

# **Reflections on the Prospects for Sustainable Tourism in Transition Economies: the Case of the Ushanski National Park, Ukraine**

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## **Introduction**

In the late 1990s, the Environment Division of the Council of Europe undertook three pilot projects into sustainable tourism in protected areas in transition economies, in Latvia, Romania and Ukraine. The underlying logic of the overall project was clear: that if sustainable tourism could be developed, there could be dual benefits of first, enhanced economic well-being in areas which have experienced severe difficulties in the transition from state controlled to market economies and second, better protection of highly valued nature conservation assets. Some authors (e.g. Gannon 1994), have written optimistically about the scope for tourism in transition economies. This paper presents a more cautious view and explores the circumstances under which a more optimistic outcome might arise.

Before exploring one of the projects in some detail, it is pertinent to explore some contextual issues relating to the development of tourism in protected areas. These issues include the nature of markets and the existence of market failure, the implications of endemic poverty on the potential for tourism, the contested views of nature by different stakeholders in the park, the malleability of the key concept of sustainability and the design and *modus operandi* of key institutions.

The arena of environmental tourism is characterised by widespread evidence of market failure. Even in developed western economies, there is much evidence that market failure is endemic in the tourism sector. There are two principal facets of market failure (Stabler 1997): problems of overuse of open access resources; and problems of external economic effects. In essence, where there are valued environmental assets that can command no price in the market place, there is a tendency for them to be threatened by alternative forms of exploitation. Thus highly valued conservation forests may be threatened by commercial exploitation. This problem is not unique to Central and Eastern European Countries (CEECs) or Former Soviet Union Countries (FSUCs), but is equally evident in developing countries and the most developed market economies in the world. The second aspect of market failure is where economic activity creates unpriced knock-on effects (externalities) which leads to an inability for market forces to deliver socially optimal outcomes. Attempts to design rural development strategies which build on environmental assets present a number of challenges (OECD 1998) and there is widespread concern about negative external effects of tourism amongst many bodies set up to protect and enhance valued environments (Federation of Nature and National Parks of Europe 1993).

The second challenge in the pilot projects relates to the context of deep-seated poverty that characterises the economies of the study areas. Whatever the environmental assets of the area, it is likely to be difficult to graft on a vibrant tourism industry to an area characterised by high levels of unemployment and poverty. The problems of individual poverty are

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paralleled by impoverished local and regional governments which have great difficulty in providing an appropriate infrastructure. The problem of tax avoidance and evasion is widespread in many CEECs and FSUCs, resulting in a modest tax base, which limits the scope for infrastructure enhancement.

Whilst most biological scientists consider nature and environment from a perspective of environmental realism (Macnaghten and Urry 1998), social scientists recognise 'the exceptionally diverse ways in which nature and environment has come to be constructed both through different social practices with which the environment is intertwined and through different available discourses and vocabularies' p249. Especially where there are conflicting demands placed on the resource from professional scientists, market-driven extractive interests and local populations meeting subsistence needs, we should expect wide variations in environmental values.

The term sustainability has become a buzzword of the 1990s. Brundtland's definition is widely used: 'development which meets the needs of the present without compromising the ability of future generations to meet their needs' (WCED 1987) but there are major problems of operationalising this principle. A debate continues as to whether different types of capital can contribute to the global sum of capital assets and to whether some natural capital is more critical than other. Thus there is an unending dispute between advocates of weak and strong sustainability criteria (Turner, Pearce and Bateman 1994). Notwithstanding the debate about whether strong or weak sustainability criteria are used, in development terms sustainability is seen to embrace economic, socio-cultural and environmental components.

