PROMOTING SUSTAINABILITY OF TOURISM BY CREATIVE TOURISM DEVELOPMENT: HOW FAR IS SLOVENIA?

Romana Korez-Vide[1]

Abstract

In this paper we introduce sustainability dimensions of creative tourism and develop a model of sustainable creative tourism. The concepts of culture-based creativity and sustainability as tools for a value-adding impact on cultural tourism and local culture are discussed in the theoretical part of the paper. Our empirical analysis reveals that higher GDP per capita does not necessary correlate with higher competitiveness of an economy: a comparison analysis of Slovenian and Estonian international competitive positions in various domains shows several weaknesses of Slovenian competitiveness and offers an explanation for indispensable systemic view on tourism competitiveness. Our world wide web analysis of the steps made in creative tourism development in both countries indicates Estonian advantage, which could be taken as an example of good practice. Some suggestions for Slovenian policymaking with regard to institutional support for culture-based creativity and creative tourism development are made in the final part of the paper.

Keywords: sustainability, culture-based creativity, creative tourism, competitiveness, Slovenia.

Introduction

The importance of sustainability principles has been increasingly recognized in science and politics as the world is faced with several economic, environmental and social challenges. The appearance of new economy, which is characterised by new forms of consumption and organisation of economic activities, calls upon new tools for achieving sustainability and triple bottom line performance (Elkington, 1994), respectively. One of these tools is creativity, since in the new economy, labelled also as the ”experience economy“ (Pine and Gilmore, 1999) and the ”creative economy“ (Howkins, 2001), the ability to create social

1 Romana Korez-Vide, PhD is an Assistant Professor at the University of Maribor, Faculty of Economics and Business (romana.korez-vide(at)uni-mb.si).

experiences and networking by memorable events is an important factor of competitiveness and, herewith, sustainability. At the same time, the world has entered the ”all cultural“ age (Dru, 1996) where the value of meaning prevails over material value. In the economy transformed from the ”giant factory“ to the ”grand theatre“ (Rifkin, 2000), creativity is becoming the new source of wealth (Florida, 2002). The recognition of the economic potential of creativity (e.g. Landry, 2000; Florida, 2002, 2005; Tepper, 2002; UNCTAD, 2008, 2010; European Commission, 2010) and culture (e.g. UNESCO, 1986; Throsby, 2001; OECD, 2006; KEA, 2006, 2009; European Commission, 2007), has set culture-based creativity as a development tool and as a potential solution to the range of economic, social and environmental problems (i.e. new approaches to learning, new marketing approaches, developing social capital and community cohesion, environmental innovation, etc.).

In line with the rise of experience economy and skilled consumption, the tourism, like other sectors, has undergone major transformations. The rapid growth of cultural tourism has caused problems and there are signs that cultural tourism is becoming a victim of its own success (Richards, 2009: 2). A growing number of tourists at major sites and in small communities have raised questions about the sustainability of this form of tourism. Historic city centres have started to suffer from a “vicious circle” of cultural tourism development in which famous sites attract large number of tourists thus degrading the quality of experience and driving “serious” cultural tourists away (Russo, 2002). In the search for their uniqueness through cultural tourism, many places have followed similar strategies, which have resulted in making those places feel and look the same (Richards and Wilson, 2006). Consequently, several places have started to search for the new forms of articulation between culture and tourism to help to strengthen rather than water down local culture.

Creative tourism (Richards and Raymond, 2000; Richards, 2005; Wurzburger et al., 2008) could respond to the need of cultural tourism to re-invent itself as well as to the need of tourist destinations to do something different in a saturated market. It deeply involves the tourists in the culturescape of the destination as they take part in different activities – such as crafts, arts, culinary and other creative activities. This, in turn enhances their opportunities for learning new skills and establishing a close link between them and the local population and its cultural heritage (Richards and Wilson, 2007). It meets the desire of tourists for more fulfilling and meaningful experiences. In this sense, creative tourism is similar to “experiential tourism” (Smith, 2006).

So far, only few studies (eg. UNESCO, 2006; Solène, 2011) have explored the connections between sustainability and creative tourism development. This is not surprising since the concept of creative tourism has only begun to be recognized and many of the creative tourism initiatives currently operating around the world are still at an early stage in their development. The purpose of this paper is to introduce the sustainability dimensions of creative tourism and to develop a model of sustainable creative tourism. In the theoretical part of the paper, the concepts of culture-based creativity, creative tourism and sustainable tourism are described and integrated into a model of sustainable creative tourism. In the empirical analysis, various international competitive positions of Slovenia and Estonia are compared and the steps taken in the field of creative tourism development in both countries are analysed. In the final part of the paper the potentials of Slovenia for creative tourism are estimated and suggestions for Slovenian policymakers with regard to the institutional support for culture-based creativity and creative tourism development are stated.

Methodology and data

In the theoretical part of the paper, a model of sustainable creative tourism is formed on the basis of synthesized key aspects of culture-based creativity, sustainability of tourism and creative tourism concepts. The empirical analysis is based upon the secondary data from Travel & Tourism (T&T) Economic Impact 2012 Report (WTTC, 2012), composite indices in The Global Competitiveness Report (WEF, 2011), The Global Innovation Index 2012 (WIPO, 2012), The Travel & Tourism Competitiveness Report 2011 (WEF, 2011a), The Country Brand Index 2011-2012 (Future Brand, 2011), several studies on cultural and creative industries (CCIs) development and primary data gathered in our websites analysis.

Our research is based on the following two hypotheses:

- H1: Travel & Tourism (T&T) economic impact is higher in economies with higher T&T government expenditure.
- H2: Culture-based creativity can be used as a tool for tourism sustainability enhancement in economies, where the institutional environment efficiently supports innovation.

The aim of our paper is to present creative tourism as a form of cultural tourism that contributes towards sustainability of a country's T&T industry. As the bases for T&T competitiveness and herewith sustainability, the relative positions of Slovenia and Estonia in various international competitiveness domains are analysed. We test the reliability of hypothesis on a positive correlation between government

expenditure for the development of certain industry and the latter's impact on the economy as well as the reliability of hypothesis on positive correlation between economy's efficient support to innovation and its creativity and sustainability development potentials, respectively.

Theoretical Background

Culture-based creativity

Several scientific disciplines ranging from psychology and sociology have contributed to the science of creativity. Their different perspectives highlight that creativity comes from various combinations of individual pre-disposition and social context. Research on creativity in relation to culture has tended to focus on the understanding of artistic achievement (see Gardener, 1982 and Csikszentmihalyi, 1996) since artists and creative professions share in common the ability (1) to think laterally, (2) to communicate, and (3) to challenge traditional solutions and visions. These individuals, who are interlopers and polymaths, are the driving force behind the creativity and they personify the influence of art and culture on creativity. In relation to the economy culture-based creativity is recognised as a tool to create emotional experience, to empathise and influence human behaviour (KEA 2009: 24). It is capable of adding additional meaning to the act of consumption by giving a sense of ethical or aesthetic value to production and by facilitating product or service differentiation. Culture-based creativity can be defined as a process of innovation by using culture as an input. It is an essential feature of the post-industrial economy where the ability of creating the “unexpected” and the “emotional” is of paramount importance.

Cultural and creative industries

The comprehension of conception and characteristics of cultural and creative industries (CCIs) is of key importance for our paper since cultural tourism (and herewith creative tourism as a form of cultural tourism) is classified as a sub-sector of “related CCIs” according to the study The economy of culture in Europe (KEA, 2006). This study takes into consideration different European and international classifications of CCIs (UNESCO, 1986; WIPO, 2003; DCMS, 2006; OECD, 2006; Hesmondhalgh, 2007; UNCTAD, 2010) and distinguishes between a “cultural sector”, constituted of traditional art fields and cultural industries, whose outputs are exclusively “cultural”, and a “creative sector”, which gathers the remaining industries and activities that use culture as an added-value for the production of non-cultural products. The definition includes a third category, which includes “related industries” but it does not belong to the “cultural and creative sector”; i.e. culture and creativity are not their production inputs. Nevertheless, they

are strongly linked to it as these industries depend on cultural and creative products and services.

