- GOOD PRACTICES AND INNOVATIONS IN THE EQUINE SECTOR: CURRENT TRENDS AND FUTURE OPPORTUNITIES -

Focus group report on situation in Finland, Sweden and Latvia

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Introduction

InnoEquine (sustainable Equine industries promoting economically competitive and Innovative regions) is an EU-funded project (Central Baltic Interreg IV A programme 2007-2013) being carried out in collaboration by MTT Agrifood Research in Finland (project manager), Helsinki University, the Swedish University of Agricultural Sciences (SLU) and Latvia University of Agriculture (LUA). In addition, central national equine organisations, stakeholders and equine entrepreneurs are involved in the project.

The overall aim of the project is to create a basis for cross-border networking between those involved in the equine sector and to promote the competitiveness of equine sector in the Central Baltic area. This aim is intended to be accomplished by developing the know-how, environmental awareness and health and safety knowledge of entrepreneurs and by innovative services and networking. The practical implementation of the project is taking place by means of five work packages. One of these work packages, which is the focus of the present report, has the goal of analysing innovation processes in the equine sector in the Central Baltic programme area, which is done on the basis of several focus group discussions in Finland, Latvia and Sweden.

The structure of the report is organized around following key topics:

(1) Research methodology (focus group discussions),

(2) Understanding innovations in the context of the equine sector,

(3) The role of equine sector in Finland, Sweden, and Latvia, and its opportunities to shape rural development in particular,

(4) Current innovation practices and future opportunities for innovations to take place and make the equine sector more competitive, economic active and able to develop itself as well as to support local economy by providing novel services and innovative practices,

(5) Conclusions

Focus groups were organized and carried out by researchers of MTT Agrifood Research in Finland, Helsinki University, the Swedish University of Agricultural Sciences and Latvia University of Agriculture. Each partner wrote the sections concerning their specific nation and LUA was responsible for coordinating the report.
1. Research methodology

In order to collect data on current practices as well as innovative practices in the equine sector, a qualitative research approach and focus group method was chosen. As Wilkinson S. (2004; 180-181) states, focus group research has a number of advantages, for example: a) It provides a way to collect data relatively quickly from a large number of research participants; b) Focus groups tend to be closer to everyday conversation and involves communication practices (jokes, teasing, storytelling, disagreement, etc.), which allow revealing even intimate and sensitive topics as well as controversial opinions; c) Striking feature of focus groups is the dynamic quality of group interaction, as participants debate, discuss and even disagree about key issues; d) In comparison with individual interviews, focus group interaction allows production of more elaborated accounts as respondents react to responses of other group members; e) Debates between members allow researchers to become familiar with idioms and vocabulary that is used by group members in their everyday life. On the basis of these arguments and in order to enable more opened discussions on particular issues from the perspectives of the different stakeholders (especially in Latvian case, where that kind of discussions in equine sector were organized for the first time) and to avoid situation where interviewing representatives of a single group (like solely breeders) might lead to rather subjective or unilateral conclusions, it was decided to organize mixed focus groups, which meant that during one session a wide range of participants were involved representing equine businesses, policy makers, breeders associations, equestrian sports and tourism industry. It should be mentioned here that this strategy proved itself completely. Members of the focus groups were partially familiar with each other as they worked in the same (or related) sectors and that allowed running discussions more smoothly.

In Latvia three focus groups were held with the participation of the representatives of equine industry (horse breeders, representatives of the equestrian sports, trainers and instructors, horse owners, representatives of the relevant associations), representatives of Zemgale and Kurzeme planning regions, representatives of the tourism industry, representatives of the Latvian Rural Advisory and Training centre, a representative from the Ministry of Agriculture of the Republic of Latvia, media representatives, and lecturers and researchers from the Latvia University of Agriculture (LLU). Three discussions were held in 2012: on April in Jelgava (Zemgale region), on June in Kuldīga (Kurzeme region) and on July in Saulkrasti (Vidzeme region).

The data in Finland was collected in two focus group discussions and in one individual interview. The aim was to introduce three focus groups. However, only one participant managed to arrive to the last session that was consequently carried out as an individual interview. The focus groups were carried out in June and the individual interview in early July. Focus group discussions involved representatives of the stakeholder organizations, associations and entrepreneurs of the equine industry. Individual interviewee was a representative of a stakeholder organization. The aim of these interviews was to find out what kinds of innovations and good practices of horse sectors the interviewees are able to recognize, and what kinds of innovations and good practices they would need.

In Sweden one focus group and two separate interviews were held with the participation of the representatives of equine industry in September 2012. The two separate interviews were conducted by telephone and personal visit because the interviewees were
unable to attend the focus group session. The focus group session and separate interviews involved representatives of the stakeholder associations, organisations and entrepreneurs of the equine sector (Swedish Equestrian Federation, Swedish Breeding Association, Swedish Gallop, The Swedish Horse Council, Swedish Trotting Association, The Rural Economy and Agricultural Societies and The Swedish Board of Agriculture). The purpose of the focus groups session and interviews was to identify the current situation, future challenges and obstacles, innovations and good practices of the equine sector in Sweden.

The length of the focus groups varied between 2-4 hours, number of participants was different in each country as well as in every focus group session and varied from 4-15. Participants of the focus groups represented:
- NGOs: breeders associations, equestrian federations and tourism associations
- Policy makers and supervision institutions
- Entrepreneurs from different businesses
- Local media.
All stakeholders groups were highly interested in the topic and appreciated these discussions as a tool to initiate changes in the sector.

**Overall description of the discussion and roles of the hosts**

*The facilitator* moderated the discussion and tried to give everyone a chance to state their opinions. If discussion was going on smoothly within the subject, facilitator had no need to interrupt. The main role of the facilitator was to ensure that all subjects were covered and to encourage all participants to participate as equally as possible. The facilitator might also ask some more specific questions or ask for more reasoning.

*The assistant* helped the facilitator with the practicalities and wrote a memo of the conversation. The assistant would keep record on how talkative the different persons were and noted if someone was getting overshadowed by the others. The assistant also took part in the conversation when the facilitator needed help with lighting up the conversation.

The discussion was mainly moderated by the facilitator. The participants could also write down their own ideas, or they were written to the flip chart by the facilitator. After all ideas were written down, the discussion continued. The discussions were recorded (audio taped) and photographed *(permission for this was asked from the participants)*.

Before the discussion participants are asked to prepare by thinking of good practices and challenges they have faced, and to pick up the good practice they’ve meet and the worst challenge they’ve faced.

**Focus groups were organized based on the following guidelines:**

1. A brief introduction of the overall project (a very short presentation of the project aims, activities and planned results) and of the focus group facilitators
2. An introduction of the participants - each participant shortly introduced himself/ herself and their involvement in the equine industry (At this point they were also asked to present their business idea and what kind of services / products they offered and to whom (client groups))
3. Questions about the current situation were asked *(breaking the ice)*: 

- Good practices and innovations in the equine sector: current trends and future opportunities -
- How do you see the situation in horse sector at the moment, in your own business and overall?
- Has the situation changed in the last year?
- Do you see some specific challenges or booms at the moment?

4. **Questions about the future expectations and innovations were asked:**
   - What is a vision of future development of the industry (from the perspective of each participant)?
     Helping questions to add if need for more conversation:
     - What are the biggest challenges and what kind of solutions are needed?
     - Who and how should be involved to develop it? Do current cooperation forms within an industry facilitate it?
   - What kind of needs does the equine sector have regarding occupational and animal welfare, economic success and new types of service?
   - What should be done to improve the quality of existing services and products?
     - How? Who should be responsible for that?
   - What steps should be taken to attract new clients or client groups?
     - Who are the potential groups?
   - What kinds of attitude or attributes are important to innovative entrepreneur?
     - What are the obstacles for innovative operations?
   - What kind of help would an entrepreneur need to renew her/his operations?
     - What kind of help is he/she able to get at the moment? (From [web] tools, education, services, systems...)
   - How is an innovation operationalised?
     - Is something preventing innovations in business?
     - Or is something promoting them?

5. **Cooperation with:**
   - **clients:**
     - What have been good ways to attract customers and keep them loyal? What are the challenges?
     - What kind of wishes did the customers have and how were they met?
     - Do they have examples or use some innovative systems to interact with the customers e.g. via internet and social media?
     Helping questions to add if need for more conversation:
     - Do they have other feedback system or do they use surveys?
     - How has interaction with the clients been carried out?
   - **Businesses:**
     - What kind of cooperation is needed with entrepreneurs in different levels? (local, regional, national or international)
     - Are there some examples of good cooperation at the moment? (local, regional, national or international)
     Helping questions if need for more conversation:
     - What kinds of problems and challenges have been observed and faced? How to overcome them?
   - **NGOs representing the equine industry and other NGOs:**
     - How can NGOs support and offer help to other actors in the industry (e.g., breeders associations)?
     - What kind of support/education is asked by their members? Is there something they cannot offer (yet)?
Helping questions if need for more conversation:
- Do they support their members significantly?
- What should be improved?
- How is cooperation with other institutions (local municipalities, ministries, tourism organizations, supervision organizations, etc.)?

**Local community:**
- How does a horse fit into modern society? What challenges are present and what would be possible solutions?

Helping questions if need for more conversation:
- What is attitude of local people/ neighbours/landlords towards the equine industry?
- Any problems and negative attitude faced? How did they overcome? Examples of positive cooperation?

- What kind of support have been received/ given to the industry at local, regional and national level (from the perspective of each participant)?
- What should be done to develop and improve the cooperation between different stakeholders at local, regional, national and international levels? How to overcome problems and challenges?
- What kind of education is needed / did they need it and did they get it or not? Who offered the education/why not?

6. **Examples of good practice and experience in:**

At first every participant were asked to present their choices regarding the “pre-task”: good practice they have met and the worst challenge they have faced. After that the participants were asked to write good practises regarding safety, environment, animal welfare and legislation on the white board (or similar). They were asked to think about these practices in different operations (for example in relation to customers and employees):

- Safety (different kinds of safety)
- Environmental issues
- Animal welfare
- Legislation and supervision institutions

After presenting the good practices the participants had the possibility to discuss about the challenges (they still had a chance to add more good practises):

- What kind of problems/ challenges do the industry face and who/ which institutions should be involved/ responsible for finding solutions (all kinds of resources, financial support, legislation, safety issues, marketing, qualification of employees and supervision?)