The final contextual issue relates to the nature and design of adaptive institutions in rural development (or indeed elsewhere). Agencies and institutions designed to protect areas may have difficulties in adapting to take a more development-oriented view of their (or other's) actions. Equally, institutions which have been in total control of a resource may feel threatened when other stakeholders are given a degree of influence. Partnerships have been widely adopted as model vehicles to carry forward rural development projects (Huillet and van Dijk 1990), but there are many challenges in the design of good partnerships (Slee and Snowdon 1997). In the transition from Marxist to market economies, the challenges of institutional adaptation are likely to be very considerable.

## **Sustainable Tourism**

The term 'sustainable tourism' poses major definitional challenges. Rather than trying to offer a universal definition, it is probably better to accept that definitions of sustainability are not scientific absolutes but social constructions.

In the tourism sector, a large literature has emerged dealing with sustainability in a tourism context including books (e.g. Cater and Lowman 1994; Hunter and Green 1995) and a journal (the Journal of Sustainable Tourism). Many terms are used, often interchangeably, but sometimes with differences of meaning, including green tourism, soft tourism, eco-tourism sustainable tourism etc.

Given that most definitions of sustainability include an environmental component, an economic component and a socio-cultural component, we might hope that tourism in protected areas is sustainable in each of these fields. There are complex trade-offs between the different fields, and given the absence of a common 'currency' to measure costs and benefits, there are enormous practical difficulties (and value judgements) tied up with the assessment of what is and what is not sustainable.

In practice, it seems reasonable to explore the extent of benefits and costs in each of the three fields (quantitatively where possible), admit to the necessity of adopting a criteria and indicators approach (ideally by mutual agreement amongst stakeholders) and proceeding to assess whether or not improvements have been achieved. The critical question may not be 'Is tourism in this area sustainable?' but 'Could tourism in this area be made more sustainable and at what cost?'

## **The Ukrainian Case Study**

The Carpathian region, spanning six CEECs, is an area of extremely high ecological and landscape significance, containing a wide array of national and international environmental designations. Some regions, such as the High Tatras, have been heavily developed for both summer and winter tourism and others contain a much lighter intensity of tourist provision. Ukraine is the most economically disadvantaged of the Carpathian CEECs, in which the challenges of developing sustainable tourism are present in an extreme form.

### *Natural characteristics*

The north east arc of the Carpathians, which spans western Ukraine, is an ecologically rich zone containing a significant proportion of biodiversity in the Ukraine. It contains outstanding features such as virgin beech forests, with their associated flora and fauna, as well as a variety of semi-natural forests on the more accessible slopes. In addition, there are areas of herb-rich high-mountain pasture above the tree line, and, in the agricultural zones of the valley sides and valley floors, significant areas of herb-rich pasture and small patches of arable land which generates an attractive traditional landscape.

### *Cultural characteristics*

The Carpathians create one of the great watersheds in Europe between the north and south. Parts of western Ukraine have been part of the Austro-Hungarian empire, Czechoslovakia and Poland in the last century. For much of its history, Ukraine has been incorporated in larger states. Its recent independence has been associated with a powerful reassertion of national identity. In addition to the reassertion of a strong national identity, the mountain people of the Carpathians are characterised by distinctive local cultures.

### *Socio-economic characteristics*

The Ukrainian Carpathians are densely populated for a mountain area, with dispersed settlements along the valley floors. In the post-independence period, much industry has collapsed, resulting in high levels of unemployment, although official figures significantly underestimate actual unemployment (TACIS 1998). However, a locally important timber processing sector has survived and both locally owned and international consortia are seeking to develop further this sector of the local economy. Real wages in 1997 stood at approximately 34% of their 1990 levels (TACIS 1998). The adverse economic impact of this on well-being has been mitigated by the extension of household activity and reliance on farm and forest products for subsistence.

The villages contain two principal types of housing: single-storey brick or block-built homes; and older single storey wooden houses, often with verandas, which offer attractive vernacular features. Some villages contain wooden churches which offer further interest in relation to tourism. There is a significant presence of visually intrusive (and often unused) industrial premises in rural and urban areas and in the towns and cities, communist period apartment blocks diminish the visual quality. However, there is little evidence of the *solkhoz* (state farm) and *kolkhoz* (collective farm) apartments which create intrusive features in the rural landscape in other parts of the former Soviet Union (FSU).