Several studies (e.g. Müller et al., 2008; Potts and Morrison, 2008; Bakhshi and McVittie, 2009; HKU, 2010; UNCTAD, 2010; KEA, 2011) have shown that in CCIs operate highly innovative enterprises with high economic potential. The analyses of the European CCIs (Oakley, 2004; KEA, 2006; European Commission, 2010a) have shown that these sectors grow at a higher pace than the rest of the economy. The CCIs directly and indirectly contribute to competitiveness, more and better jobs, sustainable development, innovation, cohesion and local development (see for example Oakley (2004), Hartley (2008) and Potts et al. (2008)). Recent study (European Commission, 2011a: 8) has shown that the regions with above average concentrations of CCIs have highest prosperity levels in Europe.

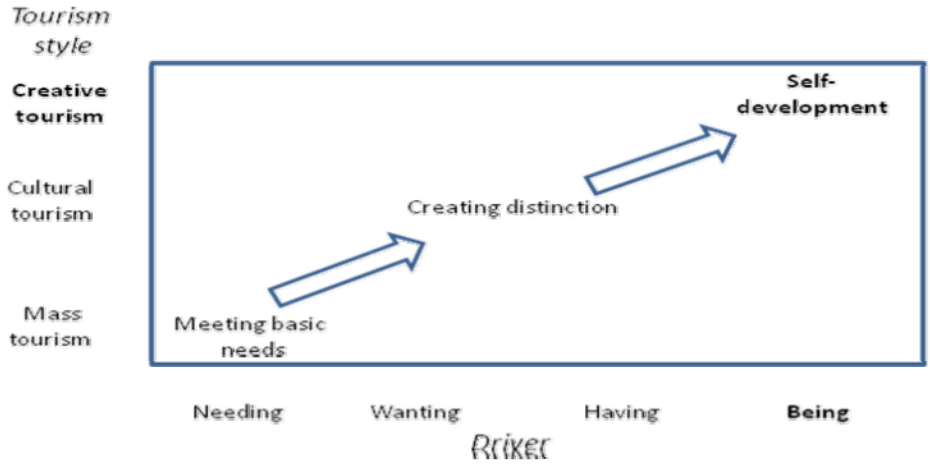
Creative tourism

The concept

Many "cultural tourists" these days seem to want to become part of the local community and have direct contact with the everyday lives of locals. They increasingly say that they want to experience local culture, to live like locals and to find out about the real identity of the places they visit. With the increasing interest in intangible heritage[2], creative tourism is a newly emerging form of cultural tourism that satisfies the higher level need of self-actualisation with a primary focus of active skill development (Richards and Wilson, 2006). The shift towards creativity in tourism can be seen as part of an evolution in the basis of tourist experiences (Richards and Wilson, 2007) (Figure 1).

2 Intangible heritage comprises elements such as music, dance, beliefs, ceremonies, rituals and folklore, whereas tangible heritage includes buildings, rural landscapes, cities, art collections, artifacts, historic gardens, handicrafts and antiques.

Figure 1: Changes in the drivers of tourism over time.



Source: Richards and Wilson, 2007.

In the early stages of the development of mass tourism, the essential value of holidays for many people was the aspect of 'having', i.e. having a holiday conferred a certain status, an intangible extension of having physical possessions. As holidays became more of a normal part of everyday life, the emphasis shifted to what one saw or 'did' on holidays. However, more recently people have begun to tire of seeing an endless series of 'sights' or 'doing' a series of standardized activities. There is evidence to suggest that in current modes of tourism consumption, the source of distinction lies increasingly in the arena of 'becoming', i.e. moving away from having or consuming goods and services towards becoming transformed by the tourism experience itself (see Binkhorst, 2007). The idea of 'being' on holiday places more emphasis on the creativity of the tourists rather than on seeing them as passive consumers. The concept of creative tourism implies a level of co-creation, or co-makership between visitors and locals (Richards and Raymond, 2000: 18). Creative tourism can be seen in numerous situations where visitors, service providers and the local community exchange ideas and skills and influence each other in a synergetic way. In this sense, it can be a means of involving tourists in the creative life of the destination, a creative means of using existing resources, a means of strengthening identity and distinctiveness, a form of self expression/discovery, a source of atmosphere for places and a source for recreating and reviving places (Richards, 2011). The research on the relationship between tourism and creativity suggest that there are a number of ways in which they can be linked in order to enhance the tourism product and the visitor experience. Different types of creative

tourism experiences, such as learning, tasting, seeing, buying, can be delivered in a variety of ways, including the creation of itineraries, workshops, courses and events.

Advantages

Because creativity is a process (creative tourism utilises tourist resources that are processes in essence, e.g. dancing, singing, crafts, culinary, painting, festivals), creative resources are more sustainable than tangible cultural products (Prentice and Andersen, 2003). Creativity can potentially add value more easily because of its scarcity. It allows destinations to innovate new products relatively rapidly, giving them a competitive advantage over other locations. Creativity is generally more mobile than tangible cultural products. While cultural consumption is dependent on a concentration of cultural resources, arts performances and artworks can today be produced virtually anywhere, without the need for much infrastructure. Further, creativity involves not only value creation (economic wealth) but also the creation of values (Richards and Wilson, 2006). For the tourism based on creativity there is no need to have a lot of built heritage and there is also no need for expensive preservation and maintenance of ageing structures. On the other hand, the lack of physical assets means that the raw material of creative tourism has to be created not just by the producers, but also by the tourists themselves. This requires both creative consumption and creative production on the part of the tourist. The spatial collocation of creative consumption and production (Richards and Wilson, 2006) is seen as a key mechanism in avoiding the onset of serial reproduction often associated with traditional models of cultural tourism development.