7. **Final words about future cooperation and information exchange for the project purposes**

- What kind of information is needed and in which form?

During the discussions the participants were encouraged to share their experiences, thoughts and visions of the current national status in the equine sector (Finland, Latvia, and Sweden) and its future development. Respondents were asked to capture aspects such as the cooperation between the stakeholders of the sector, what products are being offered and what innovations are under implementation at the moment, as well as what innovations could be expected and necessary in the foreseeable future.

- **Good practices and innovations in the equine sector: current trends and future opportunities** -
2. Understanding innovations in the context of the equine sector

To understand whether innovations take place in the equine sector and if the stakeholders perceive a space for any novelties, it is important to clarify, firstly, how the equine sector is defined by different stakeholders in the project area and what is the role of the equine sector in the context of local and rural development, and, secondly, what can be considered as innovation in the equine sector.

2.1. The equine sector

An interpretation of innovations, openness to novelties and possibilities to innovate in equine businesses are directly linked with understanding of what the equine sector is and what kind of services or products it can offer to contemporary society. The way the horse breeders and horse owners define and perceive the essence of the industry affects their business activities, as well as the understanding and attitude towards innovations and how and where these are possible.

One of the ways is to consider the equine sector as a part of agriculture. As already stated in the InnoEquine Baseline report (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012), this project treats the equine sector accordingly to the meaning which is embodied in the definition of the Swedish Horse Council (HNS): The equine sector refers to all activities based on the use and possession of horses including both horses for leisure and professional activities and sales of horse-related products and services (The Swedish Horse Council, 2012; Andersson, 2010). Thus the equine sector is broad and covers a range of people and businesses in contact with horses: riders, farriers, veterinarians, riding instructors, recreational riders, stable lads and grooms, jockeys, trainers, stable owners, breeders, inseminators and occupational riders such as ranchers and mounted police. Furthermore, a number of people are occupied and engaged in operations that are connected with horses but have no direct physical contact with horses, for example at flat racing, jump and race tracks, or in feed production, insurance companies and manufacturing industries (Löfqvist, 2012; Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Another relevant aspect is the role of the equine sector in particular locality including diversification of local economy, horses as part of lifestyle, hobby, recreation, or opportunity for individuals and families from urban areas to create a link with a nature. Development of the horse sector can be a part of neo-endogenous rural development model which becomes more popular in Europe after “the shift from sectoral to territorial rural development strategies as a result of socioeconomic structural change in rural areas” (Neumeier, 2012:49), and which according to Galdeano-Gómez et al (Galdeano-Gómez et al, 2011) means “the interaction between local and global forces” moved by „rapid technological change in communications and information”, involves „dynamic participation of local actors in local and external networks and development processes”, and focuses on “enhancing local capacity and actors participation to direct local and external forces to their benefit”. Neumeier cites Magel, who states that neo-endogenous rural development “is basically about the development of sustainable structures and establishing a form of balance that, on the one hand, enables innovation, creativity, new ideas and visions in action; and, on the other hand, maintains the necessary stability (Neumeier, 2012:49; Magel, 2000:73). Though the equine sector, for example in Latvia, is
treated and supported by the state as an agricultural sector, there are other rural development policy instruments available (e.g. LEADER) that can be used to support innovations in the equine sector; however, unfortunately they are not sufficiently used yet. An important aspect of local development is the relationships between town or city and countryside in association “with the transfer of resources from the urban to rural economy” (Van der Ploeg et al, 2000:397). In the equine sector this means that farmers often have to sustain their farms by additional income sources generated outside horse breeding. In fact, this opens a space for innovative ideas how to diversify farm activities and develop horse related activities that generate additional income. Indeed, there are considerable differences in the economic sustainability and profitability of the enterprise between different businesses of the equine sector. For example in Finland trotting horse training and riding schools are the most voluminous main businesses, viewed from the perspective of sales.

During the focus groups it was very important to understand how narrowly (traditionally) or broadly the equine sector was defined by different stakeholders and rural development agents (national and local policy makers, equine businesses, tourism agencies, local people and potential customer groups) both directly and indirectly linked to this sector. Shared position or opposite point of view influences the way of thinking about the horses and horse related activities, cooperation between stakeholders in looking for new opportunities and directions to develop or introduce new products in local market, and support instruments provided by the policy makers. If the equine sector is defined in a very traditional way as the economic activity related solely to the agriculture (horse breeding) and equestrian sport, the scope of potentially new services and practices more likely will be limited to some novelties of technical improvements and practices related to horse breeding, horse welfare or environmental issues, whereas broader vision on the industry requires thinking beyond the box and allows perceiving opportunities for innovations in horse related activities involving cooperation also with other sectors of local economy, for example, tourism, health care, and recreation. In the focus group discussions representatives of the stakeholders and even equine businesses did not share common understanding of what activities the equine sector actually involves or might involve in a future. Both traditional definition and wider understanding of the equine sector were supported by the participants of the focus groups and they varied across the countries. So, in some extent probably the understanding itself of the equine sector (from traditional to more inclusive) could be an innovative point of view.

In Finland there is common consensus that all businesses involving horses are considered as included in the equine sector. The Finnish equine sector has been on a growth track during the last decade. The increase is particularly evident in hobby-based riding activities. Growth of the equine sector is also reflected in a number of social trends. The horse, and horse-related activities, was considered as reflecting attractive and trendy values, such as soft values associated with health, well-being, quality of life and leisure. Horses were viewed as suitable for fashionable Green Care activities and social activities, such as prevention of social exclusion. And it was noted that also equestrian sports have a strong communal aspect to them. The rise of horse hobbies were viewed as consonant with the popularity of green values and people’s increasing appreciation of own leisure time. Hence, according to the interviewees, thus far there are no signs of the waning of the popularity of the equine sector. For example, the ongoing boom in well-being was taken up as one factor that may continue affecting the growth of the equine sector positively. Horses were also seen as effective instruments for the purposes of rural-urban interaction. The interviewees were thus rather confident about the growth prospects of the equine sector. However, some concerns were raised about the future prospects of harness-racing, particularly by some interviewed entrepreneurs.
The equine sector in Latvia gradually decreases as the number of horse also decreases; the sector is basically viewed as a part of agriculture. For example, according to the view of the Ministry of Agriculture of the Republic of Latvia the equine sector is related only to the breeding which leads to the state support predominantly provided for this purpose. The representative of the Ministry expressed a rather traditional view on the equine sector in Latvia, emphasizing that its task is horse breeding and produce horses of good quality for export. The representative also stressed that the equestrian sports should be developed, for example, the show jumping; the horses can be used in tourism as well and particularly those not suitable for sports purposes. An interesting conclusion was that men should be more involved in horse breeding because currently this industry has become feminized in Latvia (similar as elsewhere in Europe including Finland and Sweden).

The horse breeders and the entrepreneurs had even rather contradicting views on what is horse breeding and equine sector and what it includes. There were some very conservative breeders who viewed the equine sector in a very traditional way, thinking that the horse breeding and equestrian sports were the only fields related to the equine sector. The Latvian Horse Breeding Association considered breeding as its priority. The focus groups revealed other views as well considering the equine sector on a broader scale, associating the above mentioned directions also with tourism, recreation, therapy (for example, therapeutic riding, hippotherapy), innovative and unconventional services. Several representatives of the tourism industry had the opinion that the horse breeding should be more considered, paying special attention to the Latvian horse breed, which could be interesting for the foreign and local tourists as a symbol of Latvia. Latvian breed horses possess a nature and traits that make them suitable for tourism and also therapeutic riding purposes. The discussions resulted in conclusion that the understanding of what is the equine sector in Latvia has to be reconsidered or better understanding has to be created, therefore the policy guidelines and the state support to the industry has to be reviewed. For many horse business owners in Latvia (especially those who represent the older generation), horse breeding or horse related activities is a passion or a hobby first of all, idea about it as a serious business which requires marketing strategies and business oriented thinking follows afterwards if ever does. This attitude in conjunction with a very traditional and narrow interpretation of the equine sector impedes ability to perceive opportunities to be innovative and creative as the owners and breeders often lack the ability to think beyond the box. Nevertheless, a number of good examples were presented that horse owners are creative and flexible in offering interesting services and products thus attracting new customer groups (this will be discussed later in the report).

In Sweden, having a horse has become a way of life and horses play an important role for many people. Horses provide physical and emotional activities for boys and girls, men and women of all ages; they provide an additional income to farmers over and above conventional farming and encourage people to move to the countryside or to remain in rural areas (Flygare & Isacson, 2003). People engaged and working with horses does it with great enthusiasm and in recent decades the trend has led to increased establishment of horse-related businesses. However, the recent years have shown a downward trend in the number of horses and people engaged in horse activities (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012). However focus groups in Sweden show that horse business owners need to be better from the start, think more about the business, they have to be included among other entrepreneurs to show their seriousness and they need to work hard on the business part of their business.

An interesting issue was raised during the focus group session in Sweden. It was discussed that society is changing and it moves towards a society where neither young people
nor their parents have any tradition and experiences with animals. The question is to what consequences it will lead and what kind of impact this transformation will have? Also in Latvian focus groups the horse owners shared their observations about the young generation and children. Some concerns were expressed that young people get estranged from a nature and natural environment, they do not have knowledge and practical skills for animal care and safety issues, and many of them are not physically able to carry particular amount of manual and hard work, what is required, for example, in stables. In this context horse related activities were proposed as an opportunity for children to learn about communication with animals and nature.

