

Unlocking European Funds to Boost Rural Tourism



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Abstract The difficulty in attracting tourists to less-explored regions, such as rural areas, stems from many factors, including limited infrastructure, sparse amenities, a lack of visibility in the tourism industry, and limited accessibility discouraging potential visitors. Despite offering natural beauty, cultural richness, and unique experiences, urban and coastal destinations often overshadow rural regions. Additionally, the lack of modern amenities and accommodations deters tourists who prioritise convenience and comfort. Regional entities must collaborate on effective strategies and targeted promotional campaigns to overcome these barriers. Highlighting unique aspects such as pristine landscapes, cultural festivals, and historical landmarks can reshape perceptions of rural travel. Leveraging digital platforms and social media can broaden the audience and attract more visitors. This paper proposes developing an online platform to structure tourism products in the cross-border regions of Northern Portugal and Castile and León in Spain. These regions share common challenges and advantages, and cooperation can enhance sustainable and ecological tourism. The platform will provide comprehensive tourist information about available resources, stimulate visitor interest, and encourage more extended stays, thereby boosting the local economy. The project aims to create a structured and appealing tourism offer by fostering synergies between the resources of both regions.

Keywords Economic development · Online tourist platform · Regional cooperation · Rural development · Tourist attraction

JEL Classification R11: Regional Economic Activity: Growth, Development, Environmental Issues and Changes · R58: Regional Development Planning and Policy · Z32: Tourism and Development

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1 Introduction

Rural areas in Europe share a common profile characterised by declining populations and ageing demographics that have led to the disappearance of essential services (Lozano et al., 2020). These regions often need help with economic underdevelopment, limited access to public services due to migration to urban centres, and a less conducive environment for business growth or sustainability (Richter, 2019; Steiner & Teasdale, 2019).

Enterprises in rural areas face challenges due to the region's characteristics, such as a small customer base and limited accessibility, and often rely on bank loans and government grants (Greenberg et al., 2018; Richter, 2019; Steiner & Teasdale, 2019). Rural areas have seen increased government subsidies, recognising their positive impact in attracting and supporting new businesses, revitalising these areas, and creating job opportunities, income, and population growth (Greenberg et al., 2018). Rural tourism is among the sectors benefiting from government funding initiatives, which many countries are increasingly adopting to improve rural communities' economic conditions and livelihoods (Fafurida & Mulyaningsih, 2023).

This study presents a project aimed at developing an online platform to support the structuring of tourism products in the cross-border regions of Northern Portugal and Castile and León in Spain. Focusing on nature tourism, wine and gastronomy, cultural and landscape tours, and active tourism, the project addresses common challenges such as ageing populations, depopulation, and limited digital connectivity in both regions. By fostering cooperation and providing a structured approach to sustainable and ecological tourism, the project aims to increase visitor attraction and promote interaction between the resources of both regions.

2 Literature Review

There is a consistent trend of shrinking populations and an ageing demographic, with a gradual disappearance of crucial services such as supermarkets and hardware stores, across European rural regions (Lozano et al., 2020). Enterprises in these rural areas encounter significant challenges in maintaining and achieving success due to a diminished local market and difficult access. Additionally, these businesses often lack the necessary capital for investment and depend heavily on grants and loans (Greenberg et al., 2018; Richter, 2019; Steiner & Teasdale, 2019).

Despite the importance of access to credit, rural businesses often face challenges in obtaining credit quickly or securing the desired amount due to various constraints, such as lack of credit markets and services, limitations within regional financial institutions, lack of assets or property that can be used as a guarantee for a loan, and also information asymmetry (Ma et al., 2023).

Among the subsidies that they can use are those from the government. Most European governments have a significant package of national and international funding

programs to stimulate existing businesses and promote new ones, thus revitalising the areas, creating employment opportunities and income, and preventing depopulation (Greenberg et al., 2018). These findings are paramount in assisting rural households to secure credit for investment in income-generating activities, especially in regions where financial and credit markets are underdeveloped (Ma et al., 2023).

Rural tourism is often one of the most subsidised sectors and has become a new and established tourism trend in many European countries. Rural tourism emerges as a catalyst for rural development, underlined by its perceived role as a complementary economic activity, particularly beneficial for local rural communities. Rural tourism is sometimes perceived as a promising successor or alternative to traditional agricultural practices (Zhu, 2024). Rural tourism development holds the promise of diversifying employment opportunities, preserving cultural heritage, protecting the natural environment, and raising the overall standard of living. It also facilitates the development of disadvantaged regions and ensures that these regions remain attractive places to live and visit (Kusumastuti et al., 2024; Lozano et al., 2020).