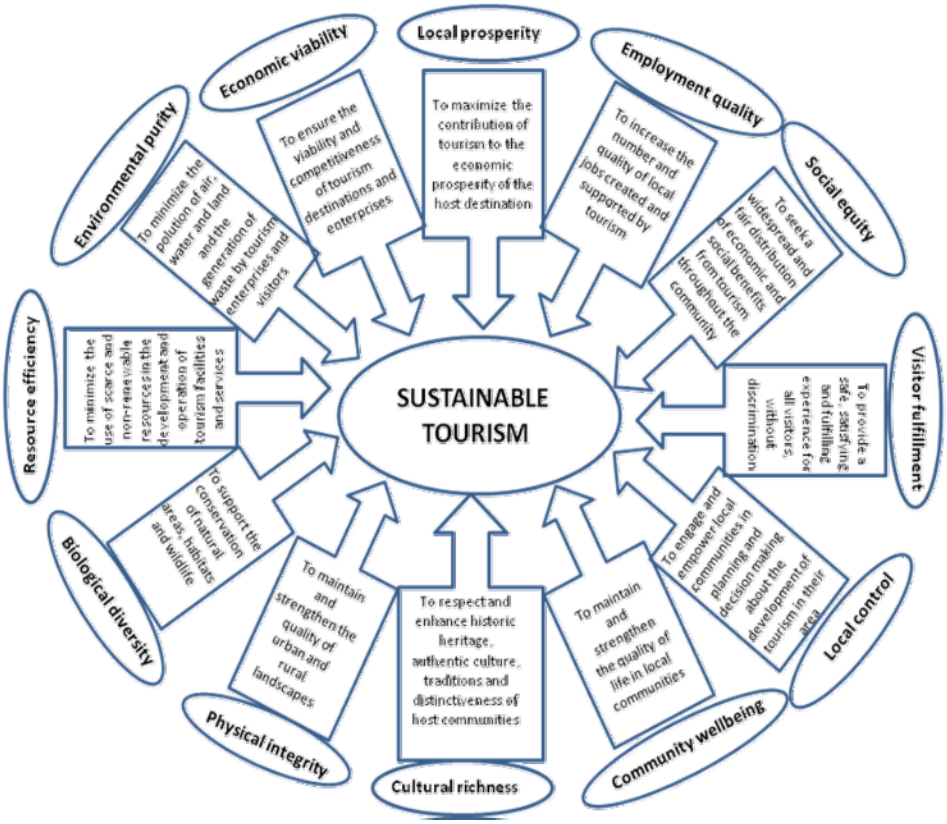
Sustainability of tourism

Sustainability principles refer to the establishment of suitable balance between environmental, economic and socio-cultural aspects of tourism development. Thus, the sustainability of tourism is achieved when (1) the environmental resources are optimaly used (maintaining essential ecological processes and helping to conserve natural resources and biodiversity), (2) the socio-cultural authenticity of host communities is respected (conserving built and living cultural heritage and traditional values and contributing to inter-cultural understanding and tolerance), and (3) viable, long-term economic operations are ensured (providing socio-economic benefits to all stakeholders that are fairly distributed) (UNEP and UNWTO, 2005)[3]. Sustainable tourism should also maintain a high level of tourist satisfaction and ensure a meaningful experience to

3 For a literature review on sustainable tourism research see Buckley, 2012.

the tourists, raise their awareness about sustainability issues and promote sustainable practices among them. Making tourism more sustainable means taking its current and future economic, social and environmental impacts into account in the planning, development and operation of tourism (UNWTO, 2012). It is a continual process of improvement and one which applies equally to all forms of tourism. An agenda for sustainable tourism (UNEP and UNWTO, 2005), composed of twelve dimensions that address economic, social and environmental impacts (Figure 2), can be used as a framework to develop policies for sustainable tourism.

Figure 2: Dimensions of sustainable tourism and their policy implications.



Source: adapted from UNEP and UNWTO, 2005.

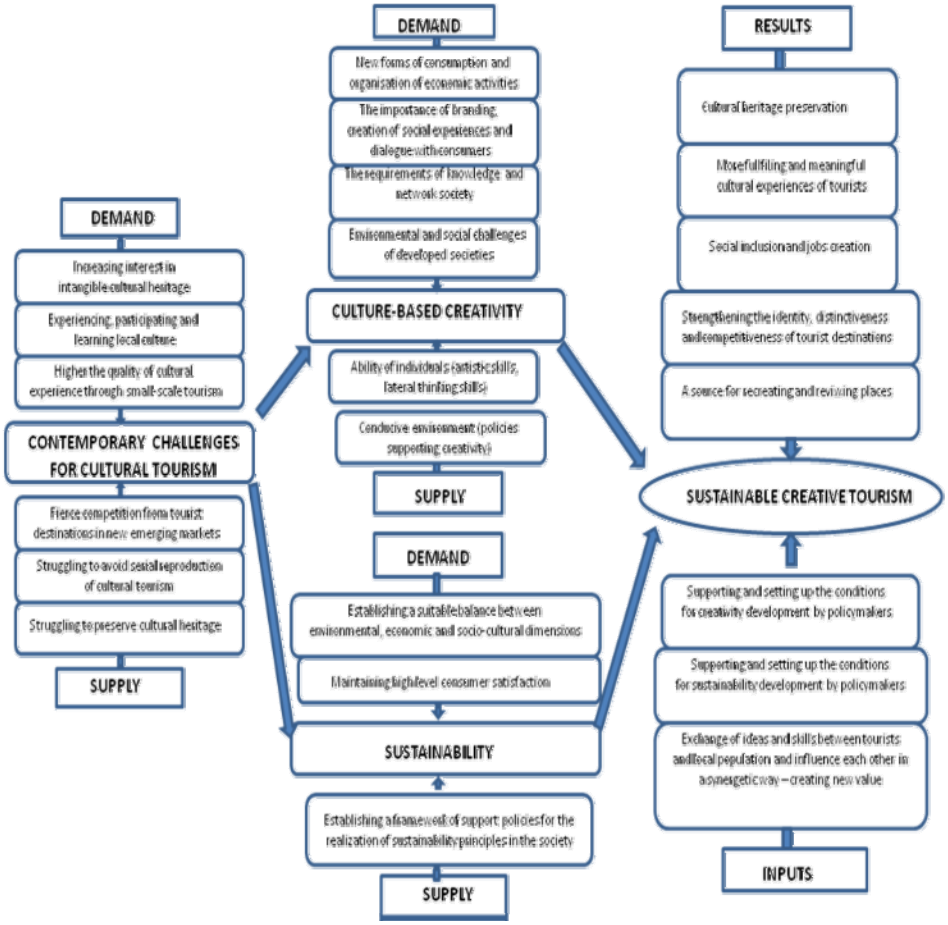
Governments have a crucial role to play in the development and management of tourism and in making it more sustainable. A primary function of government in fostering a more sustainable tourism is

therefore to create an environment that enables or influences the private sector to operate more sustainable, and influences patterns of visitor flows and behaviour so as to maximize the benefits and minimize the negative impacts of tourism.

The model of sustainable creative tourism

Our theoretical part of the research has shown several demand and supply challenges for contemporary cultural tourism as well as several demand factors for culture-based creativity and sustainable development in contemporary societies. Figure 3 shows how they can be linked in the concept of sustainable creative tourism with specific supply-side characteristics.

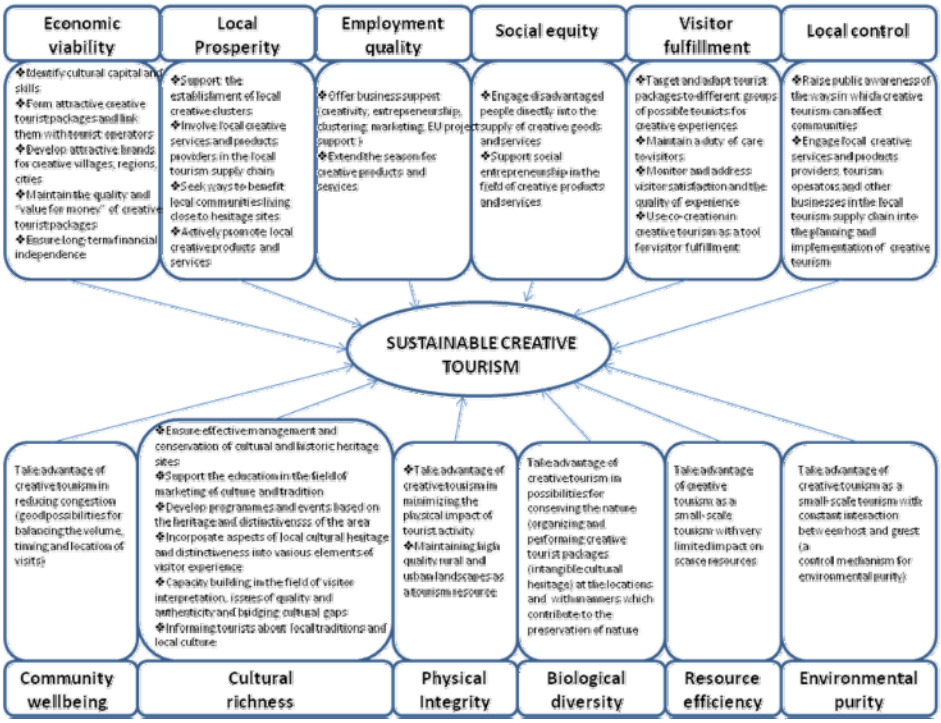
Figure 3: The possible development path of cultural tourism.