In comparison with Sweden where the increase of the equine sector has stagnated and Finland where the horse sector is gradually increasing and involves a wide range of horse related activities, the situation in Latvia is different though the horse sector has deep roots, a long history and particular traditions in human – horse relationships. In all three countries the role of horses in human lives changes as very society experiences transformation to even polarized contemporary lifestyles and attitudes towards nature which means that, on the one hand, people’s lifestyles become more urban and unfortunately alienated from natural environments and animals (especially in case of younger generations), but on the other hand, there is a trend to turn back to everything what is considered natural and labeled as green values including relationships with animals and horses in particular. Horses remain social, cultural and economic value for a great part of the society (in Sweden and Finland in particular); they are symbols of a living countryside, and a link between the rural and the urban. For many breeders and horse owners horses mean passion and hobby first of all, and this attitude sometimes do not allow them to think about horses as serious profitable business activity which like any other economic activity requires strategic business plan and market oriented thinking. Lack of business skills was mentioned as a problem during the focus groups. In addition to lacking business skills, also lack of professionalism was considered as a problem among those entrepreneurs whose equine businesses were originally based only on a hobby activity.

It can be concluded that the understanding and interpretation of the equine sector between different stakeholders around the Central-Baltic area vary considerably as well as performance of the equine businesses. There is obvious necessity to initiate contemplations and discussions about the equine sector as a part of national and transnational economics and every single equine business as a business unit (as it actually is). In the foreground there are issues not only about the range of activities and their profitability, but also about competitiveness on a local and regional scale. It leads up to the demand for innovations and novelties.

2.2. Innovations in the equine sector

The usage of the term innovation has grown exponentially over the years. Scholarly articles and texts as well as practical guide books propose a number of definitions and classifications of innovations. Innovations are dynamic processes which focus on the creation and implementation of new or improved products and services, processes, positions and paradigms. Successful innovations are those that result in improvements in efficiency, effectiveness, quality or social outcomes/impacts (Ramalingam, Scriven and Foley, 2009). Moreover, innovation processes are embedded in and shaped by the capabilities of the actors in and around a given sector, the relationships between them, and wider social, economic and political contexts. These factors play a crucial role in enabling or inhibiting innovation processes and in shaping the resulting changes.
According to the Austrian economist Joseph Schumpeter (1934), a pioneer when we talk about innovation management, innovation is defined as:

1. The introduction of a new good that is one with which consumers are not familiar yet, or of a new quality of a good.
2. The introduction of a new method of production, which need by no means be founded upon a discovery scientifically new, and can also exist in a new way of handling a commodity commercially.
3. The opening of a new market that is a market into which the particular branch of manufacture of the country in question has not previously entered, whether or not this market has existed before.
4. The conquest of a new source of supply of raw materials or half-manufactured goods, again irrespective of whether this source already exists or whether it has first to be created.
5. The carrying out of the new organization of any industry, like the creation of a monopoly position (for example through trustification) or the breaking up of a monopoly position.

The third edition of the Oslo Manual defines innovation as the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations. By definition, all innovation must contain a degree of novelty. The Oslo Manual distinguishes three types of novelty:

- An innovation can be new to the firm
- New to the market or
- New to the world

The first concept covers the diffusion of an existing innovation to a firm – the innovation may have already been implemented by other firms, but it is new to the firm. Innovations are new to the market when the firm is the first to introduce the innovation on its market. An innovation is new to the world when the firm is the first to introduce the innovation for all markets and industries. Innovation can occur in any sector of the economy. (OECD and Eurostat, 2005)

Four types of innovations are identified (OECD, 2009:11-12):

- **Product innovation**: The introduction of good or service that is new or significantly improved with respect to its characteristics or intended uses. This includes significant improvements in technical specifications, components and materials, incorporated software, user friendless or other functional characteristics.

- **Process innovation**: The implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software.

- **Marketing innovation**: The implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

- **Organizational innovation**: The implementation of a new organizational method in the firm’s business practices, workplace organisation or external relations.
Other classification proposes following innovation types (Knickel, K., Tisenkopfs, T., Peter, S. (eds.), 2009:45-47):

- **Economic innovations** concern, for example, building distribution and market channels and improving communication and marketing.

- **Social innovations** presume the formation of new networks and relations between producers, consumers and other actors of the supply chain or territorially organized services. The essence of social innovation is double: to include a social idea in innovation, in a way that produces the social outcomes desired, and to form a new network or organization of actors.

- **Organizational innovations** mean new ways of management (in farming as well as in selling routines) or establishment of new partnerships and alliances between actors.

- **Technological/technical innovations** concern the development of new products, introduction of new methods of production and delivery, technical solutions of logistics and marketing.

Innovations in the equine sector will be analysed accordingly to these types of innovations. It is important to emphasize that good practice and experience of one particular case (stable, equine business) can be transferred as novelty to other farms or businesses. It means that innovations are quite relative, because in one case a good solution is novelty but in other – well established practice having shorter or longer history. Farmers, stable and horse owners share their experience and overtake good practices or get inspired for novelties what might be relevant in their business. This includes all kinds of activities and issues related to the equine sector: breeding, equestrian sports, gambling, recreation, marketing, environment, safety, ergonomics, cooperation within equine sector as well as with representatives of other economic activities of local or national economy.
3. Current state of the equine sector from the perspective of the stakeholders

3.1. Finland

3.1.1. Some facts

The horse population in Finland is growing steadily (the annual increase in the number of horses in Finland is currently approximately 2,000 horses), riding as a hobby increases in popularity, approximately 35,000 people in Finland own at least one horse (Suomen Hippos, 2012), and co-ownership is becoming a common way of owning a horse with relatively small costs and responsibilities, especially among trotting sports. According to estimates, there are approximately 16,000 stables in Finland, of which over 3,000 (somewhat less than 20%) are business orientated. About 75% of all stables are located on farms, while the remaining stables do not have any agricultural operations beside the equine business. Basically, the whole increase in horse numbers comprises imported horses, as breeding in Finland can only replace the wastage in the horse population. The greatest need for imports is in riding horses and ponies, while buyers of Finnish horses and warm-blooded trotters can usually find their horses from the home country.

The equine sector is growing at the moment, but generation change, lack of cooperation and amateurish operation of stables are major challenges. The equine sector in Finland employs over 15,000 full-time or part-time workers (Pussinen & Thuneberg, 2010). Approximately 10,000 of these are full-time workers in the sector. The most common form of equine business is breeding. However, only a few breeders are able to make this into a profitable business. Riding classes are the second most common form of business in the equine sector in Finland (Pussinen & Thuneberg, 2010). Altogether the number of riding stables in Finland is approximately 1,000, of which perhaps 500 are riding schools or similar (Hippolis, 2010). Approximately 150,000 people ride in Finland as a hobby (Suomen Ratsastajainliitto, 2012). Finland is also one of the five largest harness racing countries in Europe. (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012) In Finland harness racing is the second most popular sport with circa 800,000 spectator yearly (Hippolis, 2010).

3.1.2. The current situation and future prospects and trends of the equine sector

The Finnish equine sector has been on a growth track during the last decade. The increase is particularly evident in riding as a hobby. Harness-racing development has been more stable and the entrepreneurs are concerned about the development prospects. The equine sector growth can be seen as a consequence of social trends. The horse itself as an animalis considered currently very trendy: it is associated with soft values, it is e.g. suitable for Green Care activities and prevention of social exclusion; also equestrian sports are related to many kinds of communal activities. Green values and the rise of people's appreciation of own leisure time can also be seen as reasons for the growing interest towards horse-related hobbies. The equine sector is closely related to human activities and leisure time, and so far there are no signs of the decline of this trend. The ongoing boom in activities associated with ‘well-being’ has also affected the equine sector growth positively. Moreover, the horse is also seen as a part of the rural-urban interaction.
The interviewees felt that in general the equine sector’s future growth prospects are good. However, the equine businesses were also seen as dependent on cycles and trends of the economy, such as economic depression. Still, it was noted that such macro level socio-economic changes are affecting equine sector with a small delay.

The interviewees felt that new types of services in the equine sector could be found, for instance, in the productization of harness racing for customers, horse’s shared-ownership solutions, a stronger specialization of the riding sector, and the equine sector’s softer side, such as social pedagogical horse activities and well-being services. The equine businesses and companies were seen as needing a variety of services, such as the slaughter, horse clinics and veterinary services. Availability of these services should be ensured throughout the country.

3.1.3. The main challenges of the equine sector

A general challenge, pointed out by many interviewees, was as lack of professionalism in the sector. Many actors of the sector, especially entrepreneurs, customers and enthusiasts, were viewed as still relatively ‘unprofessional’ in their orientations and practices and especially in case of entrepreneurs this was seen as a challenge to the credibility and profitability of the sector. On the other hand, thus far there has been rather little research on equine sector, for example functionality-related research. One problem is also that the supply and demand of consulting and training (e.g. economic consulting) do not match: entrepreneurs are not really aware of where and what kind of consulting it would be possible to get and the ones most in need of consulting seems to be less likely to find it.

The equine sector’s profitability problems and environmental issues, in particular problems with handling and utilizing of manure, came up in many discussions. Faced with these challenges, the sector’s image was also sometimes seen problematic.

Further challenges to the equine sector are posed also by the fluctuations and changes in the agricultural production and sufficiency of fodder. Similarly, social change and economic uncertainty create challenges as well. In addition, officials’ and civil servants’ knowledge of equine industry and its needs were seen often rather weak and to strengthen the position of equine industry also the common knowledge should be increased.

3.2. Latvia

3.2.1. Some facts

Horse breeding is one of the traditional land-based sectors in Latvia and the use of horses has been traditionally related to the agricultural sector, but today the directions of horse use are tending to become more varied – horses are increasingly bred and used for sports, leisure, tourism and different therapies. Up to now, the equine sector has been understood and considered as part of the agricultural sector in Latvia, with breeding issues in the foreground. Therefore, when speaking of the sector in general, the terms ‘horse breeding sector’ and ‘directions of horse use’ are usually applied. (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012)

3.2.2. The current situation and future prospects and trends of the equine sector

The representatives of the equine sector acknowledged that the sector in general lacks clear direction for orientation, what should be bred, what might be the profitable item and exportable item. Since it is not clear on a national scale, it is difficult to discuss aid instruments. The fact that subsidies are granted only to the purebred horse stud-farms and not to all farms which breed horses was mentioned as a problem. Swine breeding was mentioned as an
opposing example. The use of aid instruments which provide aid through projects is sometimes problematic, because the persons preparing the projects have to be skilled enough to formulate their ideas so that the project would comply with the specific requirements of some aid program and the theme. The people working in the sector often lack the skills of project preparation, they do not have time to learn and study it all, and therefore it is difficult to apply for and to receive the aid. In order to solve this it is usual practice to involve companies that prepare the project application. Other entrepreneurs try to master these skills themselves. 