There are evolving structures for management of the environmental quality of the area. The outstanding ecological quality has been long recognised, with designations from the early

20th century. Since 1991, a range of post-independence laws have addressed nature conservation. The award of the European Diploma to a number of areas in the Carpathian Biosphere Reserve reflects both their outstanding quality and the management structures in place to ensure the maintenance of that quality. Substantial assistance has been made under the UN Environment Programme (UNEP) and the Global Environment Facility (GEF). The Transcarpathian Biodiversity Protection Programme is a tri-lateral trans-boundary GEF project. This project is essentially focused on long-term protection of the environmental quality of the area, but includes consideration of the scope for the development of recreational tourism. Some districts (e.g. Rakhiv) have already made efforts to develop the touristic potential of both the bio-physical and cultural assets of the region.

In the communist period, the area was widely developed for tourism. There is a modest infrastructure of hotels, sanatoria, ski uplift facilities and walking trails, many of which are in a poor state. Many residents of the region provide accommodation to friends and relatives in the summer, and there is a long tradition of informal provision of hospitality. Further, the area has a substantial game population and offers hunting possibilities, as well as opportunities for gathering wild fruit and fungi from the forest. Since independence, the existence of a part-pluriactive/part-subsistence economy revolving around agriculture and forestry provides the setting in which any community-based tourist provision is likely to be based, although the communist period hotels, now sometimes undergoing renovation, are likely to provide the bulk of the commercial accommodation sector.

## **Current constraints on the development of tourism and recreation in Ukraine**

### *Economic*

The current problems of transition towards a market economy are a major constraint on the development of new economic activities. The legacy of communist-period industry and the poor quality of the infrastructure in towns and villages (apartment blocks; closed retail establishments; unfinished public sector buildings) generate a negative environment for tourism. Roads are adequate rather than good, although some areas have good rail accessibility. Public water supplies are unavailable in most rural areas and there are dangers of water pollution in some areas.

There is a poor tourism infrastructure for international tourists. There is very limited information provision for visitors. There is little evidence of signing of attractions, accommodation or designated sites. With the exception of some city and major road signs, all signage is in Cyrillic script. There appears to be almost no opportunity to acquire information, maps, guides etc. within rural areas. There are few opportunities to change currency or hire services, such as guides, or lease recreational equipment. However, there are signs that the park is developing its profile and not only have tourism events been attended but leaflets have been prepared which indicate the area's attractions.

The privatisation process is incomplete. Assets of service providers are often held in quasi-privatised companies with many owners, which restricts the scope for individual initiative, makes for slow and conservative decision-making and discourages labour rationalisation because of the desire to employ shareholders. The situation on large farm and industrial concerns is very similar. The predominant type of independent businesses are the small farms which have grown out of the household plots of the communist period, and the new service businesses such as kiosk shops and cafeterias.

The communist-period hotels and other tourism facilities are often beset by financial problems. Hot water is often unavailable. Standards of sanitation are poor (lack of flushing WCs etc.). Coupled with poor-quality workmanship in construction, and the lack of finance

to engage in repairs and maintenance, many purpose-built tourist buildings offer overseas tourists unsatisfactory standards of service. Some hotels from the communist period were uncompleted and are in need either of completion or demolition.

The high level of unemployment and the absence of any significant opportunities for reducing unemployment have resulted in a dependency of rural people on household plots. The large-scale factories (often related to timber processing in western Ukraine) are unlikely to recover their former levels of employment. There is a severe shortage of capital to establish and develop new enterprises and the rural economy is trapped in a vicious cycle of limited wealth and limited market activity. Many of those with business ideas are likely to have difficulties in obtaining credit, and there is a lack of Ukrainian finance to engage in either public or private sector projects.

