

# Entrepreneurial skills in a post-modern society

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## **Creative industries for creative tourism entrepreneurship: local products festivals**

### **1. Introduction**

In the present “Learning Material” we explore the link between festivals as creative industries, and more specifically local products festivals as generators of positive externalities, and creative tourism development. Festivals are increasingly considered to be a cost effective way to boost local economies and local entrepreneurship and have thus become a subject of interest at academic and public policy level in post-modern societies. In this study material we provide an introduction and overview of the background literature on creative industries, creative tourism and local products festivals as creative tourism development stimulants.

### **2. Creative/cultural industries and their contribution to economic development**

Creativity, although often associated to just the arts and culture, is a multifaceted undertaking which displays economic, cultural, and technological features. Thus, the acts of starting a new firm, of producing an artistic event, and of inventing a new process/product are all outcomes of creativity that respectively belong to the economic, cultural, and technological realm. According to Schumpeter (1934:93)<sup>1</sup>, the factor connecting these three types of creativity together is entrepreneurship. Entrepreneurship in the broad sense, along with the emergence of creative industries, has been shown to be a major determinant of economic growth at both the national and regional level (Audretsch 2007)<sup>2</sup>. Audretsch and Keilbach (2005)<sup>3</sup> indicate a direct link between entrepreneurship capital, a specific type of human capital referring to the capacity of a region to generate entrepreneurial activity, and regional economic growth. Creative industries based on knowledge, originality, imagination and innovation, emerge worldwide as leading factors in the formation of competitive advantage at the local and regional level. In the extensive interdisciplinary academic debate under progress it is argued that cities and regions hosting creative - cultural industries exhibit rising growth rates, high employment rates, economic development and social cohesion.

The term *cultural industries* refers to forms of cultural production and consumption that have at their core a symbolic or expressive element. The term was spread worldwide by UNESCO in the 1980s and has come to encompass a wide range of fields, such as music, art, writing, fashion and design, and media industries, e.g. radio, publishing, film and television production. Its scope is not limited to technology-intensive production as a great deal of cultural production in developing countries is crafts-intensive. Investment in the traditional rural crafts, for example, can benefit female artisans by empowering them take charge of their lives and generate income for their families, particularly in areas where other income opportunities are limited (CER 2013). All of these productive domains have significant economic value, yet are also vectors of profound social and cultural meanings.

The term *creative industries* is applied to a much wider productive set, including goods and services produced by the cultural industries and those that depend on innovation, including many types of research and software development. The phrase began to enter policy-making, such as

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<sup>1</sup> Schumpeter, J. A. (1934). *Theory of economic development*. Cambridge, MA: Harvard University Press.

<sup>2</sup> Audretsch, D. B. (2007). *The new entrepreneurial society*. Oxford: Oxford University Press.

<sup>3</sup> Audretsch, D. B., & Keilbach, M. (2005). Entrepreneurship capital and regional growth. *Annals of Regional Science*, 39, 457–469.

the national cultural policy of Australia in the early 1990s, followed by the transition made by the Department for Culture, Media and Sport (DCMS) of the United Kingdom from cultural to *creative* industries at the end of the decade. This usage also stemmed from the linking of creativity to urban economic development and city planning. It was given a first significant boost by the important work carried out by the British consultant Charles Landry (2001)<sup>4</sup> on the “creative city”. A second and highly influential force internationally was the work of Richard Florida (2002)<sup>5</sup>, an American urban studies theorist, on the “creative class” that cities needed to attract in order to ensure their successful development.

Creative industries, even though considered as an important economic sector in post-modern economies, are still a buzzword within urban and regional economic analysis and policy, lacking a clear and widely accepted definition. In Europe, definitions encompass the “creative industries” approach in UK, the “cultural industries” one in France and the “experience economy” in Sweden. In Italy, the cultural and creative activities also include the food industry (KEA 2006<sup>6</sup>).