When asked about the organizations of the sector, the horse breeders acknowledged that they do not feel any great support from these (the Equestrian Federation, the Horse Breeders Association, and the Latvian Horse Breeding Association). A lot is expected from these organizations. The task of the horse breeders associations is to guide and develop the strategy of the sector, to organize shows where horses would be assessed according to a specific value scale, to perform certification etc. Some breeders think that the management of the organizations is not truly interested to solve the problems of the breeders, perhaps, they have some personal interests. The associations only collect the money for horse certification, but they do not show any tangible initiative to defend the interests of the members of the associations, for example, in the issue of the Ministry of Agriculture concerning the subsidies for the sector.

The Zemgale and Kurzeme planning regions do not have a clear vision yet about the role of the equine sector as a constituent part of region and its development, as well as there have no any particular ideas on how the equine sector could be promoted in the region. Commitment was expressed to see what could be solved in the field of education and diversification of agriculture. The regions do not have such project designed particularly to develop horse breeding. It was acknowledged that research and analysis of statistical data on sector trends, demand for services etc. are needed to substantiate the necessity of the aid and plan aid measures, as well as elaborate the development strategy of the sector.

When evaluating the equestrian sports in Latvia, the participants of the discussions admitted that there are problems in the country with equestrian sports schools and preparation of such riders who could really achieve top results.

The representatives of the tourism industry saw the potential of using horses in tourism; they mentioned examples from different tourism fields related to the cooperation between entrepreneurs, the marketing, innovative solutions, which could be used in equine sector and equine services in a similar way.

The horse breeders and the entrepreneurs have even rather contradicting views on what is horse breeding and equine sector and what it includes. There are some very conservative breeders who view the equine sector in a very traditional way, thinking that the horse breeding and equestrian sports are the only fields related to the equine sector. Nevertheless, the equine sector in Latvia offers the following services: horse breeding and sale, training of riders, organization of competitions, horse livery, and viewing of an animal farm, several day trail rides with horses, skijoring, and use of the horses in events (city celebrations, weddings, etc.), carriage rides, and regular trips to children’s birthday parties and therapeutic riding.

The entrepreneurs of the sector acknowledged that tourism could only be as a complementary industry to the equine sector, providing additional income. There are entrepreneurs who give credit to the diversification of services and consider that by offering
several services (a complex of services) in their farms they can attract clients and families, because everyone can find activities according to their interests (saunas, fishing, boat rides, horseback riding etc.). Some horse breeders and owners are attracting tourists by offering them horseback riding, horse swimming, carriage rides, riding with a pony and other services, but some entrepreneurs are sceptical about using the horses for tourism purposes and do not consider this to be something they could be involved with in parallel to horse breeding or equestrian sports. It is mainly based on several factors: 1) the equine sector is defined and understood in a very traditional way without associating it with tourism and recreation, 2) the motivation, knowledge and skills to create innovative services and new solutions to the existing practices are missing, as well as marketing know-how, 3) the tourism is not really profitable because there are no regular and guaranteed consumers.

In order to organize competitions (local and international) and ensure more successful participation, some entrepreneurs are using support instruments, for example, the sports club “Demora” (Kurzeme region) used the LEADER aid to construct riding arena which allows the club members to train more often all year round. Within the framework of the cross-border cooperation project with Lithuania, the club is also organizing international clinics on therapeutic riding, thus trying to solve the issue on the use of the horses in health improvement field and the certification of the horses and experts for this purpose.

Cooperation within the sector is rated as poor and insufficient, but there are some cases of positive cooperation, for example, between certain tourism companies and the horse owners and trainers, between the municipality and the Tourism information centre (in Saulkrasti city and county, and in Kuldīga County). There are good cooperation examples in the Kurzeme region in terms of information exchange, where the providers of equine services and the Kuldīga Tourism Association are cooperating. Tourism routes including horse farms have been developed in Saulkrasti, therefore this represents a complex offer which the visitors of the city can use. The problem lies in the fact that the entrepreneurs of the sector do not communicate and do not provide information on their services, therefore the advertising is lacking.

During the discussions it was emphasized several times that the breeding of purebred horses should be considered more, particularly improving the Latvian horse breed which the tourists find to be an attractive symbol of Latvia, but the breeders object that it is not profitable to focus on the Latvian breed only.

3.2.3. The main challenges of the equine sector

The sector has to overcome different challenges to allow the development of the horse breeding and extending the range of services in different directions. One important aspect is that horse breeding is often perceived as a hobby or fanatic enthusiasm and not as a form of business. It affects the thinking of horse breeders and owners both towards the profit-making (the ability to assess which of the activities of the farm should really be developed and perhaps new ones introduced) and the existing and the potential clients, as well as in relation to the mutual cooperation among the stakeholders. The discussions clearly showed that there are entrepreneurs who are ready to seek solutions and new approaches, are open to cooperation and are ready to learn in order to not only be able to adjust to the existing situation but also would be able to have an active impact on it. But there are many entrepreneurs who are oriented only to survival, passively waiting for changes to come from outside (somebody will grant the funding, somebody will settle the quality assessment criteria or somebody will attract the clients), they lack motivation for cooperation and innovations. The majority of the farms are
very small, which makes their survival and future development difficult, because breeding and training of good quality horses is expensive. The companies operating in the equine sector should clearly define their priorities and activities, because it is not possible to do everything with good quality: whether it is horse breeding or buying and training, or training, or whether it is other type of services. This is due to the fact that given the existing knowledge and resources and the small market in Latvia it is extremely difficult to manage it all in one farm.

The potential of the horses in tourism was acknowledged in general, but the horse breeders and the owners themselves have to choose in which direction they are specialized and whether they are really prepared to offer equine services to the tourists as well. If so, then a client-orientated business approach has to be considered from the provision of information until the adequate service and attitude towards clients.

The representatives of the Latvian Horse Breeding Association expressed their concerns that the funding for the breeding allocated by the Ministry of Agriculture of the Republic of Latvia is often spent somewhere else, for example, to organize equestrian competitions, because, given the existence of two horse breeders organizations in Latvia, it is more difficult to divide the allocated funding efficiently, which in turn hinders the development of the industry. Everybody admitted that the lack of funding within the industry is crucial, for example, the certification proceedings are expensive and a small stable has difficulties paying for it all. Also the cooperation between the horse breeders and the riders in preparing of horses is insufficient, which results in mutual reprimands – the breeders would not be able to breed good horses, but the riders would not be able to prepare them in a professional manner.

It would be very important to consider cooperation among the entrepreneurs of the sector with the purpose of constructing good arenas for horse training. Unfortunately at the moment the problem is that the breeders and the other entrepreneurs of the sector often do not wish to cooperate even if it would be beneficial for all in long-term. A good solution could be a cooperative society which could work with preparing of horses and employ a marketing specialist to address the attraction of clients and their welcoming, entertainment, accommodation, ensuring adequate conditions for the client to feel satisfied and view the horses available and prepared for sale.

It was mentioned that the cross border issues are not really settled, for example, if the horse should be sold to Russia. There have been attempts to settle these issues at the level of the Ministry of Agriculture of the Republic of Latvia but without success so far.

3.3. Sweden

3.3.1. Some facts

Sweden is estimated to have the second highest density of horses per capita in Europe. Today the number of horses amounts to about 362 700 horses and approximately 34% of these are located in the Baltic project area. About 20% of all the horses in Sweden are within business establishments and the number of establishments involving horses in Sweden is estimated to approximately 77 800 of which about 29% of these are situated in the Baltic project area. The equine businesses have on average 4.7 horses and provide full-time or part-time work for a total of 25 000 people. About two-thirds of those working with horses are women (Swedish Board of Agriculture, 2011; 2012a). More than 80% of Swedish horse keepers have all or some of their horses as a hobby. Most of these use the horse for riding and do not participate in competitions. About one-third of horse keepers have professional businesses with horses and more than half of these do so in combination with other non-horse-related businesses. The

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most common form of enterprise for horse-related business operations is as sole proprietor (Swedish Board of Agriculture, 2012a). About one million Swedes (11% of the population) are in some regular contact with horses and the various activities they generate (Löfqvist, 2012). Around 500 000 Swedes ride regularly in competitions, for exercise or recreation and the majority (85%) are female (Swedish Equestrian Federation, 2012). More than 60% of the horse keepers have no training related to their horse keeping (Swedish Board of Agriculture, 2012a). Among young people, equestrian sports come third after football and floor ball, and for young females they take second place (Swedish Sports Confederation, 2008).

3.3.2. The current situation and future prospects and trends of the equine sector

Having a horse has become a lifestyle for many people in Sweden. Horses and horse activities are increasingly in demand and new lines of business continue to evolve. This has been a fact during the recent years but now the trend seems to level out. The horse has great significance in Swedish society, socially, culturally and economically. This in turn is leading to changed conditions, both for the practitioners themselves and the surrounding community (Swedish Board of Agriculture, 2008). The increasing horse sector is having a large impact on landscape planning too (Elgåker, 2011). Horses also play an important part in the development of a living countryside. Horses provide an additional income to conventional farming and they also encourage people to move to the countryside (Flygare & Isacson, 2003). Horse sport in Sweden has long been of a social movement character, unlike in many other countries. Many people who work with horses do it with great enthusiasm and passion. During the last decades the trend has led to increased establishment of horse-related businesses; however the trend in the last couple of years has stagnated or even slightly decreased.

An equine survey conducted in 2010, showed that about 30% of the participants mentioned high costs, low profitability and/or lack of funding, a weak market and difficulty in charging for products and services as obstacles to development in the equine sector. Almost as many mentioned deficiencies of various kinds that obstruct the development of equine sector, such as lack of opportunities within the facility, lack of good riding and bridleways, lack of land, lack of skilled labour, lack of service from veterinarians and farriers and lack of good horses. Furthermore, more than 10% mentioned obstacles in the form of regulation, supervision and enforcement, bureaucracy, environment, infrastructure, planning and other municipal issues (Swedish Board of Agriculture, 2012a).

