challenge is how the networking around Laponia and the networking in Jokkmokk will come together (cf. Paper I). Currently, they are formally separate but based in the
same place so it will be interesting to see how these two separate but complementary networks develop alongside each other in the coming years.

Another contemporary challenge to tourism development in Northern Sweden is climate change. The research focus is shifting from one of broad prescriptions to more nuanced analyses. This development shows a social research programme which is at least keeping pace with climate science techniques (Brouder & Lundmark, 2013; Tervo-Kankare & Saarinen, 2011). As regional climate models are increasing their spatial resolution there is a concomitant development in social science research on climate change. In the case of tourism, this means an increasing awareness of the intra-regional differences in vulnerability and in the inherent spatio-temporal dynamic of firms at the local level, i.e., there is an intermittent divergence from the expected weather patterns which puts a strain on many actors involved in winter tourism. The results of Paper IV, together with the work of, for example, Tervo (2008) and Saarinen and Tervo (2006) actualise the nuances of climate change impacts on tourism firms.

The focus of most research on winter tourism and climate change has been the downhill winter sports sector since it is a large part of the winter tourism economy and potentially faces large monetary losses (Moen & Fredman, 2007). The concentrated nature of employment and services, usually in relatively small mountain communities, means that any negative change could have serious effects. However, receiving much less attention are the micro-tourism firms spread across the vast northern regions, a group which, in one sense, is less adaptable since it lacks the resources of the much
more centralised, capital-intensive downhill sector. On the other hand, these spread out micro-firms are less sensitive at the collective level since they are not as concentrated as resort destinations and many firms are also mobile.

Paper IV notes the lack of long-term planning by micro-tourism firms mentioned in previous research (e.g., Hall, 2006) and such an approach by businesses is quite reasonable since they are most concerned with day-to-day survival and are not feeling regular, persistent impacts of climate change yet. Instead, they act based on conditions, be they market conditions or weather conditions, and, at the individual level, are not in a situation in which drastic changes are needed. The evolution of winter tourism firms is too slow to measure through individual actions but herein lies the regional dilemma of the ‘tragedy of the commons’ (Hardin, 1968) considered in Paper IV. Regional branching into tourism does not guarantee long-term success and, as an evolutionary process, it is blind insofar as regional vulnerability is concerned. There is a danger of allowing development to occur while ignoring changes in exposure and hoping that the adaptive process will sort itself out and thus disprove the commons thesis.

However, there may be reason to consider the commons thesis valid, particularly in economically marginalised regions, where attempts at coping face severe pressures and where coping strategies on all fronts at all times are necessary to maintain socioeconomic cohesion (Bærenholdt, 2007). Would a contraction of the winter tourism season have a detrimental effect on micro-tourism firms operating in an economically marginalised region? If no, then a neutral effect on communities can be assumed. If yes, then the
effect on the local communities in exposed areas will be negative, due to the contraction of the local tourism economy, which will have a knock-on effect on the entire local economy putting even more pressure on what are already marginal local economies. The networked, embedded nature of the tourism economy in local communities (Bärenholdt, 2007; Paper I) implies that studies of climate change and tourism must focus on more than just the effect on the tourism economy and instead include the knock-on effects on local communities. Hence, the challenges of protected area management and climate change adaptation are useful examples of areas requiring further innovation.

Tourism innovation in a peripheral context
The fact that tourism has emerged as a relatively new commercial activity in Northern Sweden implies that there is some level of tourism innovation in the region. Innovation is certainly necessary for rural and peripheral tourism development going forward due to, for example, the competitive pressures facing firms in rural and peripheral areas. As Hall and Williams (2008, p. 231) note: “tourism firms have always innovated in the face of such competitive pressures… but tourism research has lagged behind in analysing this until recently”. In most peripheral communities, such as Jokkmokk (Paper I), there is no iconic product innovation by tourism firms (in comparison with, for example, the Icehotel and Åre mountain resort). Instead, innovation is based on incremental gains over a longer period. While studying the complex interactions in Northern Sweden, new and interesting relationships emerge, not least in terms of tourism’s softer contributions (Paper I), where the preconditions for rural innovation and
tourism’s place within local development are very different in both scale and scope. These also emerge in terms of tourism’s harder contributions (Paper II), where the performance of micro-firms in peripheral settings is shown to be small but with some growth occurring over time despite the challenging macro environment.