Table 1. European classification of creative industries

UK approach - DCMS Model “Creative industries”	French approach “Cultural Industries”	Nordic approach “Experience Economy”
Advertising Architecture Art and antiques market Crafts Design Fashion Film and video Music Performing arts Publishing Software Television and radio Video and computer games	Publishing (books, newspapers, magazines, music, press) Audiovisual activities (production of films for TV, theatrical films, technical activities related to cinema & TV, film & video distribution, radio/TV satellite programmes) Activities directly related (press agencies, multimedia, advertising)	Advertising, Architecture, Books Content Production Cultural Institutions Design Entertainment, Events Fashion Film And Video Music Print Media, Radio & Television Sports Industries, Theatre Tourism Toys & Amusement Visual Arts

A number of different models are being developed as a means of providing a systematic understanding of the structural characteristics of the cultural and creative industries. The use of the terms “creative and cultural industries” can vary significantly from one context to the next. Communities often challenge and seek to reshape prevailing models to suit the reality of their local context, culture and markets. The terms are therefore constantly evolving as new dialogues develop, and led to question, for example, whether and where to classify fashion shows, carnivals and video games in the cultural and creative industry models. In recognition of this fluid context, the recent United Nations Creative Economy Reports reviewed a selection of models and highlighted the different classification systems and their implication for the creative economy. A

<sup>4</sup> Landry, C. (2001). *The Creative City*. London: Earthscan/Comedia.

<sup>5</sup> Florida, R. (2002). *The Rise of the Creative Class*. New York: Basic Books.

<sup>6</sup> KEA (2006) *The Economy of Culture in Europe*, Study completed for the European Commission – DG Education and Culture.



number of these models is presented below in Table 2, encompassing both “cultural” industry and “creative” industry usages (CER 2013)<sup>7</sup>.

Table 2. Different classification systems for the cultural and creative industries

Concentric Circles Model	Symbolic Texts Model	UNESCO Institute for Statistics Model
<b>Core creative arts</b> Literature Music Performing arts Visual arts <b>Other core cultural industries</b> Film Museums and Libraries <b>Wider cultural industries</b> Heritage services Publishing Sound recording Television and radio Video and computer games <b>Related industries</b> Advertising Architecture Design Fashion	<b>Core cultural industries</b> Advertising Film Internet Music Publishing Television and radio Video and computer games <b>Peripheral cultural industries</b> Creative arts <b>Borderline cultural industries</b> Consumer electronics Fashion Software Sport	<b>Industries in core cultural domains</b> Museums, galleries, libraries Performing arts Festivals Visual arts, crafts Design Publishing Television, radio Film and video Photography Interactive media <b>Industries in expanded cultural domains</b> Musical instruments Sound equipment Architecture Advertising Printing equipment Software Audiovisual hardware

Creative industries could be broadly defined as those in which human capital is the crucial factor for success and where new ideas and approaches flourish. Creative industries now generate a large and steadily increasing share of employment and gross domestic product, at the local, regional and national level. Moreover, creative and cultural activity enhances the quality of place for cities and regions, and shapes the place’s identity in an increasingly competitive economic environment. Many cities and regions around the globe, from metropolitan centers to rural areas, recognizing the economic and social benefits that flow from the creative economy, develop policies that give strategic priorities to creative and cultural activities that constitute major generators for creative tourism.

### 3. What is “creative tourism”?

Tourism is widely considered by academics and practitioners to become the largest global industry. The early post-war massive “sun and sea tourism” formed the first generation of tourism, in which people come to a place for relaxation and leisure. The subsequent alternative forms and mainstream cultural tourism formed the second generation of tourism, where cultural tourism was rather oriented toward museums and cultural tours. Cultural tourism, since it first appeared as a distinct tourism product category in the 80’s, has gone through several stages - both in supply and demand. The initial interest in the symbolic cultural attractions and world capital cities resulted in a phenomenon which Richards and Wilson (2006)<sup>8</sup> call "serial reproduction of culture" or directly recreating the successful models often associated with a large amount of expenses. Exploiting culture for tourism thus became an established tourism destination