Source: own model.

Based on the above concept and advantages of creative tourism and the agenda for sustainable tourism (UNEP and UNWTO, 2005), we have developed the model of sustainable creative tourism (Figure 4). By proposing policy measures and suggesting advantages of creative tourism development, the model supports each of the twelve dimensions that address triple-bottom line goals. Considering the fact that creative tourism is a form of cultural tourism, cultural richness as a dimension of sustainable tourism is emphasised in the model. This model can be used for setting up the framework of policies for creative tourism development.

Figure 4: The model of sustainable creative tourism.



Source: own model.

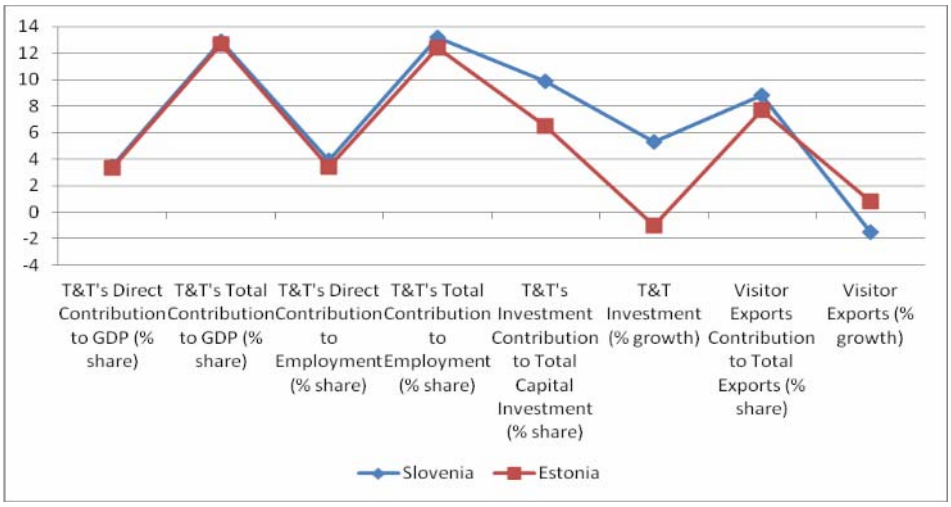
Empirical Research

Selected domains of Slovenian and Estonian international competitiveness

In view to the fact that sustainability is a component of competitiveness and that successful development of specific form of tourism is based on a country's competitiveness and competitiveness of its travel and tourism industry, relative position of Slovenia in various competitive

domains is evaluated in this section. We have chosen Estonia as a comparable country due to four important factors: size (population), location (close to advanced neighbouring country), year of independence (1991) and year of joining the European Union (2004). It is evident from Figure 5 that contributions of tourism to GDP and employment in Slovenia and Estonia in 2011 were almost the same whilst the tourism investment contribution to total capital investment and tourism investment growth were much higher in Slovenia. The questionable effectiveness of tourism investment in Slovenia is also evident from the share of visitor exports contribution to total exports, which was almost the same in Slovenia and Estonia, as well as from visitor exports growth, which was much higher in Estonia than in Slovenia.

Figure 5: Slovenian and Estonian Travel and Tourism Economic Impact in 2011.

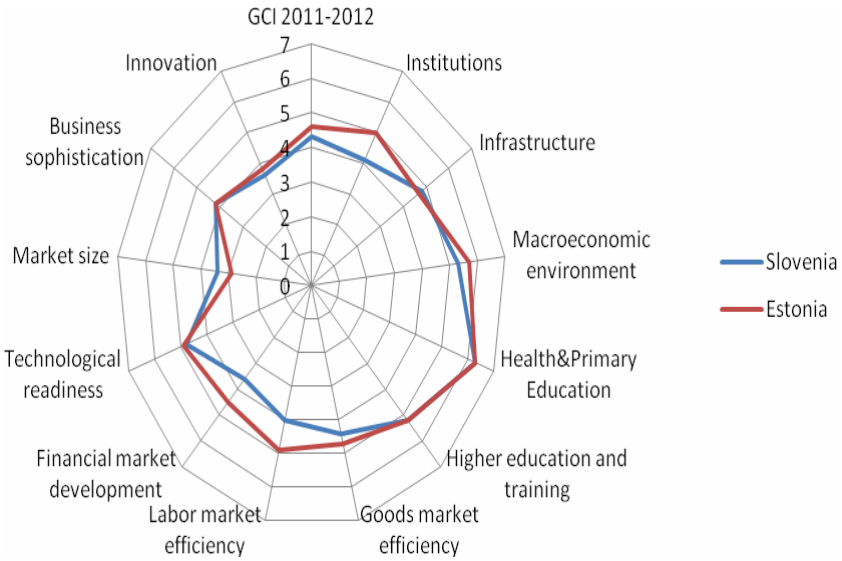


Source: WTTC Travel & Tourism Economic Impact, 2012.

Notes: direct contribution to GDP and employment – GDP and jobs generated by industries that deal directly with tourists (hotels, travel agents, airlines and other passenger transport services, restaurants, leisure industries); total contribution to GDP and employment – direct plus indirect contribution (capital investment, government collective spending, supply-chain effects) plus induced contribution (the broader contribution to GDP and employment of spending by those who are directly or indirectly employed by travel & tourism industry); visitor exports – spending within the country by international tourists for both business and leisure trips, including spending on transport.

Although Slovenia's GDP per capita was more than one third higher than that of Estonia, the latter achieved much higher international competitiveness. Since a country's international competitiveness is an important basis for its tourism competitiveness, global competitiveness of both countries is analysed. According to The Global Competitiveness Report 2011-2012 (WEF, 2011) Slovenia lagged behind Estonia in seven out of twelve competitiveness domains (i.e. institutions, macroeconomic environment, goods market efficiency, labor market efficiency, financial market development, technological readiness and innovation), whereas Slovenian competitive advantages (market size, infrastructure) were much lower than its weaknesses (Figure 6). In the domains of health and primary education, higher education and training and business sophistication there were no differences in competitive positions of both countries. The noteworthy ascertainment of the analysis is the fact that Slovenian overall global competitiveness has been deteriorating for three successive years, whilst Estonia is in a stand-still position in this regard.

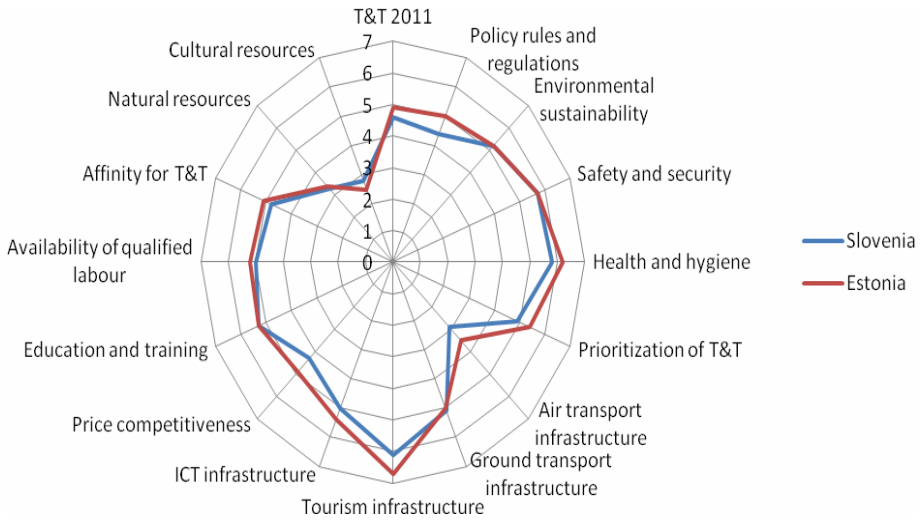
Figure 6: Global competitiveness of Slovenia and Estonia.