Thus, the innovation studied in this thesis is more in line with Hjalager’s (2002) view on innovation as minor adaptations. While difficult to operationalise in empirical studies, these minor adaptations result in incremental tourism developments locally (Paper I) and should be studied systematically over the long-term in tourism research.

In rural and peripheral areas, the local capacity for innovation is a function of the existing social, political, and cultural capital (i.e., the initial resource for innovative development) and the co-evolutionary processes of local innovation (i.e., the fruitful exchanges between local stakeholders) occurring in the community (cf. Macbeth et al., 2004). Moreover, entrepreneur-driven tourism destinations can exist and have success but without institutions actively involved long-term innovation is limited. The interrelated nature of tourism firms and supporting institutions becomes obvious in the case of climate change, where entrepreneurs are not in a position to engage in long-term planning (Paper IV) and where institutional actors can think about the long-term impacts of current developments (Brouder & Lundmark, 2013). The continuing role of local institutional actors in tourism development is testament to the importance of this sector to the local community and the
interaction among stakeholders over time leads to positive outcomes for tourism innovation and community development.

The symbiosis of institutions and firms shows that both local institutions and local tourism firms depend on each other’s innovative initiatives to secure local tourism development. For example, local institutions are in a position to act now in planning for climate change which will impact local businesses (which are not in a position to act now) later on. The role of local public institutions in long-term planning for climate change needs to be addressed. If the path development of winter tourism is blind, albeit with adaptive individuals, what power does a less myopic institutional arm have to steer development? Brouder and Lundmark (2013) show that the relatively simple mapping of a region can highlight where vulnerability has the most likelihood of increasing and in a medium-term perspective (30 years hence) there may be meaningful impacts on Northern Sweden. This remains something of an irrelevance for the individual firms as the stock of firms replenishes itself over time but at the very least it gives regional institutions pause for thought over which sub-regions need to more vigorously pursue alternatives to winter tourism development. While the agency of individual entrepreneurs is present over time, the longer-term viewpoint of regional institutions means their co-evolution with the stock of micro-firms can lead to effective path changes in the long-term.

Public institutions have a continuing role as a guiding hand (Martin & Sunley, 2006). This was apparent from the empirical work (Paper I; Paper III; Paper IV) even though the focus of the empirical work was on the
entrepreneurs. Thus, studies of bottom-up innovation cannot avoid the important role of institutional innovation. In rural and peripheral communities public institutions are more localised than previously, a situation which Hall (2005, p. 156) summed up in the phrase: “the state is dead, long live the state”. Thus, Lundmark and Müller’s (2013) call for an Arctic Tourism Innovation System would need to treat public institutions in a special way since they are sometimes administering top-down directives but in many instances they are evolving to become part of the bottom up structure of development, e.g., the changing role of the tourist office in Jokkmokk (Paper I) and the localised control of the Laponia Area (Paper III).

Tourism entrepreneurship in peripheral areas
Tourism entrepreneurs are the empirical focus of this thesis since they are key agents of change in Northern Sweden. They are the ones who lead the changes in the local economy and while change is slow, it is noticeable over the long-term. Paper II shows that the performance of micro-firms in peripheral settings is modest but some growth is occurring among new firms with the mean number of employees of 1.5 being a respectable development over time. Paper II also shows that survival in tourism is, like survival in most sectors, fraught with danger in the initial years and later the likelihood of survival increases. There is nothing particularly new to this idea, however, the investigation of survival characteristics of all new firms in a cohort allows some discrimination as to which factors matter more for business survival in the present context (cf. Storey, 1994). In this case, experience in the tourism sector immediately prior to starting a new business seems to have a positive effect of micro-firm survival in tourism.
Interestingly, the paper also shows that the oft-heralded success due to the outsider advantage in tourism enterprise is not a foregone conclusion and that in this study area, at least, no survival advantage was conferred by such a status (cf. Ateljevic & Doorne, 2000), although the sample was very small.