<sup>7</sup> UNESCO (2013) Creative Economy Report. Widening Local Development Pathways, 2013 Special Edition. United Nations/UNDP/UNESCO

<sup>8</sup> Richards, G. & Wilson, J. (2006) Developing creativity in tourist experiences: A solution to the serial reproduction of culture?, *Tourism Management*, 27 (2006) 1209–1223

marketing tool worldwide, including literary tourism and trails, architecture tours and branding (Evans 2007)<sup>9</sup>.

However, as cultural tourism becomes more diverse but at the same time more standardized, the necessity of maintaining distinction while promoting tourism in post-modern society has led to a renewed process of cultural branding. Increasingly, the focus shifts to personalized tourist experience, search for authentic atmosphere, specific character of the visited place, with predominance of intangible elements of cultural supply e.g. traditions, way of life, over the material ones. Over the past decade, tourism businesses have been trying to meet this new demand by emphasizing on local products that have the potential to become a unique selling proposition. Cities and regions are now developing local creative industries and pioneer cultural entrepreneurship that could precede creative tourism to attract an extensive array of rising creative tourism markets. A typical example is Italy, which has been successfully marketed as a gourmet destination focusing on local traditional cuisine and lifestyle. A number of developing countries also base their tourism policy on the local culture.

“Creative tourism” therefore emerged as the third generation of tourism. Creative tourism is travel directed toward an engaged and authentic engagement in the real cultural life of the city and region, with participative learning in the arts, cultural heritage, or special character of a place, and provides a connection with those who reside in this place and create its living culture (UNESCO 2006)<sup>10</sup>. The core meaning of “creative tourism” includes more access to local culture or history and involves doing something experientially, in which the visitor has an educational, emotional, social, and participative interaction with the place, its living culture, and the people who live there. It is considered to be a rapidly growing sub-segment of cultural tourism, based on creative collaboration between tourists and hosts to develop engaging, fulfilling experiences.

As creative tourists increasingly tend to explore new destinations with the main objective to seek a creative experience, creative tourism is gradually becoming the focus of a wide range of private and public programs in different parts of the world. They often do not require a lot of expensive investments, since criteria are mainly based on authenticity, know-how and networking. This approach to tourism development requires that tourism managers and planners have also to evolve, recognize the creativity within their region as a resource, and provide new opportunities to meet the evolving interests of creative tourists (UNESCO, 2006). There are responsibilities for both the public and private sectors. The public sector is expected to provide the necessary creative *milieu* and an enabling financial environment, and build synergies among the various stakeholders involved (creative industries, culturepreneurs, investors, municipality, and local community), whereas the private sector is responsible for its own self-promotion and networking around shared problems.

The growth of cultural events like festivals based upon local products and local tradition, is an example phenomenon which links existing creative industries and creative tourism around rural sites. It is widely acknowledged that while creative tourism must be linked to culture, the particular cultural attractions are to be unique to each place. Similarly, the products of local

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<sup>9</sup> Evans, G. (2007) Creative Spaces, Tourism and the City. In *Tourism, Creativity and Development*; Richards, G., Wilson, J., Eds.; Routledge: Oxon, UK, pp. 57–72.

<sup>10</sup> UNESCO (2006) Towards Sustainable Strategies for Creative Tourism. In Discussion Report of the Planning Meeting for 2008 International Conference on Creative Tourism, Proceedings of the Creative Cities Network, Santa Fe, New Mexico, NM, USA, 25–27 October 2006.



creative industries can gain their distinctiveness and uniqueness through elements of local identity or brand of the site as a vibrant and unique place to be (Bonink & Hitters 2001)<sup>11</sup>.