In 2012, the participants in the focus group session claimed that the horse sector in Sweden is now on a downward trend, pointing out the decreased number of served mares. Regarding the horse businesses, it was felt that they need to streamline their business ideas, look for better locations (closer to customers) and the activities offered must be more adapted to customer needs and demands, such as diversified food production or different types of livery stables with more specialist services. In general, the participants believed that horse stables will have a lot of opportunities in the sector if they can keep up with the changes in the sector. The interest regarding keeping horses and attending riding sports was perceived to be decreasing and it was thought that there is a system change underway. The way to keep horses in the future may not be the same as it used to be. People are not willing to sacrifice time and efforts to keep on with horses any more, people are getting older and there is limited recruitment of young people into the sector. The horse activities mainly take place in urban and periurban areas (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).
Four out of five horses in Sweden are privately owned and are not enrolled in businesses activities such as riding, trotting or galloping – they are leisure horses. It is important to note that these horses generate a huge amount of ancillary business, for example for feed producers, farriers, veterinarians and horse products. Many private horse owners have economic resources and can afford and want to pay for services and products of different kinds. However, in a time of economic recession this might change – and if the group of young adult horse owners is declining, then this is really serious (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Riding schools are now experiencing difficulties recruiting children and young adults to riding lessons. Previously they had long queues, now they have to advertise in local papers and conduct other activities, such as visiting schools in order to attract pupils. The riding schools find it difficult to compete with other sport and leisure activities – children and young adults no longer hang around stables hoping for some extra hours with the horses. Adults are more steady customers and are willing to pay for shared lessons and even private lessons. Today it seems as if children and young adults want experiences, something new and exciting to happen every time and get bored by just traditional riding lessons. (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012)

Gambling on horses is increasing in Sweden and professional trotting and galloping stables are experiencing an upward trend in their businesses. They feel optimistic about the future and believe that this type of business is quite stable (secure) as a future work place (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

3.3.3. The challenges of the equine sector

The main challenge is to adapt the sector to the new time and attitudes. The driving forces in today’s young adults are quite different compared with a couple of years ago. There are so many opportunities for young people regarding leisure activities, and the horse is competing with many other interests. According to the focus group members, the horse sector has not succeeded very well in attracting children and young adults. It is important to identify attitudes and motivation of young people: what do they want and require, and how do they want to spend their leisure time? Today it is generally becoming difficult to recruit young adults to engage in different associations and societies (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Ignorance and poor knowledge of horses is a problem within the horse sector, among private as well as professional horse owners and businesses. Another reflection among the members of the focus group was that the new generation of horse people has not been brought up with horses or animals in general. Earlier it was very common for almost all young girls to spend time in a stable, because family or friends owned or tended horses. Swedish society is moving towards a situation where neither the young nor the parents have a tradition of horses or animals (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

It was stated by the focus group members that entrepreneurs need to be more business-orientated from the very start. The sector needs to improve cooperation and coordination both within and outside the sector. The entrepreneurs also need to establish networks and cooperate with other entrepreneurs in other sectors. Sweden has to work with...
product branding of the horse breeding sector (to demonstrate the qualities of Swedish horses and products).

Furthermore, the profitability has always been a challenge, but during recent years the economy in the horse sector has been even more strained; the costs of veterinary treatment and transportation have increased significantly. Sweden also has strict legislation and regulations regarding e.g. animal welfare, infection control requirements and artificial insemination, which makes it more difficult to compete with other countries with lower standards and costs in these areas (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Participants in the discussions believed that the main task for the Equestrian Federation is to assist the local and regional associations/customers in how to keep horses. The regulatory demands are increasing and this means that another important task for the Federation is to help horse owners to interpret the comprehensive legislation, which is sometimes difficult to understand. The Federation also has an important role to play in helping horse businesses to develop, work and change their business ideas, which is a difficult task for many horse owners (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

The sector needs to work intensively with both public and official attitudes to the horse sector. The horse sector is still considered to be frivolous, a luxury, a hobby/leisure activity, undeclared income, and associated with little girls who pat horses. If businesses are to be considered serious and credible, they need to show that they are professional businesses. Finally, the horse sector is traditionally very poorly mechanised and the sector needs to have a re-think and be more rational and effective – young people do not want to work manually as in the past (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Horse manure is a major and costly problem for the sector. Many people spend large amounts of money getting rid of the manure. The manure should be recycled and it is important to find solutions for this, e.g. biofuel, biogas and fermentation systems or composting the manure to a soil amendment. According to the focus group members and interviewees, this is an important problem to solve. Other environmental issues are that there is too little grazing land, large meadows are not grazed because neighbours are not willing to lease the land and of course there could be a risk of nutrient leaching to water (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).

Legislation and regulations were seen as constructive guidelines to ensure human and horse welfare, environmental and safety aspects and focus group members and interviewees did not see them as obstacles to development in the sector. The participants used the local and regional authorities as advisors and did not regard them as antagonists but as competent partners for discussion and problem-solving. The participants of the focus group and the interviewed farmers believed that information on the legislation and regulations was easy to find on different websites or by personal contact with government officials in the local county or on a higher national level (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012).
4. Present good practices and future opportunities for innovations

This section will provide results of the focus group discussions in Finland, Latvia and Sweden focusing on current good practices and opportunities for innovations.

4.1. FINLAND

The existing and prospective good practices and innovation potentials in the equine industry

This section was designed to find out what are the good practices / innovations the interviewees are able to recognize, as either currently existing or prospectively needed to solve particular problems and challenges. First we look at the innovations and good practices which relate to the entrepreneurs' business skills. This is a theme that emerged strongly from the discussions. Good practices on the sector were collected in the interviews by asking interviewees to write their thoughts about them on Post-it-papers; the papers were then grouped to different categories according to common themes. In this way four ‘good practice’ -themes were indentified: safety, legislation, horse welfare and environmental issues. Finally we present challenges dealing with the interaction and collaboration between the different actors of the sector, together with some suggestions regarding what might be done to cope with them.

4.1.1. Business skills

The interviewees felt that a special challenge of the equine industries is the level of entrepreneurs' business skills. The equine entrepreneurship starts often as a hobby and the risk is that entrepreneurs do not engage in developing their business skills, or they might not deem business know-how and skills important for the activities in general.

The most successful equine enterprises’ strength is often the business know-how. When the entrepreneur can release working hours also to the management of the company, it has usually a direct impact on the company's financial success. The need to develop such business skills was taken up during the discussions by several interviewees. The entrepreneurs were also viewed as benefiting from a more wide-spread and frequent utilization of the services provided by consulting companies, especially in economic affairs.

The ‘black economy’ and ‘black market’ in the equine sector and associated unhealthy competition in pricing were viewed also as challenges, which erode the profitability of conscientious entrepreneurs. Although companies who are pricing too low will frequently exit the market rather soon, there are anyway new low-pricing ones emerging. Some consumers think only about the price and not about problematic issues behind the low prices.

The entrepreneurs’ skills for quality work, productization and the lack of customer perspective were viewed as major challenges as well. The quality of services was viewed as being in need of continuous improvement; it becomes difficult to attract and keep new clients unless the entrepreneurs are willing to engage in improving their services according to the wishes and feedback from customers.

It was also suggested that the entrepreneurs should more utilize accountants and their services. The company's paperwork could be relieved a lot by adopting a "Swedish model" where entrepreneurs utilize consultants and economic experts in the management of their economic affairs as a normal, routine practice.
4.1.2. Safety

The interviewees viewed that safety and security issues are rather heavily dependent on the experience and expertise of the entrepreneur. Much could still be done to improve safety within the equine sector. For example, enough space should be reserved for trails and riding routes. Clear instructions for customers and other visitors were also considered as an important course of action. Each stable should do a risk assessment to recognize and minimize various risks inherent in their activities. Further, employees should be equipped with appropriate, safe working clothes and equipments. The functionality of and ergonomics in stables could be improved as well. The design of surface materials and lighting were also considered as important aspects of safety. Equine sector’s automatization, in general, was still seen as underdeveloped. Automation could simplify hard work, improve ergonomics and it make possible for the entrepreneurs to allocate their working time in a more meaningful way. The entrepreneurs could learn new practices by comparing their own practices, working conditions and solutions with those of entrepreneurs on other sectors and industries.

4.1.3. Legislation and supervision institutions

The problem of ‘black economy’ within the equine sector was mentioned when collecting ‘good practices’ with Post-it papers too; changes in legislation could help to improve the situation. The interviewees felt that officials are often insufficiently knowledgeable of the sector and not able to give advice in a ‘horse-oriented’ way. The opinions and attitudes among officials towards the equine sector were seen as very varied. Since the legislation is written vaguely, its interpretation depends much on the official in charge of the issue.

The interviewees expressed that the horse sector could be integrated into modern society much better by paying more attention to sector’s issues at the level of societal planning and decision-making, for instance in land-use planning, decisions concerning centralization of the sector’s functions, and e.g. the construction of horse riding trails. Different organizations together could inform decision-makers, officials, and also citizens, about the potentials and possibilities of the equine sector.

The interviewees also pointed out that the horse sector itself should be activated and be in contact with the authorities and try to maintain a dialogue with them. It would be important to try to make a difference in planning and already before the decisions are made. The whole horse sector could work better together to influence the authorities and decision-makers.

4.1.4. Environmental issues

The greatest challenge of environmental matters is the treatment of manure. This challenge was raised by several speakers. The solutions suggested by the speakers included, e.g., cooperation between enterprises in order to identify viable manure composting solutions (for sale), or cooperation between field-less stables and farmers. Manure composting could create business opportunities especially on horse-dense areas.