There is a double-sided message in these findings – the pursuit of outside enterprise is not a guaranteed success strategy for rural and peripheral regions, even if such enterprise is drawn to the area, and, perhaps more importantly, there may exist local enterprise potential which, if nurtured in the nascent spin-off stage, could capitalise on the existing local social capital and lead to local tourism development (cf. Petrov, 2007; Schmallegger et al., 2011). Support for nascent enterprises in the areas of ‘know-how’ and ‘know-who’ may help to lower the rate of attrition by overcoming experience deficits. Rural and peripheral communities are investing in local business development agencies and these local agencies are valuable resources in tipping the balance of survival rates for new firms.

When examining tourism development in rural areas, the special case of lifestyle entrepreneurs must be taken into account, i.e., many entrepreneurs are not growth-oriented but simply enjoy their current micro-size and wish to maintain it rather than grow, or alternatively, due to their peripheral location they are unable to grow rapidly (cf. Lundberg & Fredman, 2011). Paper II adds to Marchant and Mottiar’s (2011) interview based study on the development of tourism SMEs over time. Thus, it becomes clear that traditional growth patterns may not readily apply in this context (cf. Lundberg et al., 2012). What then of growth and development? Should it be
assumed that lifestyle entrepreneurs in particular and micro-tourism firms in general are a threat to development in rural areas due to their lack of desire or capacity to grow and develop?

Not at all, because the question of development can be addressed by examining the increase in the number of firms since a healthy number of new firms may lead to a desirable level of development even if existing firms are not growing rapidly. However, Stockdale’s (2006) contention – that self-employed in-migrants are not growth-oriented and thus do not lead to regional development – remains valid, but only for that particular group and this must be weighed against the research presented by Marchant and Mottiar (2011), as well as the results of Paper II, in order to get a more complete picture. Tourists often experience latent demand for additional activities in rural areas (cf. Fredman, Romild, Yuan, & Wolf-Watz, 2012) and if the existing tourism businesses are unable (single-product firms) or unwilling (lifestyle entrepreneurs) to meet this demand then a market opportunity exists (cf. Marchant & Mottiar, 2011). Therefore, these particular preconditions in peripheral areas may in fact lead to easier market access for other new firms.

Paper I also shows that tourism entrepreneurship is being seen more positively in recent years. Tourism entrepreneurs are being taken seriously now and the contributions that their businesses make to the local economy are acknowledged (Löffler, 2007). At the same time they are becoming more empowered in the local decision-making process with the municipality demanding more from the entrepreneurs in terms of strategic development.
This is not always easy for entrepreneurs since they are focussed on their own individual firm and this has led to, in the case of Jokkmokk as elsewhere, public institutions taking a more entrepreneurial approach to development, e.g., the new destination management organisation (which was decided on at the time of the fieldwork in Paper I) is now a reality in the form of Destination Jokkmokk – a company joint-owned by the municipality and local entrepreneurs. This company is run in an entrepreneurial manner and, in effect, replaces the tourist office with a newer, more dynamic development company which is more closely aligned with the entrepreneurs’ visions for future development. It remains to be seen whether this results in legitimate local development over the coming years. However, the new composition of local actors based around an equal partners network of mutual exchange means fresh perspectives on how to research tourism development are timely. One such approach, based on knowledge exchange at a highly localised level is presented below.

**Evolutionary economic geography and tourism studies**

Evolutionary economic geography (EEG) theory has been successfully applied in other sectors, (e.g., high-technology) but remains more or less unexplored in tourism studies. Only Paper II and Ma and Hassink (2013) have directly invoked EEG in tourism studies. Paper V explores the potential synergies between evolutionary economic geography (EEG) and tourism studies. EEG also proved a useful guiding framework for Paper II and, with its focus on the long-term processes which result in uneven socioeconomic development, it has further potential in such settings.
In the empirical studies of this thesis, there are a number of issues related to EEG. First, the co-evolution of firms and the public sector in Paper I shows that the evolutionary development of tourism is dependent on a multitude of actors (Huijbens et al., 2009). Also important from an evolutionary perspective are the incremental knowledge gains from long-term networking. EEG understands development as a long-term change in the regional economy brought on by repeated knowledge exchange. In rural and peripheral areas, this knowledge exchange is slow moving but has a meaningful impact on tourism development over the long-term. Thus, research on this evolutionary development must account for the slowness of change. The empirical work in Paper II shows that the role of related experience and local knowledge are important for firm survival and that this is directly related to the contribution of new firms to regional branching, i.e., regions which support effective knowledge transfer may be more efficient at facilitating regional branching into tourism.