#### 4. Festivals as creative industries stimulating creative tourism

Worldwide, national governments and local authorities are increasingly using festivals and special events as key elements within regional development strategies. While income earning per se is generally considered to be a major driver, linked to tourism-promotion objectives, festivals also stimulate the creative economy by serving as distribution platforms for new ideas and products and as venues for networking among creative workers. They have notable spillover effects, not only by employing people in the cultural professions and raising awareness and consumption of the arts locally, but also through increased earnings in the hospitality sector, etc. (CER 2013). Festivals and special events are widely acknowledged to make an important contribution to the economic development of their local areas, as they provide opportunities for tourism promotion, commercial outcomes and increased inward investment in host regions (Getz 2007<sup>12</sup>; Van de Wagen 2005<sup>13</sup>), contribute to the extension of the tourism season (Huang et al. 2010<sup>14</sup>) and help recreate the image of a place. Small scale local events usually require minimal capital development and thus, have the potential of generating substantial returns on small financial investments (Gursoy et al. 2004<sup>15</sup>). Moreover, successful events can change the perception of places and the sense of being in and belonging to a community. As a result, cities and regions worldwide widely apply festival branding, due to the growing importance of cultural industries within the contemporary economy, for visitors, as well as for the local population (Kavaratzis and Ashworth, 2010:5<sup>16</sup>).

Festivals range from mega, hallmark, key and regional/local events: mega-events are designed to reach a global audience and thus make a positive impact upon the national economy of the host country, whereas community events are primarily designed to deliver benefits to local stakeholders. Another festival typology introduced by O'Sullivan and Jackson (2002:331)<sup>17</sup> identified three types of festivals: from the small scale, rural or semi-rural 'home-grown' festival, to the medium size, urban 'tourist-tempter' festival, up to the large, urban 'big-bang' festival promoting numerous related activities over a large geographical area.

While an extensive literature on the various social, cultural and economic elements of festivals does now exist (see Getz 2008<sup>18</sup> for a comprehensive review), festival studies mainly focused

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<sup>11</sup> Bonink, C.; Hitters, E. (2001) Creative Industries as Milieux of Innovation: the Westergasfabriek, Amsterdam. In *Cultural Attractions and European Tourism*; Richards, G., Ed.; Cabi Publishing: Wallingford, UK, pp. 227–240.

<sup>12</sup> Getz, D. (2007), *Event studies: Theory, research and policy for planned events*, Oxford, UK: Elsevier.

<sup>13</sup> Van de Wagen L (2005) *Event management: For tourism, cultural, business and sporting events*, (2nd ed.), Frenchs Forest, NSW: Pearson Education Australia

<sup>14</sup> Huang JZ, Li M, Cai LA (2010) A model of community-based festival image. *International Journal of Hospitality Management*, 29:254–260

<sup>15</sup> Gursoy D, Kim K, Uysal M (2004) Perceived impacts of festivals and special events by organizers: an extension and validation. *Tourism Management*, 25:171-181

<sup>16</sup> Kavaratzis, M. and Ashworth, G. (2010), "Place branding: where do we stand?", in Ashworth, G. and Kavaratzis, M. (Eds), *Towards Effective Place Brand Management. Branding European Cities and Regions*, UK: Edward Elgar, pp. 1-14.

<sup>17</sup> O'Sullivan D, Jackson M (2002) Festival tourism: A contributor to sustainable local economic development? *Journal of Sustainable Tourism* 10:325–342

<sup>18</sup> Getz, D. (2008), "Event tourism: definition, evolution and research", *Tourism Management*, Vol. 29, No 3, pp. 403-428.

upon mega-events and other hallmark events leaving regional and small community events like local products festivals, rather underexplored (Bres and Davis 2001<sup>19</sup>, Gorman-Murray et al. 2008<sup>20</sup>, Kostopoulou et al. 2013<sup>21</sup>).