In some cases the treatment of manure has become a big problem and this was considered as having a negative impact on the horse sector’s image. However, it would be important to notice that manure is not only a cost, but could also be a resource that the industry should be able to commercialize and exploit.
4.1.5. Horse welfare

As a common stance the interviewees expressed that a good practice with which to increase the well-being of horses is to improve horsemanship of entrepreneurs, customers and enthusiasts. The more professional the business is, the better the horse keeping will be. Deficiencies in horse’s well-being are often due to entrepreneurs’ fatigue. One problem related to this problem is, how to get these entrepreneurs to participate in education and vocational courses. The most active entrepreneurs are the ones who already have everything well. The big question, in turn, is how to get the information for those who would need it the most. How could organizations, for example, find the smallest enterprises to inform them? The interviewees also raised concerns about the variable – and sometimes rather low – level of knowledge on good horse keeping shown by officials and administrators.

4.1.6. Interaction and cooperation

The interview questions also addressed the topic of co-operation and interaction within the equine sector on four different areas: cooperation between enterprises/companies and a) customers, b) organizations, c) society and d) other enterprises/companies.

Company – customer

According to the interviewees, the equine businesses are often lacking adequate productization skills with which to develop their services into successful products. Similarly, the entrepreneurs were often seen as having a deficient understanding of the customer’s perspective. The customers' needs and requirements could be addressed e.g. by means of specialization and the development of the services, but only the ‘best’ businesses have done this. Customer orientation and focus were viewed as of paramount importance in the future. Interaction with customers is still often limited to the specific selling event, typically via telephone. The interviewees stated that online marketing opportunities towards customer contacts are not exploited sufficiently.

The company - society – organizations

Officials and decision-makers knowledge of the horse sector was seen as the most acute problem in the dialogue between equine sector and society. Officials have not been able to take equine sector’s needs and its growth potential sufficiently into account in planning and decision making. Naturally horses are concentrated on the same areas where the people are. The already high density on these areas makes it hard to find enough space for horse activities, and the situation is prone to conflicts with local residents.

Cooperation between the companies and equine industry organizations was considered as already well established. However, further development and intensification between different organizations and companies was viewed as necessary, from the perspective of the transfer of knowledge and expertise, for example. Interviewees also commented that cooperation between companies and various supervisory authorities could still be considerably improved.

Equine sector organizations and development projects could devote more effort to informing the large audience about positive impact potential associated with equine industry and entrepreneurship.

In some comments harness racing was viewed as being in a situation where development and intensification of interactions with organizations are acutely called for. The
future of the harness racing was seen as uncertain and fostering of closer cooperation was found necessary.

Company–company

Cooperation between companies in the equine sector was considered important, but currently the level of cooperation and collaboration was considered to be still rather low. Cooperation between enterprises focuses typically on fodder purchases or use of common riding trails, but could be increased and expanded considerably. Increased cooperation could bring valuable synergies, for example from areas of cross-border cooperation, such as cooperation between horse-enterprises, farmers and tourism businesses. More generally, the sharing of good practices and experiences and comparison of activities between various enterprises could also be beneficial to businesses. It was commented that the internal cooperation within the horse sector has much room for improvement, for example in activities related to breeding and harness racing. In harness racing one possibility could be to specialize in different stages of training a young horse.

Cooperation between equestrian sports and harness racing was viewed as holding much potential for mutual synergies and adding of value. One challenge there, however, is the “gap” and “cultural” differences between the sectors, even though some converging has occurred in recent years. More generally, as the main obstacles to company–company cooperation were mentioned following ones: jealousy between entrepreneurs and protection of "own territory" as well as lack of time and the risk of fatigue.

4.1.7. Other good practices and innovations

Automation was seen as future for profitable equine business. Some stables have already started to remove manure with machines what saves personnel costs and reduces the need for physical work.

Cooperation with the near stables concerning the common use of big investments as riding halls or training tracks is crucial. Stables could also together keep good relations to the landowners nearby and agree on safe and allowed riding tracks, when also the landowners could be sure that there won’t be riding off those tracks.

To introduce clear rules among employees and customers are important for everyone’s safety.

Using internet as marketing and communication tool was considered as important. Some stables have a system for customers to change the riding lesson time in internet or they may use internet pages, videos and Facebook for communication.

4.2. LATVIA

The industry has to overcome different challenges to allow the development of the horse breeding and extending the range of services in different directions. One important aspect is that horse breeding is often perceived as a hobby or fanatic enthusiasm and not as a form of business. It affects the thinking of horse breeders and owners both towards the profit-making (the ability to assess which of the activities of the farm should really be developed and perhaps new ones introduced) and the existing and the potential clients, as well as in relation to the mutual cooperation among the stakeholders.

The discussions clearly showed that there are entrepreneurs who are ready to seek solutions and new approaches, are open to cooperation and are ready to learn in order to not
only be able to adjust to the existing situation but also would be able to have an active impact on it. But there are many entrepreneurs who are oriented only to survival, passively waiting for changes to come from outside (somebody will grant the funding, somebody will settle the quality assessment criteria, somebody will attract the clients, etc.), they lack motivation for cooperation and innovations.

A majority of the farms are very small, which makes their survival and future development difficult, because breeding and training of good quality horses is expensive. The businesses operating in the equine sector should clearly define their priorities and activities, because it is not possible to do everything in good quality: whether it is a horse breeding or buying and training, or training, or whether it is another type of services. This is due to the fact that given the existing knowledge and resources and the small market in Latvia it is extremely difficult to manage it all in one farm.

4.2.1. Normative requirements and regulations

Development or review of the normative requirements is needed, particularly in relation to the safety and other requirements (border crossing, horse welfare, quality standards and evaluation) in horse breeding, using of horses for tourism, recreation, therapeutic riding, etc.; those working within the sector found certain requirements illogical, as if detached from actual life. At the same time the efforts of the associations of the sector to offer solutions are not always supported by the Ministry (for example, regulations on certification of horseback riding places and welfare requirements were prepared by the association but their further progress has stuck in the Ministry of Agriculture). The farmers and breeders also seem to resist the introduction of any (new) normative regulations. The resistance can be observed on the part of the official institutions as well – if the regulations were developed and enforced, somebody would have to monitor the implementation of the regulations and this would mean additional work. Foreign experience was mentioned where safety issues and certification is handled on a serious level – this concerns both the horseback riding, tourism and the sports training.

During the discussions in Saulkrasti it was proposed not to impose some safety directions from above, but rather develop guidelines at the level of associations, which could be published on the websites of the associations as recommendations. The implementation thereof should not be enforced upon the entrepreneurs, but those, who care for the quality of their services and their reputation, will be motivated to comply with them and thus the good practice would gradually spread throughout the whole industry. The foreign guests would also be informed about the regulations valid in Latvia by looking at the websites of the associations. Safety issues should be considered together with the certification of the service providers.

The potential of the horses in tourism was acknowledged in general, but the horse breeders and the owners themselves have to choose in which direction they are specialized and whether they are really prepared to offer equine services to the tourists as well. If so, then a client-orientated business approach has to be considered from the provision of information until the adequate service and attitude towards clients. Part of the breeders was sceptical of the necessity of safety regulations in tourism, because they considered that tourists should be responsible for their safety themselves once they have agreed to use horses. They did not agree that life or health insurance should be required as compulsory measure because that could only reduce the number of tourists and scare them off. It could be asked for only if the person comes for regular training. The ruling attitude was: if the client uses the horse, he or she is responsible himself or herself for what is happening to the person. Service providers were often
not even prepared to provide the clients with helmets, because they would need helmets of different sizes, which would have to be looked after and this all would cause additional costs to the entrepreneur.

The entrepreneurs mentioned examples when formal requirements were changing often and they had to manage following these, for example, the requirements for documentation and accountancy are changing often. Several requirements seemed unnecessary and exaggerated, for example, the entrepreneurs were not satisfied with the requirements that horses needed declarations of movement within the territory of Latvia; also the requirement to inject a chip to each horse seemed exaggerated (because there is no such requirement in the neighbouring countries). The entrepreneurs are not satisfied that the veterinary certificate can be received only in the regional centre (why can’t it be settled by the local vet?) which increases the costs again.

Provision of therapeutic riding in Latvia is problematic because the obtaining of the corresponding certificate has been impossible for several years. The entrepreneurs show initiative to seek solutions how to name these lessons/activities otherwise so that they could still provide similar services.

It was mentioned that the border crossing issues are not really settled, for example, if the horse should be sold to Russia. There have been attempts to settle these issues at the level of the Ministry of Agriculture of the Republic of Latvia but without success so far.

4.2.2. Cooperation

It was acknowledged several times during each discussion that closer and more coordinated cooperation and dialogue is needed among the stakeholders (for example, the breeders themselves, the policy makers and the representatives of the industry, the equestrian federations and the horse breeders associations), as well as cooperation of the breeders, defining of competences and responsibilities among the stakeholders, for example, who would have to handle the development of the regulations and the certification. The representatives of the Latvian Horse Breeding Association expressed their concerns that the funding for the breeding allocated by the Ministry of Agriculture of the Republic of Latvia is often spent somewhere else, for example, to organize equestrian competitions, because, given the existence of two horse breeders organizations in Latvia, it is more difficult to divide the allocated funding efficiently, which in turn hinders the development of the industry. Everybody admitted that the lack of funding within the industry is crucial, for example, the certification proceedings are expensive and a small stable has difficulties paying for it all. Also the cooperation between the horse breeders and the riders in preparing of horses is insufficient, which results in mutual reprimands – the breeders would not be able to breed good horses, but the riders would not be able to prepare them in a professional manner.

It was admitted that the cooperation between the breeders and the entrepreneurs is not sufficient; it is also not normal that there are two horse breeders associations. Cooperation among the biological farmers was mentioned as a positive example.

It would be very important to consider cooperation among the entrepreneurs of the industry with the purpose of constructing good arenas for horse training. Unfortunately at the moment the problem is that the breeders and other entrepreneurs of the industry often do not wish to cooperate even if it would be beneficial for all in long-term. A good solution could be a cooperative society which could work with preparing of horses and employ a marketing specialist to address the attraction of clients and their welcoming, entertainment,
accommodation, ensuring adequate conditions for the client to feel satisfied and view the horses available and prepared for sale.

Cooperation should be developed in the field of service provision. There have been cases when it is easier to cooperate with Estonian stables in providing a service than with Latvian entrepreneurs.