### *Social*

There is a severe lack of business management skills in the general population. Given the current economic situation, it appears to be a better household survival strategy to engage in subsistence activity rather than to engage in business. There is little evidence of 'bottom-up' decision-making and there is an air of fatalism, based on the hope that external agencies will bring support, coupled with the expectation that no real changes in the collective well-being of the population are likely in the foreseeable future. However, over the three years of the pilot project, there were growing signs of the rebirth of local business activity and evidence of a growing entrepreneurial culture.

Social capital (often loosely equated with trust) is weakly developed in the area. There is little trust between individuals and the various institutions of the state. Further, there are tensions between the successful entrepreneurs under the market economy and the range of post-communist regulatory institutions.

The adverse impacts of criminal activity and corruption are unknown, but often alluded to informally. It is evident that many business owners and managers fear the activities of the mafia, which is likely to extract illicit 'taxes' from businesses, although it is possible that these problems are more severe in larger cities.

### *Political*

The emergent democratic structures are still immature and there is, as yet, no functioning participatory democracy, with local government as yet lacking the capacity to work towards locally based development strategies in partnership with local people. However, there are signs of change in some small towns (Veliky Berezny) with the small business community obtaining representation after recent local elections. In border areas there are problems of impeded movement (e.g. major access limitations, checkpoints and a high level of military and police presence). The national border crossing points are often slow and the elaborate entry requirements (visas etc.) are major disincentives to international tourists.

## **Potential and Possibilities**

There is a general awareness of the range of potential markets and a strong belief that, amongst these markets, that relating to ecotourism offers strong possibilities for future development. The historic importance of the area as a destination means that there are traditions of hospitality provision at both a household and business level. There are four principal client groups that should be closely considered in relation to tourism in the area:

- Ukrainian nationals
- Diaspora Ukrainians, especially in North America
- Activity holidaymakers, especially from Europe
- Ecotourists

In addition, there are a number of other potential groups, including heritage tourists wishing to visit both cities such as L'viv and the surrounding Carpathian area, and health tourists visiting the area for the quality of its air and waters. Indeed, there are clear signs of a developing market-based tourism industry in the L'viv area, with a range of tour operators and accommodation providers who can compete with western standards.

A small survey was conducted in April-May 1999 to elicit from local hotel owners and managers evidence about existing and predicted future demand from different groups of tourists in the area currently covered by the Stuzhytsa Regional Landscape Park<sup>2,3</sup>. Four out of the six principal tourist accommodation providers within the existing boundary of the Stuzhytsa Regional Landscape Park responded to the questionnaire. The majority of visitors were from within Ukraine, although one hotel received 25% of its visitors from overseas. The principal source of overseas visitors was the Czech Republic, although the USA was also an important source. Generally, CEECs and FSU countries were more likely to be the source of visitors rather than Western Europe or North America. Occupancy rates were low and there were no signs of an improvement in these rates over the last few years. However, all respondents were reasonably optimistic about the prospects for increasing the number of foreign tourists.

In spite of the multitude of current problems, the long-run potential of the area for both domestic and international tourism is considerable. The very high environmental qualities of the region provide its most distinctive asset and the protection now afforded to the environment offers real hope that these environmental qualities will be maintained and enhanced. The environment has great visual appeal as well as intrinsic value for nature conservation. Much of the area is a working landscape, the management of which enhances environmental quality (small-scale extensive agriculture). There is a variety of habitat and landscape types which broadens the appeal for ecotourism.

USAID, DFID Know-How Fund and other development proposals for the region tend to stress the importance of sustainability (without always defining it precisely). The current levels of bio-physical sustainability in the park are considered to be high. There are few brought-in inputs in farm and forest production systems. Production is quasi-organic. Energy is largely renewable (woodfuel) and there is still widespread use of draft animals. Social sustainability is reflected in the survival spirit, which sustains rural households during the difficulties of transition, although social capital is weakly developed and the indigenous communities of the area were largely moved out during the communist period for security reasons. Economic sustainability has not been achieved. Only trading and services have created significant new economic possibilities to date, and there are some signs of a revival of the natural resource-based, value-adding activities which characterised the regional economy in the communist period.