However, support for festivals and special events is thought to make a much more important difference in peripheral regions and small communities. The role of festivals seems to be much more appreciated for rural areas and peripheral medium-sized towns increasingly struggling to maintain their economic, social and cultural functions and find their own profile (Kunzmann 2009)<sup>22</sup>. Puissant and Lacour (2011)<sup>23</sup> point out that mid-sized cities may take advantage of their size, location, as well as historical and economic structure, combine talents to win elements of competitiveness and be transformed into dynamic, creative cities. The development of creative industries like local products festivals is considered to play a major role in boosting the attractiveness of mid-sized cities and rural areas, enabling host areas to establish a unique, competitive appeal. Furthermore, the small size of the festival site and the absence of distractions may turn out to be rather beneficial to the efficiency of the event

As regional inequalities in economic and social conditions remain a high priority in regional planning, local governments tend to confront some of these problems by developing effective and appropriate regional event policies. As a result, the use of local festivals and special events as an instrument for local economic and tourism development has gained worldwide momentum in recent years (Moscardo 2007<sup>24</sup>, Alves et al. 2010<sup>25</sup>). Festivals and special events are being encouraged by local authorities, as a positive form of community development, and thus, the need for a deeper understanding of events' contribution to local development, place marketing and place-identity has emerged (Bres and Davis 2001).

Empirical studies of small, provincial festivals all point to economic benefits, usually concerned with short-term impacts and direct, tangible outcomes such as extra jobs, hotel rooms and business revenues. Most of the research that examined festivals and special events' contribution to local development focused on evaluating economic or other impacts, by use of some form of impact analysis (Crompton et al. 2001<sup>26</sup>). In most cases, the analysis involves estimating an aggregate measure of income and employment change attributable to the festival and ends with the estimation of local multiplier effects, hence without further questioning how these translate

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<sup>19</sup> Bres K de, Davis J (2001) Celebrating group and place identity: A case study of a new regional festival. *Tourism Geographies*, Vol. 3, No 3, 326–337

<sup>20</sup> Gorman-Murray A, Darian-Smith K, Gibson C (2008) Scaling the rural: Reflections on rural cultural studies. *Australian Humanities Review* 45:37-53

<sup>21</sup> Kostopoulou, S., Vagonis, N., and Kourkouridis, D. (2013) "Cultural Festivals and Regional Economic Development: Perceptions of Key interest Groups". In A. Matias, P. Nijkamp, M. Sarmiento (eds.) *Quantitative Methods in Tourism Economics*, Advances in Tourism Economics Series, Physica-Verlag. A Springer Company, Heidelberg, pp. 175-194.

<sup>22</sup> Kunzmann, K. (2009), Medium-sized Towns, Strategic Planning and Creative Governance in the South Baltic Arc, Available at: [http://www.visiblecities.net/documents/KRK\\_MediumSized\\_Cities.pdf](http://www.visiblecities.net/documents/KRK_MediumSized_Cities.pdf)

<sup>23</sup> Puissant, S. and Lacour, C. (2011), "Mid-sized French cities and their niche competitiveness", *Cities*, Vol. 28, pp. 433–443.

<sup>24</sup> Moscardo, G. (2007) Analyzing the role of festivals and events in regional development. *Event Management* 11:23–32

<sup>25</sup> Alves HB, Campon Cerro AC, Martins AF (2010) Impacts of small tourism events on rural places. *Journal of Place Management and Development* 3:22-37

<sup>26</sup> Crompton JL, Lee S, Shuster TS (2001) A guide for undertaking economic impact studies: the Springfest example. *Journal of Travel Research* 40:79–87

into local economic development (Felsenstein and Fleischer 2003<sup>27</sup>). However, as identified by Getz (2008) researchers should be critical and position studies within broad social, economic and environmental discourses. Therefore, examining the contribution of a festival to local development calls for the assessment of impacts in a variety of spheres, economic, physical-environmental, social, cultural and spatial (Kostopoulou & Kalogirou 2011)<sup>28</sup>.