Finally, the physical environment is understood as a frame for development – it has potential as a resource for non-consumptive sectors such as nature-based tourism (Paper III) but it also has the potential to restrict certain types of tourism development due to changing environmental conditions (Paper IV). The role of public institutions thus becomes important for issues beyond the scope and scale of individual entrepreneurs (e.g., climate change, sustainable development). What this thesis shows is that the role of tourism in local and regional development is more complex than a cursory assessment would suggest and there remains a very real prospect among many communities that tourism can deliver something locally.
Paper V was inspired by the empirical studies in this thesis and has informed the approach to the thesis overview in an iterative way, i.e., reappraising evidence from the fieldwork through an EEG lens has led to new perspectives on the dynamics of evolutionary change within tourism in Northern Sweden. The paper suggests a number of avenues for future research applying EEG to tourism studies and, while these are not particular to the northern context, they are certainly germane to this context.

5.2 Future Research and Policy Implications

There are a number of themes included in this thesis which have implications for future research as well as for policy and planning for community development. While the themes are implications of the empirical studies, their discussion here is augmented by taking a broader scope than the research area under study or the specific questions focussed on in this thesis.

First, why and how should tourism innovation be studied? Recent calls for tourism innovation to be conceptualised within sustainable development studies of how tourism contributes to regional development (Moscardo, 2008b) require greater attention. If tourism is to contribute to community development, the role of social innovations must be researched much more. This thesis argues that the theoretical link between innovation and community development remains underdeveloped and that further studies of the relationship between local institutions and firms will be fruitful,
particularly if the focus is on the symbiotic relationship which allows them to fulfil their individual goals in unison. For example, small municipalities are more likely to fund local tourism projects which have a demonstrable benefit to the local community too. Also, further investigations on the relationship between innovative tourism firms, or public institutions, and the cultural and natural resource sectors would help to extend the understanding of tourism’s role beyond the tourism economy, particularly in rural communities highly dependent on such resources.

Second, research on mentoring programmes for new micro-firms would provide new insights on knowledge transfer in tourism. The activities within such programmes and the local development agencies which run them are particular examples of local innovation in action. In addition, there may be untapped local potential among persons with some related experience in tourism but not everyone capitalises on this. Thus, further studies of the initial decision to start a tourism firm may add to the understanding of lifestyle entrepreneurship since the initial conditions for start-up may be more varied than a retrospective analysis allows. Ultimately, studies need to focus on how tacit and codified knowledge are transferred in micro-tourism firms and among community stakeholders.

Third, protected area management is a well-researched field but a continuing issue is defining who is a ‘local’ stakeholder. The precise question for policymakers is: how do we deal with group outsiders who have a stake in local tourism capital and how can we incorporate them into management processes? This can be a tricky issue, as in the case of Laponia,
where cultural-oriented outsiders value particular aspects of the protected area more than some geographically-proximate stakeholders. This could be studied both in terms of local and non-local tourism stakeholders and also between post-productive uses such as tourism and ongoing productive uses of the land such as forestry (cf. Brouder, Karlsson, & Lundmark, 2013).

Fourth, mapping of intra-regional vulnerability to climate change opens the research agenda to more localised long-term planning. It also allows a regional appraisal of the potential knock-on effects of changes in climatic conditions within a region. Regional climate-modelling continues to be developed at higher resolutions and social science research on climate change is poised to match this since much social science research on climate change is highly localised already.