Source: The Global Competitiveness Report, 2011.
Note: The values are scores on the scale from 1 – 7 (1 – the worst, 7 – the best).

Consequently, the position of Slovenia in comparison to Estonia in the field of tourism competitiveness is worse as well. According to The Travel & Tourism Competitiveness Report 2011 (WEF, 2011a), in 2011 Slovenia ranked 33rd, while Estonia ranked 25th among 139 countries. Slovenia achieved worse position in eleven out of fifteen tourism competitiveness domains (policy rules and regulations, health and hygiene, prioritization of travel & tourism, air transport infrastructure, tourism infrastructure, information-communication infrastructure (ICT), price competitiveness in the travel & tourism industry, availability of qualified labour, affinity for travel & tourism and natural resources). On the other hand, Slovenia had two advantages over Estonia (ground transport infrastructure and cultural resources) whilst in the fields of environmental sustainability, safety and security and education and training, the positions of both countries were the same (Figure 7).

Figure 7: Competitiveness of Slovenian and Estonian Travel and Tourism.



Source: The Travel & Tourism Competitiveness Report, 2011.
Note: The values are scores on the scale from 1 – 7 (1 – the worst, 7 – the best).

Some sub-indicators reveal serious gaps in the conditions for higher competitiveness of Slovenian tourism industry. Among the most non-competitive domains of Slovenian tourism industry (hiring and firing practices, openness of bilateral air service agreements, number of operating airlines, ticket taxes and airport charges, prevalence of foreign ownership and government prioritization of the travel and tourism

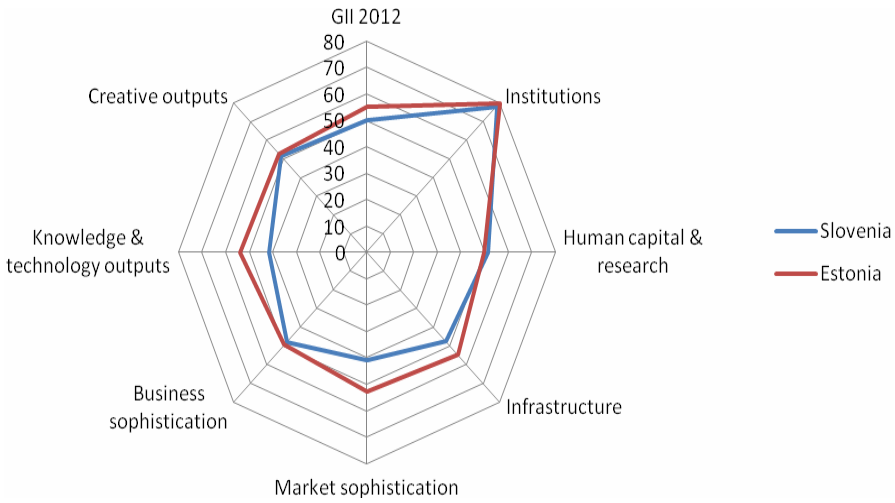
industry), there are also three domains which are important for the development of sustainable creative tourism in Slovenia. Although Slovenia achieved a relatively good position in the field of environmental sustainability, it failed in the domain of sustainability of travel and tourism industry development as it ranked 71st among 139 countries.

Another two very noteworthy indicators are the number of world heritage culture sites and the creative industries exports. In 2011, Slovenia recorded the lowest number of world heritage culture sites among European and Central Asian countries (122nd place among 139 observed countries) and it fell for 6 places in comparison to the year 2009. Without doubt, larger countries have advantages in this respect; however, according to WEF, several smaller new EU member states achieved much better positions than Slovenia (e.g. Estonia ranked 53rd, Cyprus 62nd and Malta 73rd). Regarding the creative industries export, which is an important indicator of the potential for the development of creative tourism, Slovenia was on the 41st place in 2011 and stagnated in comparison to 2009. Several new EU member states had better positions than Slovenia in this domain in 2011 (Poland (17th), Czech Republic (22nd), Romania (32nd), Slovak Republic (34th) and Hungary (38th)) and progressed in comparison to 2009. The share of all employees in cultural and creative industries (CCIs) in Slovenia amounts 3.33 %, which positioned Slovenia on the 27th place among 30 European countries, Estonia, on the other hand, was on the 14th place with 4.38 % share of all employees in CCIs (European Commission, 2011a). Concerning the annual employment growth in CCIs in the period 2003–2009, the first three places among the EU27 member states belonged to the new EU member states: Cyprus (25.79 %), Slovakia (25.60 %) and Estonia (11.48 %) (Korez-Vide, 2012).

The Global Innovation Index (WIPO, 2012), which measures innovation efficiency of 141 economies, is in 2012 based on two subindices – the innovation input sub-index (institutions, human capital and research, infrastructure, market sophistication and business sophistication) and the innovation output sub-index (knowledge and technology outputs and creative outputs). As regards the two factors of innovation input (i.e. market sophistication and infrastructure) where Slovenia lags behind Estonia to the highest degree, the most problematic areas are the ease of getting credit, venture capital deals, market capitalization, total value of stocks traded, as well as e-participation, government's online service and GDP/unit of energy use (Figure 8). In the field of innovation outputs, the big gaps between Slovenia and Estonia are in the fields of research and development (R&D) performed and financed by business, firms offering formal training, R&D financed from abroad, high-tech imports

less re-imports, foreign direct investment (FDI) net inflows, information-communication technology (ICT) & business model creation, ICT & organizational model creation, recreation & culture consumption, national feature films, creative goods and services exports and online creativity.

Figure 8: Innovation efficiency in Slovenia and Estonia.



Source: WIPO, 2012.
Note: The values are scores on the scale from 0 – 100 (0 – the worst, 100 – the best)

Considering the fact that tourism development in a country is greatly influenced by the perceptions about the country, we compare the perceptions of Slovenian and Estonian country brand according to The Country Brand Index 2011-2012 (CBI) (Future Brand, 2011)[4]. The CBI evaluates a country brand against five key dimensions – value system (political freedom, tolerance, stable legal environment, freedom of speech and environmental friendliness), quality of life (job opportunity, most like to live in, standard of living, safety, healthcare system and education system), good for business (regulatory environment, skilled workforce, advanced technology and investment climate), heritage and culture (history, art and culture, natural beauty and authenticity) and

4 The Country Brand Index 2011-2012 is based on quantitative data from business and leisure travellers, experts in tourism, export, investment and public policy, as well as on the data from online discussions amongst experts and interested third-parties around the world.

tourism (resort and lodging options, food, attractions, value for money, beaches, nightlife and shopping). Among the 33 observed European countries, Slovenia ranked 23rd while Estonia was on the 25th place in 2011. Nevertheless, in comparison to the year before, Slovenia improved its position for only 2 places among all 113 observed countries in the CBI. Estonia's ranking, on the other hand, increased by 23 places, which is the highest improvement among all countries observed in the CBI. According to CBI, Estonia ranked very high in good for business, quality of life and value system categories. Because it had improved its position across every dimension in the CBI, it was considered a rising star not only in the region but also in the world.