Moreover, recently, attention focused upon the impacts of festivals on destination branding, highlighting the important role they appear to play in improving the image of a destination and the building of a destination brand (Lee and Lee 2009<sup>29</sup>). To make festivals more effective tools for destination branding, conditions that are essential have been identified in several festival and event studies. Jago et al. (2003)<sup>30</sup> identified six conditions that influence the destination image, namely, local community support; good strategic and cultural fit with the destination; the need for an event to be differentiated from others; the longevity or tradition of the event at the destination; cooperative planning among key players; and media support for the event. Lee and Lee (2009) explored the conditions that need to be met for an event to make a contribution to the destination's brand focusing upon local community support and good strategic and cultural fit with the destination. Community support for festivals depends on the perceived benefits and costs derived from the festival. Local residents are likely to support festivals provided they believe that the expected benefits of development will exceed the expected costs. Turco (1998)<sup>31</sup> found that the majority of residents that received social benefits from an event were more willing to support the public funding of facility development and event promotions. For local festivals to succeed and be beneficial for the branding of the host areas, attention must be given to all stakeholders involved: local and central governments, local business community, sponsors, media, branding agencies.

## 5. Local products festivals and creative tourism development

Local festivals are considered as simultaneously “cultural” and “economic” phenomena (McCann 2002<sup>32</sup>) since they have audiences, use facilities and equipment, and entail some kind of service provision. They may be run by non-profit committees, municipalities or government agencies, as well as by private sector interests, using paid, unpaid and volunteer labour. They can be effective contributors to urban and regional development, provided, of course, that their core “business” remains the flourishing of the local cultural sector itself and its local creators and producers (CER 2013). In order to assess how small scale festivals, like local products festivals, act as mechanisms to encourage regional economic development and tourism attraction in host communities, it is essential to explore the local products notion.

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<sup>27</sup> Felsenstein D, Fleischer A (2003) Local Festivals and Tourism Promotion: The Role of Public Assistance and Visitor Expenditure. *Journal of Travel Research* 41:385-392

<sup>28</sup> Kostopoulou, S. and Kalogirou, S. (2011), “The spatial-economic impact of cultural events”, *International Journal of Sustainable Development*, Vol. 14, No 3/4, pp. 309-331.

<sup>29</sup> Lee, I., and Lee, T. J. (2009), “The success factors of using events in destination branding: A case study of Woodford Folk Festival”. Paper presented at the 8th Asian Pacific Forum for Graduate Students Research in Tourism, Seoul, South Korea.

<sup>30</sup> Jago, L., Chalip, L., Brown, G., Mules, T., and Ali, S. (2003), “Building events into destination branding: Insights from experts” *Event Management*, Vol. 8, No 1, pp. 3-14.

<sup>31</sup> Turco, D. M. (1998), “Host residents' perceived social costs and benefits toward a staged tourist attraction”, *Journal of Travel and Tourism Marketing*, Vol. 7, No 1, pp. 21-31.

<sup>32</sup> McCann E (2002) The cultural politics of local economic development: Meaning-making, place-making, and the urban policy process. *Geoforum* 33:385-98



Each region produces some products that are considered to be local for they attribute an individual identity to the region and they define the preferences of the population as well as the cultural influence of the outside world upon them. Local products are considered to be the core for the development of a region since they can make it widely popular (Pitoska, 2012)<sup>33</sup>. Every place has its own characteristics, natural resources and a special local identity that makes it unique. All those characteristics should be designated and the traditional products should be able to include the cultural identity of each place.

In order to define a product as a local traditional product we need to take into consideration the basic characteristics of the products that are directly related to the culture of the region. Traditional products of a region usually remain intact from generation to generation and continue to exist either through the production methods or through the raw materials used. They are usually promoted and traded by small local businesses and associations with the aim to become widely popular and boost the development of the region.