4.2.3. Education

It was acknowledged during discussions that obtaining of formal professional education and continuing education is problematic in Latvia. Possibilities for education and continued education (professional education, continued education courses) of those people employed in equine industry have to be created, which could partially be solved by involving project funding, by using the current possibilities within Latvia University of Agriculture and by seeking possibilities abroad as well. Educating trainers is also important.

4.2.4. Quality of the services

Suitable places for preparing and training of young horses are lacking in Latvia, therefore the breeders are forced to sell horses for very low prices to Swedish and Finnish buyers, even below self-price only to be able to feed the other horses. Another problem is the lack of cooperation between the breeders and the riders. The establishment of places for training of young horses and sales horses could be implemented through cooperation of those employed in the industry.

It was acknowledged several times during discussions that there is a lack of criterions defining what is a good horse, rider, trainer, etc. The task of the associations would be to define such criteria. It has to be reviewed as well who is performing different certifications at the moment, because certified horse evaluators currently are available work abroad and local ones do not always seem trustworthy.

Participants of the focus groups stressed that the horse breeders do not participate in equestrian competitions; therefore they do not see the quality of the horses. Creation of new, innovative services, working with clients, attraction of new clients, mastering of foreign experience is a big challenge. Not all entrepreneurs are ready for it, they lack innovative thinking, language skills and understanding of the necessity to view the equine industry on a broader scale and not so traditionally.

Important aspect of qualitative services is communication with customers and marketing skills. This was mentioned as a serious obstacle to develop good services.

4.2.5. Popularization of the sector

It was concluded during the discussions that popularization of equine sector and the services and fields related to the use of horses is needed both in Latvia and abroad by creating common information networks and the image of the industry, by popularizing achievements of the industry in fields of sports, breeding, tourism, etc.. At the same time the service providers themselves need to be educated to develop their communication and marketing skills to work with clients and create an adequate service.

Creating and developing of a qualitative marketing and orientation towards export of good quality horses (broken in, trained, with “value added”) is very important.
It is important to educate the public that a horse is not vicious and will not attack. A lot can be achieved in this field by cooperating with mass media. The necessity to educate the public on horses, their specificity, possibilities and potential services was emphasized; proposals were made to cooperate with schools and kindergartens so that children could get familiar with horses from early age and could develop interest for this field.

4.2.6. Current good practices and ideas for future innovations

Information for the clients about the services offered is provided by the websites of the stables, the tourism information centres and the informational materials published by these, but still major reliance on informal, verbal advertising from one client to another is observed. Innovation in this field could be the creation of a common information system and interactive maps, which would summarize information on the whole equine industry in Latvia (and the closest neighbouring countries) and all services. The site would serve as a common environment where the stakeholders of the industry could get to know of each other, could communicate, cooperate in selling of horses and provision of other services. This informational site could also be used by other interested persons who wish to use different services (horseback riding, riding lessons, tourism, therapeutic riding). It would be very important to develop a common map where the farms and companies offering equine services would be marked. This information should be displayed in foreign languages as well.

Livery stable is one of the services which should be developed, especially near the big Latvian cities. This service could provide rather regular income to the entrepreneurs, which cannot always be guaranteed, for example, by tourism or horse sale.

Other interesting innovative services and events were mentioned:
- at Christmas a pony was taking the elevator to the third floor, where the children had the Christmas party;
- a pony was used to deliver birthday greetings to a child (as a horse mail);
- within the framework of the project supported by the youth international project agency the young people from the riders club “Demora” learned to cooperate with the young people from the orphanage and the disabled children in relation to horses: grooming, feeding, handling the horses and riding as well. This cooperation resulted in a stage play “Power stemming from horses”, which was performed within the region and some other places in Latvia (during the competitions in Talsi, in the snowpark “Lemberga hūte” in Ventspils, as well as other counties). The play was performed in the club as well at the opening of the new riding arena constructed within the framework of LEADER project.
- Riding services are offered to those people who do not wish to or cannot be actively involved in sports themselves anymore, for example, the children, therefore people still retain interest and close connection with horses.

It was proposed that an innovative service could be offered - horseback riding along the beach, for example, in Saulkrasti or along the coast of the Baltic sea in different countries. At once the problem or the obstacle was mentioned in terms of natural reserve areas and biotopes, where horseback riding is prohibited. In Latvia such places are, for example, on the Kurzeme seaside and the Vidzeme biosphere reserve.

In order for the public to be more informed about the horses and use different services, public shows with involvement of horses should be organized more, for example, family days, horse days etc. It is important to ensure the possibility to use several horses here, so that people should not be waiting in a long queue for a ride in a carriage. At the same time the
public has to be educated that the horse, being a large animal, requires special attention and careful handling: he needs to rest as well, he may become agitated or spooked from the noises caused at the event (loud music, fireworks, vehicle noises etc.), he may get tired of too obtrusive attention by the people; the horse is also an intellectual being, which needs to be understood and its behaviour should be forecasted. Through educating of the public, the attitude of the neighbours of the stables could be changed as well – some support it, but some have objections, for example, as to where people ride with horses.

The mass media play an important role in educating the public and informing about horses and the possibilities of their use. The representatives of the sector reproached the media of the tendency to reflect the events in a rather uncritical and predominantly negative light, whereas the media representatives admitted that it is not easy to arrange interviews with the entrepreneurs (which might serve also as free advertising), because they excuse themselves under the pretext of the lack of time and not wishing to speak with the press. The entrepreneurs have the notion that advertising is expensive and they cannot afford it, they also lack confidence in the efficiency of the advertising measures (whether the investments will pay off). Representatives of the mass media emphasized that horse business owners are not eager to use advertisement opportunities which are even free of charge, for example, the local mass media could prepare a series of articles on the horse breeders and the businesses offering different services related to the use of the horses. It was concluded that it is important to find some innovative solution, services which would be interesting to the journalists and they themselves would be ready to prepare articles and stories, which would serve as free advertising for the entrepreneurs (the example from Holland with cow SPA was mentioned (similar service for horse SPA could be created); producing cosmetics out of mare milk). This approach has been used by Adventure Ride, because the media had become interested in the several day trail rides offered by this stable. Often the entrepreneurs and the breeders themselves are not ready to talk to the press; they have no trust and do not wish to waste their time.

It was proposed to develop pilot projects for cooperation with schools and nursery schools where children from early age could have the possibility to familiarize themselves with the horses, the equestrian sports, etc. It was acknowledged during the discussion that at the moment people have little information and knowledge or they have developed stereotypes or misleading perceptions (for example, that the horse, being a large animal, is dangerous; the ponies are smaller therefore less dangerous, that you may not approach the horse – he will definitely attack), therefore the interest in this industry is not developing.

4.3. SWEDEN

During the focus group session in Sweden it was discussed that the businesses need to streamline their business ideas, have better geographical locations, and offer more personalized activities, such as food production and different types of stables. Stables with more specific and/or diversified services have better opportunities in the sector and perhaps are better in keeping up with the changes. So the novelty would be to make their businesses and services more customized.

4.3.1 Adaptation to changes, branding of the equine sector and being a professional horse entrepreneur

The main challenge of the horse sector is to adapt to the new time. The way of living is changing, people are changing and it is very important for the equine sector to keep up, be in
line or even in the forefront with the consumers’ and costumers’ demands. In Sweden horse businesses have a lot to work with when it comes to marketing their brand, for example, in breeding or to show the qualities of Swedish products.

Serious question was raised: how can we get a business to become serious unless you can show that we are professional entrepreneurs? Not only the public’s views and attitudes but also attitude of the authorities needs to be changed. It is important to show that horse businesses have an important impact on society and economy. Still, many horse entrepreneurs are not viewed as serious; they are still viewed as hobby operations.

The sector has not been able to explain what our businesses are about and we have to get better in explaining this. And we must do so by educated entrepreneurs who become ambassadors. We need to get figures to show authorities how large impact the sector has, sometimes money are the only language that are understood.

The horse business owners have to get better from the start, think more business, they have to be included among other entrepreneurs to show their seriousness. They also need to work hard on the business part of their business. In order to encourage and inspire new entrepreneurs to start an equine business and show good examples The Swedish Board of Agriculture published a report on Professional Equine Entrepreneurs (in Swedish) with presentations of 12 successful equine entrepreneurs in Sweden (Swedish Board of Agriculture, 2012b). Further, during the past couple of years several LEADER projects have been initiated in order to stimulate and increase development in the equine sector.

In the focus group discussion and related to the topic of adaptation to changes, branding and being professional businesses, the focus group members stressed that customers’ purchasing behaviour needs to be addressed; one must always respect the customers, approaching the customer on the customer’s terms and it is vital to meet the market. However very diminutive research has been conducted and studies on consumer preferences and needs were requested.

### 4.3.2. Attracting and engaging people in the equine sector

As society is moving towards a society where neither young people nor their parents have any tradition and experiences with animals, the sector must respond and react to the fact that it becomes complicated to engage young people. The driving forces in today’s young adults are quite different compared with a couple of years ago. There are so many opportunities for young people regarding leisure activities, and the horse is competing with many other interests. According to the focus group members, the horse sector has not succeeded very well in attracting children and young adults. It should be studied what are attitudes and motivation of young people, and what do young people want. Trend spotting should be carried out to find out what people want as it is important to gain knowledge and study customer groups as well as to find products what attracts customers.

### 4.3.3. Rationalization and mechanization

The sector experiences rationalization and mechanization as young people do not want to work in the traditional way with hard physical manual work. It was acknowledged that industry should customize and adapt otherwise it will be hard to motivate young people to start working in this sector and some stables have already started to remove manure with machines to save personnel costs and reduce the need for physical work. Cooperation issues were stressed during discussions. It was stated that cooperation should be developed more and
different businesses need to interact and support each other. Cooperation could be developed, for example, between Chalmers Technology University and the horse industry, to produce and work on improving the equipment and tools, and make better materials, for example, horseshoes. It is important to think outside of the box and seek cooperation with people outside the sector that view things differently.