Present development path of creative tourism in Slovenia and Estonia

Since the link between culture and tourism has not yet been established in Slovenia, cultural tourism is also not yet present in an organized form in Slovenia (GRS, 2012). However, Slovenian tourism policymakers stress the unprecedented importance of cultural heritage for the sustainable tourism; the improvement and better linkage of immobile heritage, living culture (concerts, festivals, crafts, culinary) and mobile heritage (exhibitions, museums) is seen as a support to the recognisable and effective tourism supply and a comparative advantage of the destination.

Our website analysis regarding creative tourism in Slovenia has shown that there are no institutional initiatives to support creative entrepreneurship in Slovenia (see www.japti.si) and no creative tourism offers on the official web portal of Slovenian tourism (see www.slovenia.info). Some projects that are co-financed by various European funds and by the European Commission (e.g. www.centres-eu.org) and which are currently run or are to be officially launched in Slovenia, will only try to establish the possibilities for setting up a creative entrepreneurship environment in Slovenia. As regards the creative tourism offer, private attempt to offer creative experiences on holidays and trips in Slovenia (see www.creativeslovenia.com) unfortunatelly does not comprise one key element of creative tourism, i.e. learning skills. On the other hand, Estonia supports creative entrepreneurship (see www.looveesti.ee/en.html) by an initiative established in 2009 by the Estonian entrepreneurship support agency (Enterprise Estonia) and funded by European Social Fund. Today, »Creative Estonia« initiative is supported by several public and private institutions, associations and organizations (see www.looveesti.ee/support-structures.html). Estonian creative tourism offer, arranged per Estonian regions, is linked to the official tourism web

portal in Estonia (see www.visitestonia.com/en/things-to-see-do/interests-lifestyle/learn-a-skill).

Implications for Slovenian policymakers

According to a new political framework for tourism in Europe (European Commission, 2010), the improvement of the competitiveness of tourism in the European Union plays a crucial role in the strengthening of the sector for the purpose of a dynamic and sustainable growth. In order to achieve this objective, it is worthwhile to develop innovation in tourism, to reinforce the quality of supply in all its dimensions, to improve professional skills in the sector, to attempt to overcome the seasonal nature of demand, to diversify the supply of tourist services and to help improve statistics and analyses relating to tourism. The sector's competitiveness is closely linked to its sustainability as the quality of tourist destinations is strongly influenced by their natural and cultural environment and their integration into a local community.

Slovenian Tourism Development Strategy 2012 – 2016 “Partnership for Sustainable Development of Slovenian Tourism” (GRS, 2012), the sustainable development of tourism and other sectors is listed alongside several other obstacles for higher competitiveness of Slovenian tourism. These other obstacles include a limited amount of financial means intended for tourism in light of the significance it has on the Slovenian economy, poor accessibility of Slovenia, low level of recognition of Slovenia on target markets, lack of qualified and motivated human resources in tourism and rigid labor legislation, discouraging investment and innovation environment, inefficient inter-ministerial coordination for the needs of faster development of tourism, inconsistent and inadequate legislation on tourism, lack of competitive tourist products with added value, non-cooperation of tourist providers and unconnected tourist offer. Our analysis has shown that Slovenia in absolute terms performs well in the domains of country's innovation and tourism international competitiveness. However, in comparison with Estonia as a country with very similar foundations for operation to Slovenia, Slovenia's international competitiveness position and the perceptions of foreign tourists and experts about main dimensions of the country brand are non-enviable. A stagnating or decreasing position in many of the observed international competitiveness domains is a sign of Slovenia's non-sustainable development path. Thus, a very low sustainability of Slovenian travel and tourism industry should be viewed as a systemic problem of Slovenian economy since it has it roots in several non-competitive domains of both – the country's as well as the innovation international competitiveness. The attention should also be paid to the

value system in Slovenia, which is the main determinant of country's brand perceptions (Future Brand, 2011).

Our website analysis of national policy support to the development of creative entrepreneurship in Slovenia and Estonia has shown that Slovenia is only beginning to make its first steps in this area whilst Estonia has already consolidated entrepreneurship policy support mechanisms. Consequently, creative tourism in its proper form is not yet developed in Slovenia, whereas in Estonia, this type of tourism is already promoted on the official national tourist website. Concerning the broader Slovenian environment for cultural and creative industries (CCIs) development, it has to be taken into account that the share of micro enterprises in Slovenian CCIs is higher (96.6%) than the average share in the EU's CCI (82.7%). Thus, Slovenia is faced with the phenomenon of the »missing medium«, i.e. the deficiency of small- and medium-sized enterprises that, on one hand, enable the growth of micro enterprises and, on the other hand, represent the support to large enterprises (Bradač Hojnik and Rebernik, 2012). Additionally, Slovenian CCIs are concentrated in two regions – the Osrednjeslovenska region with 43.4% of all CCIs enterprises and the Podravska region with 13.3% of all CCI enterprises. Further analysis has shown that present policy measures for the development of CCIs in Slovenia are divided into two groups. The first group comprises financial measures (the scheme of social security for artists and tax relieves) while the second one includes and non-financial measures (national and other rewards for the work in the area of culture) (Compedium, 2009) and have been focused only on traditional art fields and cultural industries and not to the related CCIs activities.

Slovenia has heterogeneous cultural heritage of skills in arts and crafts and culinary tradition as well as excellent natural conditions and rich experiences in making wine, beer and various other types of liqueurs. This type of cultural and natural heritage should be turned into competitive advantages of Slovenian tourism via creative tourism development. Due to the well established high economic potentials and advantages of creative and cultural industries for the sustainable development of societies as well as planned significant increase in the European Commission’s budget support for these sectors until the year 2020, Slovenian entrepreneurship and tourism policymakers should strive to support creative entrepreneurship and to form an initiative for creative tourism development. The necessary institutional support for creative tourism development could arise from examples of good practice of individual countries or towns (e.g. Austria (www.kreativreisen.at), New Zealand (www.creativetourism.co.nz), Paris

(creativeparis.info/en/), Santa Fe (www.santafecreativetourism.org) and Barcelona (www.barcelonacreativa.info)) and from gathering new ideas through membership in the "creativetourismnetwork" (see www.creativetourismnetwork.org/cms/index.php?lang=en). The appeal for new ideas in tourism[5] should be more target-oriented – towards new ideas about learning skills on holidays - and promoted among the broadest Slovenian public. There should be also some discussions with different tourism operators (hotels) and cultural institutions (museums, galleries) about the possibilities of their involvement in creative tourism as creative tourism providers. Local tourist boards should be given a significant role in this initiative as important partners in the dissemination of information and new ideas in this field.

In view of the fact that creativity has been proven to be an important tool for the achievement of competitiveness and herewith sustainability in 21st century, it is necessary that Slovenian government engages in a firm declarative institutional support in the field of the formation of creativity and its dissemination into various domains of the economy. This is even more important with regard to several European Union's present[6] and future financial initiatives for the development of creative societies[7]. Policy has a crucial role in providing appropriate conditions for the enhancement of culture-based creativity and herewith creative tourism. Slovenian policymakers have to set up efficient mechanisms which would stimulate creativity, creative capabilities and innovation and help spread the enablers of creativity more equally. Policy measures should be directed towards the improvement of competitive position of cultural and creative products and services. Culture must be seen as a resource for creativity by policy makers and be given greater prominence in the broader policies (KEA, 2006). Innovation policy should foster multi-disciplinarily and interactions between art, sciences and business; cultural policy should stimulate cross-cultural collaboration and circulation of local cultural expressions; regional policy should research links between culture and regional economic and social

5The Bank of Tourism Potentials in Slovenia (see www.btps.si/infopage.aspx?info=BTPS&lng=en).