Fifth, Lundmark and Müller’s (2013) Arctic Tourism Innovation System (ATIS) concept is a new opportunity to deepen the understanding of tourism development in the Circumpolar North. It is an epistemological approach offering many points of departure for empirical work which incorporates the specificities of the complex Arctic physical and social environment. As a complement to this approach, evolutionary economic geography’s historical, long-term perspective, in tandem with the regional and sectoral interaction presented in the ATIS, offers possibilities for further theorisation of tourism’s role in the development of rural and peripheral regions, for example, the benefits of networking locally rather than across the vast terrain. Further empirical work in different high-latitude contexts will allow for development of comprehensive theory on tourism in northern
areas and the research findings from this thesis are only the start of a new path for tourism studies in the Arctic region. The thesis has also shown that the Arctic Tourism Innovation System (ATIS) and evolutionary economic geography (EEG) approaches are complementary. Both approaches are helpful in conceptualising the challenges facing northern peripheries but both are in the early stages of development and so should be progressed carefully. Future studies are needed to develop these approaches within tourism studies and to interrogate them further.

Policy implications
The findings in this thesis have several implications for policies related to tourism and regional development. First, local authorities should work to identify the mutual benefits they and their local tourism stakeholders can gain from working together. The common ground is there and the returns on community investment can be increased by benefitting both the local community and the local tourism businesses. Moreover, tourism entrepreneurs in peripheral areas have skills which local authorities can utilise for community development if the required effort offers some reward to the entrepreneurs also.

Second, local business development organisations already run mentoring programmes but require continued funding to finance such programmes. Such local business development organisations are worthy of further support from policymakers since they actively help new firms identify and overcome experience deficits. For example, if an outsider starts a new tourism business locally they could be paired with a local business owner in
order to more easily acquire local tacit business knowledge. The goal of local business development organisations must, however, focus on developing organisations rather than just assisting in the start-up phase. Third, stakeholder analyses by management organisations need to avoid parochial assessments of interested stakeholders. In particular, the use of protected areas by outsiders in peripheral regions can be both a threat and an opportunity – if they are using the protected area without regard for the nature or culture of that area then they may cause conflict. However, if there are stakeholders from far away who valorise a given protected area then they should be supported as valuable stakeholders and their views should be included in management assessments. Fourth, climate change impact assessment is a necessary step for policymakers since research on entrepreneurs shows they are unwilling or unable to take a long-term perspective on these matters. Thus, policymakers must take the lead in this matter and both educate to alleviate fears and look ahead to the future changes in order to support local winter tourism entrepreneurs today and for the future.

Finally, tourism development needs to be embraced by policymakers due to its ability to act as a catalyst for the development of local social capital. This requires a conscious shift from a focus on bed night figures and revenue to softer measures directly related to community goals. Also, tourism development in Northern Sweden could have closer contact with the cultural sector and natural resource sector. At the moment, tourism is disempowered in the national discourse on rural and peripheral development and needs to be understood for its holistic contributions.
6. Conclusion

This thesis set out to gain a better understanding of the evolutionary processes of tourism development in peripheral areas by examining some key challenges to tourism development in Northern Sweden. The local contributions of tourism entrepreneurs have been investigated – employment creation and generation of positive externalities – and while modest, these gains may be well-suited to slow but sustainable community development goals. Tourism is not now, nor was it ever, the solution for community development but what this thesis has shown is that tourism has an important role to play in Northern Sweden, and the conclusions reached in this thesis may be applicable to other, similar areas (e.g., northern and peripheral regions).

Based on the five studies of this thesis, the following conclusions on tourism development in Northern Sweden are reached:

i. Tourism stakeholders co-evolve over time even if formal tourism networks remain loose and project-based (Paper I)

ii. Tourism firms not only contribute to their local settings through economic means but also by enhancing the local leisure space (Paper I)

iii. Micro-firm survival is enhanced by having related experience before starting a firm and being an outsider does not necessarily confer a survival advantage when starting a new tourism firm (Paper II)
iv. New tourism firms add to employment from their early years and the total employed by firms surviving in the long-term increases over time despite the failure of most new firms (Paper II)
v. Some entrepreneurs will travel great distances to certain protected areas if the area has unique attributes which customers value and these entrepreneurs must be considered by managers of protected areas (Paper III)
vi. Climate change is a long-term challenge with winter tourism entrepreneurs feeling more vulnerable to climate change depending on their location but with non-mobile entrepreneurs most concerned with impacts regardless of their location (Paper IV)
vii. Climate change adaptation is not on the agenda for tourism firms and so a collective risk is created as climate-blind development increases regional exposure over time (Paper IV)
viii. Evolutionary economic geography aids understanding of the processes of change in rural and peripheral area tourism (Paper V)