4.3.4. Collaboration and good relations

Access to riding tracks, the Swedish right to public access and potential conflict situations with neighbours and other land owners was mentioned in the focus group session. As mentioned in the Finnish focus group discussion, also officials and decision-makers knowledge of the horse sector in Sweden was seen as the most acute problem in the dialogue between equine sector and society. Officials have not been able to take the equine sector’s needs and its growth potential sufficiently into account in landscape planning and decision making. Naturally horses are concentrated in the same areas where people are. The already high density on these areas makes it difficult to find enough space for horse activities, and the situation is prone to conflicts with local residents. Cooperation with other equine businesses concerning the common use of big investments as out- and indoor riding facilities or training tracks is crucial. Stables could also together keep good relations to the landowners nearby and agree on safe and allowed riding tracks, when also the landowners could be sure that there won’t be riding off those tracks.

4.3.5. Environmental and safety issues

Manure handling is one of the largest environmental issues in the horse sector. The legislation regulates how to handle, store and spread the manure. Often the manure is sold to neighbouring farmers for spreading on farmland. Other horse owners had contracts with companies to dispose of manure, but such disposal is associated with quite high costs. The manure at the interviewees’ stables was mainly stored on concrete floor or in containers. Some years ago one of large stables had its own heating facility where the manure was used, but this facility was no longer in use because it required massive and expensive renovation. In the future, the owners hoped to sell the manure to a power company for district heating of private houses. Another important environmental issue is that there is too little land, leaching, ungrazed. Big meadows are not used perhaps since the neighbour does not want to let go of the land.

The interviewees were all aware of the national safety regulations and thought about the issues during their daily activities and in planning for new buildings, facilities or just minor renovations. As an example, one of the horse owners believed that the outdoor loose housing system actually increased the safe handling of the horses. The larger businesses and riding schools worked systematically according to the national regulations regarding the work environment (Current Status of the Equine Sector in the Central Baltic Region (Finland, Latvia and Sweden), 2012). Horse manure, must be re-circulated, many stables spend large amounts of money just to get rid of the manure when it should be considered a resource, it is vital to find solutions to either return it into the cycle, be used as bio-fuel, or restore to litter again, fermentation, important to look on it as a resource. This is an issue that must be solved.

4.3.6. Alternative housing system for keeping horses

A small private horse owner had competition horses (gallop) which were housed year-round in outdoor loose housing stables with access to paddocks or pastures. According to the horse owner, having the horses in this system had reduced the amount of daily labour, it was economically advantageous, and the horses had less respiratory diseases and were calmer.
Keeping horses in a more extensive system means that the daily work tasks can be kept to a minimum and the time saved can be spent on riding and training instead. However, this will also affect the number of employed workers at large stables, but rationalisation and mechanisation are needed if businesses are to survive.

That same owner also believed that even large numbers of horses could be kept in this kind of system and with reasonable profits. A lot of the economic problems among horse owners are related to large investment in expensive stables and equipment, which is actually not necessary for the horses and their welfare. In relation to this, the horse owner believed that horses should be kept as horses (animals) and that a lot of today’s horse owners have insufficient knowledge about the basic physiology and ethology of horses. This means that horses are often treated as ‘indoor pets’ with blankets, warm stables and no outdoor activity during rain and snow. This in turn increases the costs of keeping horses, perhaps to an unrealistic level. It is possible to keep expensive, high performing competition horses in outdoor loose housing systems – both during summer and winter.
Conclusions

The horse sector in the three countries (Finland, Latvia, and Sweden) all faces difficulties and challenges having common and more specific traits in each country. Concerning the issues of the horse sector in Latvia, the following good practices and novelties were proposed:

- The LEADER programme could be used more actively for project development purposes, for example, therapeutic riding measures and other initiatives.

- Studies and client surveys should be conducted to find out what the clients are interested in and how much they are prepared to pay for particular services; what is interesting for the local tourists and what is interesting for the foreign tourists.

- International shows with the purpose of selling horses should be organized, because currently there is no such place where this could be done. The horse breeders associations have discussed this, but no practical solution has been found yet – such should be developed together within the framework of the industry.

- It was proposed to implement the following scheme: the breeders breed the horse up to a certain age and then sell them to those who will train the horses. When the horse is finally sold to the end client, only then the breeder and the trainer as well will receive their share of the price (both above mentioned persons would work for the potential future profit). It would eliminate the situation where the breeder is trying to breed, train and prepare the horse all by himself, because it is hard to accomplish it all with due quality (one person does not have to be competent in all fields).

- Mutual experience sharing events could be organized providing the entrepreneurs of the industry and the breeders with the possibility of sharing their experiences.

- The Lifelong education centre of the Latvia University of Agriculture could hold courses and certifications; courses in marketing and working with clients should be provided as well.

- More work should be devoted to educating the public through mass media.

In Finland, the interviewees pointed out many challenges concerning the Finnish equine sector. It seems that good practices are needed to overcome those challenges. Overall it seemed to be easier to think about the equine sector from the perspective of challenges than formulate the good practices. Taken together, main challenges and associated existing and potential good practices (to overcome those challenges) included the following:

- Lack of business skills among entrepreneurs:

  Lack of business skills leads to low prices and failures in business. Entrepreneurs fail to calculate the real costs of their business and due that also in pricing. Marketing skills are often inadequate and the entrepreneurs do not have knowledge on how to build specialized product concepts to gain competitive advantage.

  Entrepreneurs of the equine sector should gain the basic business skills or consider taking someone with those skills as a partner. Organizations can help in educating entrepreneurs but the entrepreneurs in the worst situations are seldom responding to invitations for schooling or other events.
- Lack of professionalism:

Lack of professionalism is a problem among those who do business based on their own hobby, not as a ‘serious’ source of livelihood. They are affecting the image of the industry and may often also keep the prices too low for profitable business. In some cases also the safety and horse welfare may suffer.

It is important to continue speaking of horse industry as a business, not just as a hobby, to get the respect of other businesses. Increasing the knowledge of the industry and efforts to reach those who are not playing by the rules may help to solve the problem.

- Lack of knowledge of equine sector among officials:

Lack of knowledge among the officials makes planning of horse-centers and other horse-friendly planning difficult. Cooperation within the sector may help in educating officials on the importance and positive effects of the industry.

- Manure handling problems:

Manure burning is not possible for normal horse entrepreneur, and the disposing of the manure may be costly and difficult. Entrepreneurs are hoping for more sustainable solutions than transporting the manure to waste treatment plants far away.

The situation is best for those who can cooperate with the neighboring farmer or can use the manure as fertilizer by themselves. The shortage of peat creates still new problems, since it is the best bedding material when speaking of the reuse as fertilizer.

In Sweden, the focus group members and interviewees stated several challenges and proposed several suggestions regarding good practices and novelties in the equine sector:

The sector needs to adapt to changes in peoples attitudes and preferences. The driving forces in today’s young adults, customers and consumers are quite different compared with a couple of years ago. There are so many opportunities for people regarding leisure activities, and the horse is competing with many other interests.

- It is important to identify attitudes and motivation of young people: what do they want and require, and how do they want to spend their leisure time? It should be studied what are attitudes and motivation of young people, and what do young people want.
- Trend spotting should also be carried out to find out what people want as it is important to gain knowledge and study customer groups as well as to find products what attracts customers.
- Studies and client surveys should be conducted to find out what activities and services clients are interested in and prefer, and how much they are prepared to pay for the activities and services; Further, what is interesting for the local tourists and what is interesting for the foreign tourists.

The sector needs to be more professional, serious and business-oriented. The equine sector is very often regarding as hobby, non-serious and non-profitable businesses. However, the equine
sector will have a lot of opportunities in the sector if they can keep up with the changes in the sector.

- Horse entrepreneurs need to develop and streamline good and attracting business ideas, look for better locations closer to customers and offer the activities more adapted to customer needs and demands, such as diversified food production or different types of livery stables with more specialist services.
- The sector needs to improve cooperation and coordination both within and outside the equine sector in order to develop. It is important to think outside of the box and seek cooperation with people outside the sector that view things differently.
- The Equestrian Associations and organisations, and equine advisor have an important role to play in helping horse businesses to develop and work and change their business ideas, which is a difficult task for many horse owners.
- The sector needs to work intensively with both public and official attitudes to the horse sector by showing good examples of successful entrepreneurs – being ambassadors for the sector.
- Studies and statistics are needed to show authorities how large an impact the equine sector has on urban, peri-urban and rural society and the national economy.

The equine sector needs to improve knowledge and competence of horses. Unfortunately, there is a lot of ignorance and poor knowledge of horses among both private as well as professional horse owners and businesses.

- In order to improve competence and knowledge of horses, horse keeping and training courses, education material and workshops on different educational levels should be offered to low costs for all people interested and engaged in horses.
- The Equestrian associations, organisations, university and professional equine schools, and equine advisors could assist in the implementation of education, courses and workshops on the local and regional level.

The equine sector needs to rationalise, mechanise and use new technology. In general, the equine sector is very traditional and poorly mechanised and the sector needs to re-think and be more rational and effective – young people do not want to do hard manual work as in the past.

- New technique and tools needs to be developed in order to rationalise and ease the physical work load in horse stables.
- New systems such as outdoor loose housing stables with access to paddocks or pastures need to be considered and introduced. Having horses in this type of system reduces the amount of daily labour, is economically advantageous, is more safe for people handling the horses and improves horse welfare - the horses have less respiratory diseases, can be kept in groups, get regular exercise and are often calmer. Keeping horses in a more extensive system means that the daily work tasks can be kept to a minimum and the time saved can be spent on riding and training instead.

The equine sector needs to be better use and recycling horse manure. The handling and disposal of horse manure is a major and costly problem for the sector.

- The view on horse manure as a waste should be reconsidered – horse manure is not a disadvantageous left-over but is an asset as fertiliser and a source for renewable bio-energy.
The manure should be recycled and it is important to find solutions for this, e.g. biofuel, biogas and fermentation systems or composting the manure to a soil amendment.

In spite of many differences in current good practices which the focus group discussions identified across the Baltic Sea region countries, the equine sector in all three project countries faces similar challenges and needs. The most common are environmentally friendly horse businesses, safety issues, improved professionalism and exchange of information and experience, closer cooperation within the sector, and raised social awareness and public interest towards the equine sector. It means that there is a wide space for innovative solutions.
Literature and information sources