6 In the context of its innovation policy the European Commission is launching the initiative »The European Creative Industry Alliance« (CreativeBusiness.org) with the purpose of developing policy instruments to support the development of creative industries in Europe. This initiative is considered as a test for the new support policies and measures for SMEs.

7 See for example »Creative Europe - A new framework programme for the cultural and creative sectors (2014-2020) (European Commission, 2011).

development and should make investment in culture a priority in regional policy instruments as part of the innovation strategy and promote cross regional partnerships to improve market access of local culture-based creativities; social policy should use culture as a resource for social innovation; education policy should promote the role of art and culture in developing creativity as well as the value of intellectual property and the value of competence in creative skills; environmental policy should mobilize creators - artists, architects and designers – and creative SMEs for the objective of environmental sustainability and should raise the awareness regarding the environment through culture; foreign policy should promote the principle of cultural diversity by encouraging cultural exchanges and use technical assistance programmes with third countries to promote trade in the creative sector and cultural exchanges. Policymakers should give a greater value to imagination and disruptive creative thoughts via the promotion of art and culture in lifelong learning, the recognition of the value of alternative education methods whose focus is on the development of individual creativity, the encouraging of interdisciplinary activities at university level and creative partnerships between educational, cultural and entrepreneurial activities. The awareness about culture as a resource for creativity and innovation should be raised by the assurance of relevant statistical data at national level to enable the monitoring of creativity and intangible assets. The attention should also be also given to the CCIs' access to finance, to the establishment of creative clusters and the development of creative entrepreneurship.

Country branding, as a crucial requirement for the 21st century nations, is closely tied to the full spectrum of its political, cultural and commercial history. The difference between a successful, defined and understood brand and a weaker, less differentiated one can have a significant impact on a nation's attractiveness for investment and tourism (Future Brand, 2011). Slovenian policymakers have to be aware that since social media intensifies and accelerates the distribution of images, ideas and associations that shape perception, country's economic, social and political changes can influence brand strength year to year. Such a systemic nature of a country brand calls upon the improvement of Slovenian competitiveness positions and upon careful management as well as continuous relative assessment of a country brand.

Conclusion

In this paper we argue that present economic, social and environmental challenges of the world economy call upon new tools for achieving nation's international competitive advantages and sustainability, respectively. In the age when the developed economies have to

compete on the strength of their skills base, and when art and culture play an important role in moderating a technocratic vision of the world, culture-based creativity is gaining its significance.

Due to the stated changes in the world economy and sustainability concerns, cultural tourism is looking for its new forms. One of it could be creative tourism by offering self-development possibilities and co-creation experiences to tourists. By developing a model of sustainable creative tourism, we have shown in the paper how to achieve a suitable balance between the economic, social and environmental aspects via creative tourism development. Our empirical analysis has shown that international competitiveness of travel and tourism industry depends on several other aspects of individual economy's competitiveness and has to be discussed from the systemic point of view. The comparison analysis of tourism economic impacts in Slovenia and Estonia has shown that higher government expenditures for tourism do not necessary relate to higher economic impact of this sector; thus, we cannot confirm our first hypothesis. However, the comparison analysis of various international competitive domains of Slovenia and Estonia has shown that more effective support to innovation increases the creativity potential in the country and herewith the possibility to use culture-based creativity as a tool for sustainability of tourism enhancement, which confirms our second hypothesis.

In view of several present challenges of cultural tourism development, i.e. the shift in the cultural tourists' demand, competitive pressures for European tourism from new emerging markets, the calls for higher sustainability of tourism development and the consideration of various advantages of creative tourism development (high sustainability and mobility of creative resources, ability of value creation, no need for lots of built cultural heritage, good possibility for balancing the volume, timing and location of visits, small-scale tourism with very limited impact on scarce resources and nature, high potential for more equal regional development due to social inclusion component), there is no doubt that creative tourism is an argumented form of cultural tourism in the 21st century. This statement is extremely important for Slovenia, which, according to our analysis, achieves relatively low position in various international competitive domains. Slovenian government should discuss the European Unions' financial initiatives for the development of creative societies also from the perspective of opportunities for tourism development in Slovenia.

References

Bakhshi, Hasan and McVittie, Eric (2009): Creative supply chain linkages and innovation: Do the creative industries stimulate business innovation in the wider economy? Innovation: Management, Policy & Practice. Vol.: 11, No.: 2, pp.: 169-189.

Binkhorst, Esther (2007): Creativity in Tourism Experiences: The Case of Sitges. In Greg Richards and Julie Wilson (eds.): Tourism, Creativity and Development. London, New York: Routledge (125–144).

Bradač Hojnik, Barbara and Rebernik, Miroslav (2012): Insight into the Cultural and Creative Industries in Slovenia (Vpogled v kulturne in kreativne industrije v Sloveniji). In Karin Širec and Miroslav Rebernik (eds.) Razvojni potenciali slovenskega podjetništva, Slovenski podjetniški observatorij 2011–2012. Maribor: Faculty of Economics and Business (45–62).

Buckley, Ralf (2011): Sustainable Tourism: Research and Reality. Annals of Tourism Research. Vol.: 39, No.: 2, pp.: 528-546.

Compedium (2009): Cultural Policies and Trends in Europe: country profile Slovenia. Available at: http://www.culturalpolicies.net/down/slovenia_012009.pdf (October 19th 2012).

Csikszentmihalyi, Mihaly (1996): Creativity: Flow and the Psychology of Discovery and Invention. New York: Harper Perennial.

DCMS (2006): Creative Industries Statistical Estimates Bulletin. London: HMSO.

Dru, Jean-Marie (1996): Disruption: Overturning Conventions and Shaking Up the Marketplace. New-York: John Wiley & Sons.

Elkington, John (1994): Towards the Sustainable Corporation. Win-Win-Win Business Strategies for Sustainable Development. California Management Review. Vol.: 36, No.: 2, pp.: 90-100.

European Commission (2007): Communication on a European Agenda for Culture in a Globalising World. Available at: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0242:FIN:EN:PDF (October 10th 2012).

European Commission (2010): Europe, the World's No 1 tourist destination – a new political framework for tourism in Europe. Available at: http://ec.europa.eu/enterprise/sectors/tourism/files/communications/communication2010_en.pdf (October 25th 2012).

European Commission (2010): Unlocking the Potential of Cultural and Creative Industries. Available at: http://ec.europa.eu/culture/documents/greenpaper_creative_industries_en.pdf (November 5th 2012).

European Commission (2011): Creative Europe – A new Framework Programme for the Cultural and Creative Sectors. Available at: http://ec.europa.eu/culture/creative-europe/documents/communication_en.pdf (October 17th 2012).

European Commission (2011): The European Cluster Observatory, Priority Sector Report: Creative and Cultural Industries. Available at: http://ec.europa.eu/enterprise/newsroom/cf/_getdocument.cfm?doc_id=7070 (October 15th 2012)

Florida, Richard (2002): The Rise of the Creative Class. New York: Basic Books.

Florida, Richard (2005): The Flight of the Creative Class: The New Global Competition for Talent. New York: HarperBusiness.

Future Brand (2011): Country Brand Index 2011 – 2012. Available at: http://www.futurebrand.com/wp-content/uploads/2011/11/2011_2012_FB_CBI_ENG.pdf (September 24th 2012).

Gardner, Howard (1982): Art, Mind and Brain. Boston MA: Basic Books.

GRS - Government of the Republic of Slovenia (2012): 2012–2016 Slovenian Tourism Development Strategy Partnership for the Sustainable Development of Tourism. Available at: http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/turizem/Turizem-strategije_politike/Strategija_turizem_sprejeto_7.6.2012.pdf (October 21st 2012).