A traditional product is expected to have the following characteristics: (Tasiopoulou, 2007:7)<sup>34</sup>

- A certain production method or recipe that is being followed from generation to generation.
- The product has been used at least for a few decades.
- The modernization of production methods and the technological evolution did not impose major changes upon the traditional product.
- The traditional product is not heavily industrialized but has rather “handmade” characteristics. In many cases manual labor is central to the definition of a traditional product.
- Traditional products are usually locally produced using mainly local raw materials
- Finally, a traditional product does not use chemical conservatives but it is preserved through traditional methods.

Within the European Union the terms for a product to be characterised as traditional are defined by the following Regulations: Council Regulation EEC No 2082/92 of the European Council, Council Regulation (EEC) No 1848/93, Decision No 93/53 (EEC), Regulation (EP) No 852/2004 of the European Parliament, Regulation (EP) No 509/2006 of the European Parliament and the Guide 2000/13 of the European Parliament and Council (Pitoska, 2012:446).

Local traditional products often gain consumers’ trust and preferences in local and national markets. However, in order for them to be competitive in international markets, they have to be promoted on the basis of well designed economic and commercial criteria so as to enhance the local and national economy.

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<sup>33</sup> Pitoska, E. (2012) Perspectives and possibilities of development for traditional Greek products: The Kozani’s Saffron case, *Proceedings of the Management of International Business and Economics Systems (MIBES) International Conference*, Larissa, 25-27 May 2012, ISBN: 978-960-9510-06-6, pp. 445-457

<sup>34</sup> Tasiopoulou., S.,(2007) “The institutional frame and he perspectives of development for traditional products in the European Union”, Harokopio University (in Greek).

The cultural resources of a community, which are usually subject of study, fall into two broad groups - tangible and intangible. In this case, focus will be on the intangible ones because they are the assets that are most commonly used for organizing festivals. At the same time, we should not ignore the fact that the tangible and intangible cultural heritage are interrelated and its often more appropriate to examine them in their unity.

Besides the tourism business, a number of international organizations have acknowledged the importance of intangible heritage and have taken steps towards its protection. The most important document in this respect is the Convention for the Safeguarding of the Intangible Cultural Heritage of UNESCO adopted in 2003, which is now ratified by 157 member states and includes 282 elements of intangible cultural heritage. According to this convention,

*“The “intangible cultural heritage” means the practices, representations, expressions, knowledge, skills – as well as the instruments, objects, artefacts and cultural spaces associated therewith – that communities, groups and, in some cases, individuals recognize as part of their cultural heritage. This intangible cultural heritage, transmitted from generation to generation, is constantly recreated by communities and groups in response to their environment, their interaction with nature and their history, and provides them with a sense of identity and continuity, thus promoting respect for cultural diversity and human creativity.”*<sup>35</sup>

One of the important important clarifications in the Convention is that heritage is seen as "living culture", i.e. its scope covers only practices and phenomena that are still vital today; those who have vanished are regarded as "cultural history". Furthermore, the criteria for inscription (as opposed to tangible heritage) do not include requirements for outstanding universal value and unique character:

- oral traditions and expressions, including language as a vehicle of the intangible cultural heritage;
- performing arts;
- social practices, rituals and festive events;
- knowledge and practices concerning nature and the universe;
- traditional craftsmanship.

The elements of the Intangible Cultural Heritage (ICH) can serve as a good basis for defining and especially for classifying local products considered as a resource for sustainable development of tourist destinations. The term "local product" in itself does not appear in the scientific literature. In the non-specialized language usually local products mean local food or local food products. In terms of tourism, local cuisine is one of the most widely used tools for tourist development. Other popular elements of ICH that increase the attractiveness of the destination and diversify the tourist supply are traditional crafts, social practices, traditional rites, feasts and performing arts. On the background, remain oral history, knowledge and skills relating to nature. However the

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<sup>35</sup> Convention for the Safeguarding of the Intangible Cultural Heritage (2003) Available at <http://www.unesco.org/culture/ich/en/convention>



question that needs to be clarified is whether we have reason to treat the elements of ICH as local products.