However, within the local population there exists a wide range of endogenous knowledge relating to food production and processing (drying, juicing and jamming of fruit, mushroom processing, medicinal plant gathering, known mineral water springs etc.) which provides the basis for the development of micro businesses and local enterprise which could focus on the distinctiveness of the region and its products and synergise with developments in the tourism industry.

New tourism developments are not starting from a zero base. There is a communist-period infrastructure, parts of which have potential for revitalisation in a market economy. Some

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<sup>2</sup> The Stuzhytsa Regional Landscape Park was upgraded and expanded to form the Uzhans'ki National Park in 1999

<sup>3</sup> Thanks to Ephraim Zimmerman, US Peace Corps volunteer at the Stuzhytsa Regional Landscape Park for implementing this work

buildings are currently being converted to a high standard of accommodation by the new business class. The traditional hunting activities can be managed for tourism. Village people have indicated a willingness to use their homes for bed-and-breakfast or self-catering accommodation. Many very attractive vernacular buildings could be renovated and used for touristic purposes. In neighbouring countries, there are higher levels of use of the countryside for trekking. Footpaths, signing and countryside furniture are evident on both the Slovakian and Polish sides of the border, indicating a demand for outdoor recreation activities which came from both nationals and foreign visitors to these countries.

## **Mechanisms needed to achieve tourism potential**

This section explores some of the key issues that will determine whether ideas relating to sustainable tourism are converted into actions. It aims to be illustrative rather than comprehensive. It is based on the judgement that the key to success of tourism development lies in capacity building rather than massive capital injections. This will assist both institutions and local households in becoming better able to respond to tourism demands by designing innovative low-cost provision that protects and potentially even enhances the natural qualities of the area.

### *Teach a man to fish...*

The more highly developed state of tourist and recreational management in the Polish and Slovakian Carpathians creates an opportunity for sharing experience and developing best practice (mirroring tri-lateral projects in nature conservation). In particular, the development of micro-tourist enterprises on pluriactive farms in Poland may offer learning opportunities regarding how Ukrainian village tourism might develop. Networking between rural tourism operators and projects would allow shared learning and enhanced product quality and may also offer marketing and promotional economies. This ethos is increasingly to the fore in LEADER projects in EU member states. Cross-border learning involving both environmental agencies and private sector providers is likely to be of considerable benefit to the Stuzhytsa area.

### *Learning with others*

There is already a stock of good ideas in the area. However, the collapse of the FSU and the struggle to adapt to a market economy has created a need to rebuild civil society and to create a vibrant participatory democratic society. There is a strong suspicion of the state and a general disdain for co-operative endeavour. There is likely to be considerable potential for local voluntary associations to take a leading role in the economic restructuring. There are signs that this is already taking place in some parts of the Ukrainian Carpathians. If public institutions can catalyse this increase in voluntary association in a common cause, it will be likely to speed up the processes of market development.

### *Delimiting responsibilities*

The range of bodies which exists to maintain and enhance environmental qualities of the Carpathians could support tourist and recreation development. However, as state and quasi-state bodies managing conservation, these bodies have little or no experience of operating commercial enterprises and have not been subject to the rigours and opportunities of a market environment. They should, in general, be seen as enabling bodies for sustainable tourism development, and not providers themselves. Where such bodies do engage directly in touristic and recreational provision it should normally be infrastructure provision or exemplary or pump-priming actions. It is crucial that these bodies either have or acquire resources to engage in human resource development (training etc.) of local populations. The state should not be entering areas of the tourism market that could be delivered by private enterprise, but instead should operate as an enabling agency.