Hartley, John (2008): From the Consciousness Industry to Creative Industries: Consumer-created content, social network markets and the growth of knowledge. In Jennifer Holt and Alisa Perren (eds.) Media Industries: History, Theory and Methods. Oxford: Blackwell.

Hesmondhalgh, David (2007): The Cultural Industries (2nd edition). London: Sage.

HKU – Hogeschool vor de Kunsten Utrecht (2010): The Entrepreneurial Dimension of the Cultural and Creative Industries. Available at: http://ec.europa.eu/culture/documents/edcci_report.pdf (October 5th 2012).

Howkins, John (2001): The Creative Economy: How People make Money from Ideas. London: Penguin Press.

KEA (2006): The economy of culture in Europe. Available at: http://www.keanet.eu/ecoculture/studynew.pdf (October 14th 2012).

KEA (2009): The Impact of Culture on Creativity. Available at: http://ec.europa.eu/culture/documents/study_impact_cult_creativity_06_09.pdf (October 14th 2012).

KEA (2011): Mapping the Cultural and Creative Sectors in the EU and China. Available at: http://www.keanet.eu/report/china%20eu%20creative%20industries%20mapping%20full.pdf (October 12th 2012).

Korez-Vide, Romana (2012): Achieving economic, social and environmental benefits by supporting culture-based creativity. In Miroslav Rebernik, Barbara Bradač Hojnik and Matej Rus (eds.) Proceedings of the 32nd Conference on Entrepreneurship and Innovation PODIM Potentials of Creative Industries, April 4–5, 2012, Maribor, Slovenia, pp.: 19–31.

Landry, Charles (2000): The Creative City: A Toolkit for Urban Innovators. London: Earthscan.

Müller, Kathrin, Rammer, Christian and Trüby, Johannes (2008): The Role of Creative Industries in Industrial Innovation, Innovation. Management, Policy & Practice. Vol.: 11, No.: 2, pp.: 148-168.

Oakley, Kate (2004): Not so cool Britannia: the role of the creative industries in economic development. International Journal of Cultural Studies. Vol.: 7, No.: 1, pp.: 67–77.

O'Connor, Justin (2010): The Cultural and Creative Industries: A literature review (2nd edition) Newcastle: Creativity, Culture and Education Series.

OECD (2006): International Measurement of the Economic and Social Importance of Culture. Available at: http://www.oecd.org/std/nationalaccounts/37257281.pdf (October 27th 2012).

Pine B., Joseph and Gilmore H., James (1999): The Experience Economy. Boston. Harvard Business School Press.

Potts, Jason and Morrison, Kate (2008): Nudging Innovation: Fifth Generation Innovation, Behavioural Constraints and the Role of Creative Business. Available at: http://www.nesta.org.uk/library/documents/nudging-innovationi.pdf (3rd October 2012).

Potts, Jason, Cunningham, Stuart, Hartley, John and Ormerod Paul (2008): Social network markets: A new definition of creative industries. Journal of Cultural Economics. Vol.: 32, No.: 3, pp.: 167-185.

Prentice, Richard and Andersen, Vivien (2003): Festival as Creative Destination. Annals of Tourism Research, Vol.: 30, No. 1, pp.: 7 – 30.

Richards, Greg (2005): Textile Tourists in the European Periphery: New markets for disadvantaged areas? Tourism Review International, Vol.: 8, No.: 4, pp.: 323– 38.

Richards, Greg (2009): Tourism Development Trajectories – From Culture to Creativity. Available at: http://www.tram-research.com/atlas/APC%20Paper%20Greg%20Richards.PDF (October 10th 2012).

Richards, Greg (2011): Creativity and Tourism: The State of the Art. Annals of Tourism Research, Vol.: 38, No.: 4, pp.: 1225–1253.

Richards, Greg and Palmer, Robert (2010): Eventful Cities: Cultural Management and Urban Revitalization. London: Routledge.

Richards, Greg and Raymond, Crispin (2000): Creative Tourism. ATLAS News 23, pp.: 16-20.

Richards, Greg and Wilson, Julie (2006): Developing Creativity in tourist experiences: A solution to the serial reproduction of culture? Tourism Management. Vol.: 27, No.: 6, pp.: 1209–1223.

Richards, Greg and Wilson, Julie (2007): Tourism, Creativity and Development. London, New York: Routledge.

Rifkin, Jeremy (2000): The age of access: The New Culture of Hypercapitalism, Where All of Life is a Paid-for Experience. New York: Jeremy P. Tarcher/Putnam.

Russo, Paolo (2002): The »vicious circle« of tourism development in heritage cities. Annals of Tourism Research. Vol.: 29, No.: 1, pp.: 165–182.

Smith, L. William (2006): Experiental Tourism around the World and at Home: Definitions and Standards. International Journal of Services and Standards. Vol.: 2, No.: 1, pp.: 1–14.

Solène, Prince (2011): Establishing the Connections between the Goals of Sustainable Development and Creative Tourism. Available at: http://uu.diva-portal.org/smash/record.jsf?pid=diva2:454754&rvn=1 (October 13th 2012).

Tepper, J. Steven (2002): Creative Assets and the Changing Economy. The Journal of Arts, Management, Law and Society. Vol.: 32, No.: 2, pp.: 159–168.

Throsby, David (2001): Economics and Culture. Cambridge: Cambridge University Press.

UNCTAD (2008): Creative Economy Report. Available at: http://unctad.org/fr/Docs/ditc20082cer_en.pdf (September 9th 2012).

UNCTAD (2010): Creative Economy Report. Available at: http://unctad.org/es/Docs/ditctab20103_en.pdf (September 9th 2012).

UNEP and WTO (2005): Making Tourism more Sustainable, A Guide for Policy Makers. Available at: http://www.unep.fr/shared/publications/pdf/DTIx0592xPA-TourismPolicyEN.pdf (September 23rd 2012).

UNESCO (2006): Towards Sustainable Strategies for Creative Tourism. Available at: http://unesdoc.unesco.org/images/0015/001598/159811e.pdf (October 13th 2012).

UNESCO (2009): The 2009 UNESCO Framework Framework for Cultural Statistics. Available at: http://unesdoc.unesco.org/images/0019/001910/191061e.pdf (October 27th 2012).

UNWTO – World Tourism Organization (2012): Sustainable Development of Tourism. Available at: http://sdt.unwto.org/en/content/about-us-5 (September 13th 2012).

WIPO – World Intellectual Property Organisation (2012): The Global Innovation Index 2012: Stronger Innovation Linkages for Global Growth. Available at: http://www.wipo.int/export/sites/www/freepublications/en/economics/gii/gii_2012.pdf (October 21st 2012)

WEF - World Economic Forum (2011): The Global Competitiveness Report 2011-2012. Available at: http://www3.weforum.org/docs/WEF_GCR_Report_2011-12.pdf (October 5th 2012).

WEF - World Economic Forum (2011a): The Travel & Tourism Competitiveness Report 2011. Available at: http://www3.weforum.org/docs/WEF_TravelTourismCompetitiveness_Report_2011.pdf (October 9th 2012).

WTTC - World Travel & Tourism Council (2012): Travel & Tourism Economic Impact: Estonia. Available at: http://www.wttc.org/site_media/uploads/downloads/estonia2012.pdf (October 5th 2012).

WTTC - World Travel & Tourism Council (2012): Travel & Tourism Economic Impact: Slovenia. Available at: http://www.wttc.org/site_media/uploads/downloads/slovenia2012.pdf (October 5th 2012).

Wurzburger, Rebecca, Aageson, Tom, Pattakos, Alex and Pratt, Sabrina (2008): Creative Tourism, A Global Conversation. Santa Fe: Sunstone Press.