Northern Sweden is a unique case, both in the national and international context. Yet the research presented in this thesis could be adapted to other contexts, e.g., other northern, remote, or peripheral communities. The role of tourism in such communities is not only limited to opportunities for enterprise and employment, it also contributes to the local leisure supply. What these places have in common with the north of Sweden is a continuing struggle for societal cohesion and an ‘all-hands-on-deck’ approach to development. This is certainly one reason why tourism persists as part of local development strategies. Tourism should thus be seen, not as
a last resort but more as a lasting resource, the development of which can result in many positive externalities in rural and peripheral communities. Therefore, further studies of entrepreneurs – key agents of change in rural and peripheral communities – will lead to a better understanding of tourism’s place in rural and peripheral community development.

This thesis has pointed out some theoretical and practical directions for tourism development research and policy going forward. At the grassroots level, tourism is increasingly being seen as an important means to meet community development goals in rural and peripheral areas. Thus, supporting the development of tourism entrepreneurship can have dividends for communities beyond just the traditional measures of jobs created and revenue gained. To understand the subtle processes of change in rural and peripheral communities, fresh perspectives are helpful. Both the Arctic Tourism Innovation System (ATIS) and evolutionary economic geography (EEG) proved useful for the empirical work in this thesis but both require further testing and development. The focus on knowledge transfer at the micro level and how successful transfer can lead to new local development paths emerging over time makes EEG particularly appropriate for studies of tourism development in peripheral areas and future studies will develop EEG and tourism in other geographical contexts as well.

The time has come to theorise more broadly around the role, potential, and limits of tourism development in rural and peripheral areas. This thesis is one step in this direction and has gained an initial understanding of the evolutionary processes of tourism development in peripheral areas.
7. Sammanfattning på svenska (Swedish Summary)

Turism har de senaste decennierna kommit att betraktas som en allt mer betydelsefull lösning på de problem många av Sveriges lands- och glesbygder omfattas av. I vissa fall har också turism betraktats som något av en sista utväg för platser på landsbygden och perifera områden som inte haft andra resurser än kultur- och naturlandskap att förädla. Detta gäller särskilt i norra Sverige, en region som länge dominerats av en hög andel sysselsatta inom primärnäringen och en låg andel arbetsplatser inom servicenäringarna.

Trots omfattande insatser från det offentliga (inte minst genom EU stöd till turismnäringen) har den negativa utvecklingen i sysselsättning och befolkningstillväxt varit svår att vända. På senare tid har dessutom påverkan från klimatförändringar ytterligare förändrat villkoren för många av de turismföretag som är verksamma i landets norra delar. Ändå finns det skäl att fortfarande betrakta turismen som ett effektivt verktyg för lokal och regional utveckling i norra Europa, men då med mer genomtänkta strategier än tidigare. Turism ska inte bara betraktas som en sista utväg utan som en varaktig resurs i en strävan efter mer hållbara samhällen i våra glesbygdsområden.

Denna avhandling studerar turismföretag i norra Sverige med fokus på innovationsförmåga, företagens överlevnad, betydelsen av skyddad natur (Världsarvet Laponia) samt klimatförändringar. Avhandlingens teoretiska ansats utgår från evolutionär ekonomisk geografi och hur den kan tillämpas inom ramen för turismvetenskap. Resultaten visar att turismens aktörer

De empiriska studierna har genomförts i norra Sverige; en region som å den ena sidan kännetecknas av en mycket gles befolkning och långa avstånd mellan de större orterna, men å den andra sidan framstår som unik genom sina förhållandevis orörda skogs- och fjällområden. På så sätt utgör norra Sverige en regional fallstudie där resultaten bidrar till en bredare utvecklingsteori med särskild bäring på turism i perifera områden i norra Europa. Därmed är det rimligt att anta att forskningsresultaten är överböbara till andra liknande regioner med ett likartat utbud av naturbaserad turism.
8. References


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