### *Creating new and more effective institutions (partnerships?)*

In addition to requiring the benediction and support of environmental agencies, a prerequisite for the development of sustainable tourism is new institutions that can assist in the development of a private sector tourism industry that is compatible with the environmental qualities of the area. These institutions need to provide training in business management, market development, guiding and languages. They may be built on partnerships between educational institutes and consortia of operators and may include local and regional authorities. It is however, essential that they retain a sharp market orientation.

### *From small acorns...*

Environmental tourism in the Stuzhytsa area starts from a modest base in terms of provision. A better-financed and better skilled park team is needed, although there have been substantial improvements since the project commenced. The designation of the area as the Ushanski National Park has provided more human and capital resources and help put the area on the map.

The base of private tourism providers is currently small. However, there are signs that a private sector is emerging and that this will be the vanguard of future tourism developments in the area. It is crucial that these providers are assisted in developing their potential to meet the demand for eco- and environmental tourists as well as other market segments.

## **Reflections**

The Ukrainian case is probably more challenging than the situation in many other transition economies, but is, nonetheless, likely to highlight some key concerns.

From an **economic** perspective there are a number of key issues.

- The market for ecotourism in transition economies
- The competitiveness of the product
- The existence (or not) of unique selling points
- Economic stability (sufficient to encourage local entrepreneurs and/or FDI?)
- The entrepreneurial and marketing skills needed to start or regenerate tourist businesses
- The extent to which benefits can be captured locally, rather than leak out to beneficiaries in major cities or abroad

There is an identifiable market for ecotourism and other forms of sustainable/green/soft tourism in transition economies. However, it is unclear as to whether it is a deep green ecologically focused market or a more amorphous rural soft tourism market. Protected areas such as national parks or regional landscape parks have the capacity to provide for both markets.

The product in transition economies may be reasonably competitive, in contrast to that offered elsewhere in the world, especially if packaged and marketed correctly to meet the needs of different niche markets, which include an ecological niche, a broader rural niche and a diaspora niche. The apparent success of the WWF Carpathian Big Mammals project indicates that the wildlife of the area can be a major attractant.

The conditions of economic stability vary from country to country. The situation in the EU applicant states is generally much better than in the FSU countries.

There are burgeoning entrepreneurial skills in the region. People who have worked outside the region in Western Europe are returning with business ideas and are putting together businesses which are likely to flourish. Also there are some locally based entrepreneurs who have a market awareness ('an eye for opportunities') that leads them to set up new businesses



in the tourism field. However, for many more traditional rural dwellers, there remains a real paucity of skills in business management, marketing and customer care, which will limit local involvement.

From a **social** perspective, there remain a number of challenges:

- Deep seated poverty
- Mistrust of the actions of the state and other people
- An unwillingness to co-operate

Poverty is a backcloth to tourism in many parts of the world, in Asia, Africa and Latin America. The particular conditions of post-communist poverty leave a distinct scar on both rural and urban environments (relict large factories, functionalist housing, 1960s-style modernist architecture etc.) from a tourist point of view.

Mistrust of others and a particular mistrust of state institutions are inevitable in the post-communist reconstruction. Both institutions and individuals must earn trust. Equally it is important that state institutions do not use their monopolistic power to create business activity for their advantage. The enormous resistance to co-operation needs to be addressed if there is to be effective engagement of small-scale operators in tourism provision.

From an **institutional** perspective, there are a number of key issues:

- The role and skills of environmental protection agencies
- The willingness to cede commercial opportunities to the private sector
- The ability to create partnerships between different stakeholders

In general, the communist period were relatively effective in protecting key environmental assets and a high level of awareness of the biodiversity of protected areas is evident. However, there is a need to consider their new role as enablers and regulators of economic activity in the protected area or adjacent to it. Park officers trained in forestry or biological sciences may not have the necessary skills to oversee these developments.