Despite being characterised as small-scale tourism, rural tourism has significant growth potential, particularly in traditionally agricultural areas. Nevertheless, its heterogeneous nature, involving many dispersed stakeholders, presents challenges in achieving operational efficiency and effectiveness. Information and communication technologies (ICT) solutions have been integrated into smart tourism. European and local initiatives aim to mitigate these consequences by investing in these regions' ICT infrastructure and logistics services (Lozano et al., 2020). Even small businesses in rural areas recognise the potential benefits of ICT adoption in improving their performance. However, the widespread adoption of ICT faces barriers such as limited connectivity and access to cloud services, particularly in remote rural areas worldwide. The lack of essential rural infrastructure elements—such as roads, credit facilities, and logistics—can hinder the adoption and effectiveness of ICT in remote regions (Bardier, 2023). Another challenge for these services is the difficulty faced by the elderly population in using ICTs, largely due to the digital divide (Lozano et al., 2020). Computer and digital literacy rates are significantly lower among rural residents compared to their urban counterparts (Bardier, 2023).

The advent of the Internet has disrupted the traditional urban–rural dichotomy, with online platforms playing a pivotal role in boosting the visibility and sales of rural tourism, thus attracting more tourists and fostering the growth of this sector (Zhu, 2024).

Rural tourism is widely recognised as a critical endogenous driver of rural transformation and development (Khan, 2023). Rural tourism can bring numerous benefits, notably the creation of new employment opportunities, the establishment of alternative sources of income, the promotion of regional development, the enhancement of social inclusion, the promotion of territorial innovation, and the expansion of the scope of the national tourism portfolio. However, establishing rural tourism involves a transition for rural inhabitants from a traditional agricultural production model to one that includes providing rural tourism services (Torabi et al., 2023). There are significant disparities between different rural regions in terms of the availability of ICT and data services, as well as their ability to use these resources. In addition to

the divide between those with and without ICT access, there are two interdependent factors: access to technology and the skills needed to use it effectively (Bardier, 2023).

Therefore, ICTs offer rural areas opportunities to improve visibility, communication, integration into tourist flows, and marketing of higher-quality products and services. Rural tourism consumers are highly aspirational, actively seeking information about rural destinations, well-informed, sophisticated, and aware of their active role in rural tourism (Ballina, 2020).

Information Communication Technology (ICT) holds great promise for transforming the marketing and management of destinations, resulting in sustainable socio-economic and environmental benefits. Advances in ICT offer a competitive advantage and new opportunities in rural tourism, and technological advances hold great promise in addressing the sustainability challenges of tourism development. In this information age, the undeniable benefits of ICT literacy in tourism are evident (Janjua et al., 2021). The widespread adoption of ICTs has revolutionised markets, governments, and households. In recent decades, access to and use of ICTs in rural areas of developing and transitioning countries has increased significantly (Ma et al., 2023).

However, legal, institutional, and technical barriers hinder the widespread adoption of ICTs (Sehuhula, 2023). To overcome such obstacles, governments worldwide are actively emphasising rural tourism as a means of diversifying the tourism industry and taking an active role in overseeing economic activities aimed at increasing the incomes of local communities (Janjua et al., 2021). Public policies can significantly influence and incentivise service providers to develop ICT systems to disseminate valuable information to these communities (Barbier, 2023). Funding programs should increase their efforts to improve rural ICT infrastructure and promote ICT adoption among the underserved (Ma et al., 2023).

It is essential to study the intersection of technological design in rural destinations. This involves aligning the functionalities of ICTs developed by tourism service institutions and companies with the everyday (general) and specific (during tourist visits) needs of the demand, thereby enhancing the value of the tourist co-creation experience based on ICTs (Ballina, 2020).

This research introduces a project to develop an online platform to support the structuring of tourism offers in the cross-border regions of Northern Portugal and Castile and León in Spain. Focusing on nature tourism, wine and gastronomy, cultural and landscape tours, and active tourism, the project addresses common challenges such as ageing populations, depopulation, and limited digital connectivity in both regions. By promoting cooperation and offering a structured approach to sustainable and ecological tourism, the project aims to increase visitor attraction and encourage synergies between the resources of both regions.

3 Problem Statement and Study Aim

The problem identified relates to the untapped potential of rural areas in terms of natural, cultural, architectural, artistic, and intangible resources and their populations. However, these regions face significant challenges, such as limited media exposure, inadequate road infrastructure, a small business landscape, and limited access to financing. Revitalising these areas and attracting or retaining populations requires stimulating economic activity. Leveraging synergies through collaboration among multiple stakeholders within and across territories is essential to address these challenges effectively.

This project aims to harness the potential of rural environments, including their diverse resources and populations, to stimulate economic activity crucial for regional revitalisation and population retention or attraction.

To achieve this goal, the project aims to facilitate cooperation between businesses within the territories and to promote collaboration between cross-border businesses. By structuring tourist offers that span both sides of the border and presenting them on a unified digital platform, the project seeks to overcome the challenges faced by these regions. Through a digital platform, the project aims to facilitate cooperation, organise tourist routes highlighting local, regional, and cross-border attractions, and draw on successful experiences from other regions to create attractive routes and increase regional awareness, thereby increasing economic activity.

Additionally, the project aims to promote cross-border tourism to achieve the United Nations Sustainable Development Goals, specifically, reducing inequalities (Goal 10) and strengthening global partnerships for sustainable development (Goal 17).