The Oxford Dictionary defines "local" as "belonging to a particular place or district"<sup>36</sup>. In this sense, the category "local" covers the elements of the intangible heritage as they meet at least one of the two conditions - they are related to a specified area and very often their manifestation is limited in its scope. According to the accepted definition of marketing product introduced by Armstrong and Kotler (2005), namely: "Everything that can be offered to a market for attention, absorption, use or consumption and can satisfy a need or demand"<sup>37</sup>, each of the elements of the intangible heritage could become a product. In an attempt to find a balance between scientific classifications and grouping of products by market logic we can offer the following division of local products as a resource for tourist development and events organization.

**Traditional crafts.** Here we can find crafts which are traditional for a country or region such as: pottery, blacksmithing, coppery, tinkering, sheep and cattle smithing, bell making, goldsmithery, stonework, spoon-making, weaving, cooperage, shepherd and high carving, leather processing, shoemaking, saddlery, fishing nets, dyeing yarns and fabrics with natural dyes, stamping by old technologies, making felt; braiding; homespinnig; carpet making making traditional clothing, traditional embroidery and lace ornaments, cutlery, production and maintenance of antique clocks; processing of horns; saddlery, making jewels and ornaments with beads, making toys, showy dolls, folk musical instruments, painting with ancient techniques and natural dyes, etc. It also includes a number of household activities that do not meet the definition of traditional craft but have commercial potential for example embroidery.

**Traditional cuisine.** Traditional cuisine is usually in direct relation with the geographic and climatic characteristics of a region, which, together with the historical development, determine the crops and livelihoods of local people. Within the range of traditional livelihood also fall practices which are interesting not only because of their final product, but also because of the specificity of traditional technology (e.g. traditional winemaking).

**Performing arts.** This category includes folk vocal and instrumental music, folk dances, various traditional forms of theater and narrative singing

**Traditional rites and feasts.** This includes domestic, calendar and labor rituals e.g. Christmas, Easter, Grandmother's Day, St. George's Day,

**Traditional medicine.** In general, includes healing rituals, healing practices and healing potions.

Traditional local products are gradually gaining preference in the consumers' conscience and they significantly contribute to the development of rural economies, especially in remote, less advantaged areas. Traditional products may also revitalize a declining local production system This could be facilitated if local communities take initiatives, make proper use of their advantages and adapt to new economic and technical conditions. Human resources, education, skills, social capital, technical innovation, knowledge, local customs and traditions are all factors that can further boost the local entrepreneurial activity and the establishment of cooperations. (Pitoska 2012) Traditional products can contribute to local development because they help

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<sup>36</sup> <http://www.oxforddictionaries.com/definition/english/local>

<sup>37</sup> Armstrong, G., & Kotler, P. (2005). *Marketing: An introduction* (7th ed.). Upper Saddle River, New Jersey: Pearson Prentice-Hall, p 223



localities to become popular, thus creating employment opportunities, enhancing the local income and finally revitalising local economies when it comes to production and tourism.

## **6. Conclusions**

Literature suggests that the critical advantages of festivals to localities are based around opportunities for generating income, supporting existing businesses and encouraging new entrepreneurial start-ups, as well as generating revenue for governments (Huang et al. 2010). However, the positive impacts of festivals extend beyond income generation and include strengthening rural communities and enriching the quality of small towns' life (O'Sullivan and Jackson 2002). In small regional towns, where there is not much outstanding cultural activity, a local products festival can mobilize local cultural forces and resources, stimulating creative interventions and planning activities that can affect local development and regeneration processes.

Even though they may be more or less profitable in terms of monetary gains, small scale local products festivals cumulatively diversify local economies, often shape employment policies, and improve management philosophies of local networks. This applies particularly in rural areas, where the involvement of local people in the management and staging of festivals position local actors rather central to economic activities, than marginal or ignored. In this sense, local products festivals can be seen as a catalytic force within local urban and regional economies, not so much as a discrete sector but as a form of "glue" that binds together existing cultural, service, transport, tourism and supply industries (CER 2013).

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