There is a great need to construct effective partnerships between the different stakeholders, including park authorities, local communities and national (and sometimes) international NGOs. But partnerships are not an end in themselves, but a means to more locally rooted development.

## Conclusions and discussion

The Uzhanski National Park comprises a valued environment with the highest level designation in Ukraine. The international designation of the Council of Europe Diploma will serve to sustain a focus on protecting the core environmental values. However, it is evident that if the amenity values of the park can create new tourism employment and income, the notion of national park as constraint can be replaced by national park as opportunity. The realisation of this opportunity, depends on a concerted strategy to identify weaknesses and to build on strengths.

There are a number of features of the past and present institutional structures in CEECs which limit the capacity for effective soft tourism and endogenous development (Hall 1993). Decades of command and control approaches to economic decision making have stifled local initiative. There is a deep cynicism of local and central government and its motives and a distinct unwillingness to formalise small-scale economic activity which would make such businesses vulnerable to employment and income taxation. Further developments in support systems for developing soft tourism in the EU (Lanaspeze 1993) will make it even more difficult for CEECs to attain competitive advantage.

In relation to areas of high environmental value, the CEECs and FSUCs have a well developed network of protected areas. There is a cadre of environmental managers many of whom were educated and trained under the former regimes. Most managers of these areas have few tourism development skills, as they come principally from a biological academic background and have little experience of the operation of business operations in largely unregulated tourist markets.

Notions of local empowerment and partnership and new locally based forms of governance are highly alien concepts in most CEECs. The partnership-type structures which have nurtured soft tourism in the west are almost non-existent in the CEECs. The dangers of capture of such institutions by local elites is very great. Bottom-up development will thus continue to be a largely private rather than a collective activity, although there are some positive signs of marketing co-operatives among farm tourist operators in for example Poland.

Much of the pressure for the creation of sustainable or soft tourism has come from international consultants rather than local communities (e.g. USAID 1996; Pedersen n.d.). Thus while more sustainable tourism may result, the soft tourism model is being compromised by the top-down imposition of models of development that may better satisfy the demands of internationalist environmentalists but do little to meet the more pressing needs of disadvantaged rural people. However, a number of the international agencies, for example the UK's Department for International Development, have advocated a much more participatory, bottom-up approach to sustainable development based on empowerment of communities to determine their own future, which has much in common with the soft tourism approach (DFID 1997). The translation of this philosophy into effective action on the ground through the actions of the Know-How Fund remains a major challenge.

However, the challenge cannot be shirked. Tourism remains the world's largest industry and one with capacity for continued growth. It provides a key platform for rural development in many countries. In transition economies there are particular challenges. One image from our last visit gives me grounds for optimism. In one of the poorest villages in the north of the park we were met with enormous enthusiasm by two young and energetic village heads and given a wonderful meal sitting outside in a small orchard. The village heads were determined not to let their villages decline. They were innovative and open minded, yet rooted in the local culture of the area. They knew that what they had in cultural and environmental terms was marketable, but they currently lacked the means to achieve it. They did not need vast amounts of aid capital; instead modest interventions and bottom-up actions will provide the means to achieve their aspirations.

What are the key ingredients needed to enable these village heads to achieve their objectives? First, they need supportive institutions in the park that are able not only to protect park attributes but also able to nurture sustainable economic activity. Second, they need micro-credit facilities similar to those developed by the World Bank in Latvia to bring new micro-businesses into creation. Third, they need to further develop the skills of local village heads and potential entrepreneurs through training. Fourth, it is essential to better understand the market. Finally, it is imperative that there is continued infrastructure enhancement, both generally with respect to transport roads, etc. and in the tourism-specific infrastructure.

Those who argue that the environmental attributes are pleasant if unspectacular, should not forget the 30 million diaspora Ukrainians, the new entrepreneurs in the Ukraine, and the residents of nearby countries who will together provide the core market in the foreseeable future. What is needed is better ways of reaching this market and better ways of matching product and demand.

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