4 Description of the Proposed Project

A cooperative framework supports the project and aims to create a unified identification space on both sides of the border. It seeks to integrate each territory's unique values, including its businesses, natural landscapes, and cultural resources, by creating a common platform for information and promotion. This platform will include all resources in Portugal and Spain, allowing the presentation of tourism products that can be marketed independently or together. In addition, using innovative digital tools is crucial to ensure the region's adaptability to visitors' evolving preferences and needs.

Cooperation is vital in structuring the region's tourism offer and promoting its existing resources. Whether through complementarity within the value chain, synergies between companies in the same sector, or the interaction of complementary activities across different sectors (such as gastronomy and tourism), cooperation facilitates awareness, enhances quality, adds value to resources, and promotes joint

offers. This includes the promotion of specific products, the creation of new marketing channels, and the training and specialisation of human resources.

The project aims to overcome local limitations and make the existing tourist offer accessible to national or international demand. Therefore, it must be addressed at more than just the regional or national level, as strategies at these levels need to consider the differentiation and uniqueness of the resources in these areas. A region-specific approach, characterised by a differentiated and participatory strategy involving regional and local administrations, as well as other relevant entities in the economic landscape of the territory—such as the agri-food, wine, and tourism sectors—is essential.

Furthermore, it is crucial to consider successful experiences, such as wine tourism, and analyse ongoing initiatives in the area. These initiatives can be integrated, strengthened, and extended by the current project. Innovative elements will also be incorporated, especially in digital tools and innovation.

Overall, enhancing the positioning of products from these territories is essential to consolidate the tourism offer, requiring close collaboration among the various stakeholders involved.

4.1 Operational Aspects of the Project

The project aims to improve the tourism offer in the rural areas of Castile and León and the northern region of Portugal. It seeks to catalogue existing resources and develop tourism products for online dissemination, thereby increasing visibility and facilitating commercialisation. To achieve this, the project intends to address the needs of local businesses, encourage the development of new ventures, and expand market reach. Additionally, it aims to modernise existing offerings and improve access to specific resources with tourism potential. The project will focus on the following actions and objectives to overcome limitations and stimulate economic growth in the eligible areas.

4.1.1 Operational Objectives

The project outlines three primary actions and objectives: innovation in tourism products and structuring of the tourism offer to attract new markets; incorporation of new ICT tools to update products and improve digital access for visitors; development of a common strategy for valorisation and commercialisation to promote consensus among stakeholders and create clusters. These initiatives aim to enhance the tourism offer, integrate modern management and marketing technologies, and promote common strategies for valorising and commercialising tourist resources in cross-border areas. Ultimately, the project aims to stimulate these regions' economic development and demographic stability, requiring the guarantee of various activities to achieve its goals.

4.1.2 Operational Activities

The project outcomes are structured around four core activities: characterisation of regions and identification of tourism resources; establishment of regional working groups; development of an online platform and definition of its content; and presentation of the platform and its applications at the regional level. These activities aim to facilitate the organisation and promotion of tourism resources, foster stakeholder collaboration, create an accessible digital platform for tourists, and ensure regional engagement and use of the platform and its applications.

4.1.3 Operational Steps

The project consists of several steps to improve the tourism offer in the operational zones through comprehensive analysis and cooperation. Firstly, the characterisation of the regions and identification of touristic resources involves a thorough analysis and geo-referencing of the products of nature tourism, wine gastronomy, cultural and landscape tourism, and active tourism to document existing resources and ensure cooperation with the relevant stakeholders. Secondly, creating regional working groups aims to involve economic actors, small and medium-sized producers, and official bodies in designing the tourism offer structure, promoting cooperation, and disseminating the project regionally. Thirdly, developing an online platform and content definition focuses on structuring the tourism offer for better online promotion and commercialisation, including creating essential applications and implementing ICT innovations in selected locations. Finally, the regional presentation of the platform involves explaining its intricacies, organising familiarisation trips for tourism operators, and incorporating their feedback to improve the promotion and visibility of the platform.

5 Conclusion

The project outlined herein is a proposal currently being considered for funding by a European program, with plans for implementation in selected regions. While still in the proposal stage, this presentation outlines the envisaged actions for rural tourism development. In addition, it aims to provide a framework for fellow researchers and regional entities to encourage the initiation of projects to enhance these regions' attractiveness. The feedback on the collaboration protocols with relevant entities has indicated a significant interest in supporting the project within the areas.

The proposed project intends to substantially contribute to promoting cross-border rural regions, which is in line with Sustainable Development Goals 10 and 17, which focus on cross-border tourism development. The research results will have practical and policy implications, providing valuable insights for tourism policymakers and stakeholders to formulate strategies for integrating intelligent technologies in rural

areas. These insights can support the development of tourism strategies aimed at improving the visitor experience, refining destination management, and enhancing the competitiveness of rural tourism destinations.

Moreover, the project aims to contribute to international scientific knowledge, provide valuable insights to regional entities, and inform regional policy decision-makers. Finally, it seeks to benefit regional and local communities by promoting sustainable tourism development and economic growth.

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