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Master thesis:

***Cultural Entrepreneurship In Rural Areas
(The case of Limnos island, Greece)***

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Abstract

This paper explores the contribution of the cultural entrepreneurship and creativity to the development and revitalization of rural and remote areas of Greece. A detailed insight on the relevant literature indicates that cultural entrepreneurship and creative initiatives are significant for the development of rural and remote communities in the economic, environmental, social, and cultural domains. The “creative economy” model is particularly dominant in the international literature investigating economic impacts of arts, cultural heritage, entrepreneurship and creative initiatives, while a rural cultural development approach seeks or values social outcomes, including well being, social inclusion, and educational achievements. This view leads to the consideration that the economy should support cultural entrepreneurship and creativity.

The issue of cultural entrepreneurship in rural areas of Greece hasn't been thoroughly examined yet. The current economic and political situation in Greece arose many questions about the way the country was governed. The type of development that was implemented wasn't either healthy or sustainable. Sustainability is connected with the idea of autonomy, quality of life, economic and social growth and it is obvious that these values didn't rule the Greek governance or education. The rural areas and islands were abandoned because of the lack of jobs. The primary sector of agriculture and livestock, which was the basic source of wealth in the country, has decayed and this resulted in the huge increase of imports of goods that the country used to produce before. Fishery or agriculture on islands gave their place to uncontrollable tourism, which in many cases deteriorated the place in terms of architecture, aesthetics, cultural heritage and environment.

Because of all these facts that are mentioned above, the need for sustainable development and cultural entrepreneurship in remote areas becomes more and more increased. Endogenous placed-based development and innovation could be the key for the radical change in the economic and social situation of the country and especially of the province, where people tend to return and act. Briefly, the main research questions of this paper are concerned with the possibility of development and implementation of the concept of creative economy in the Greek islands and how this concept could utilize the local recourses and increase the local income.

Cultural entrepreneurship considers the economy and the market a medium or instrument that helps to serve the cultural values and the commitment towards them. Cultural entrepreneurs are alert to opportunities, creative and innovative both in terms of funding and the way they introduce themselves in the society. This interaction between culture and economic science would be highly beneficial for the development of the islands, since new opportunities are recognized, which could lead in alternative sources of income that can ensure and protect the cultural values of the area. Moreover, the rural entrepreneurship theory focuses on the solution of the local economic problems, which -in the case of Greece and the country's remote areas- are huge. Rural entrepreneurship promotes an economic balance between cities and the province and targets in creation of jobs, increase of the local income and connection of the local communities with the national or even global economy.

Factors that seem important in building long-term sustainability for cultural entrepreneurship and creativity in rural areas include:

- Appreciation of local culture, history and heritage, local people, assets and characteristics;
- Enthusiastic local leadership, positive attitudes, local entrepreneurship and investment; and
- Right timing and a focus on retaining young people through employment, recreational, and educational initiatives.

The research examined for this paper points to numerous factors that might support cultural initiatives in rural areas. The most fundamental of these is the necessity of government commitment and support to the value of cultural dimension in planning and public policy. Other factors include the need for recognition of the value of local cultural product and practices, more support for arts in communities, especially through networks of regional cultural development officers and assistance for volunteers (including training), and reduction of bureaucratic obstacles. Also suggested are more innovative funding programs connected with other sectors of the local economy, including long-term investment, as well as data collection about cultural activities and outcomes at a local level.

French Abstract- A summary

L'entrepreneuriat culturel peut être performant aussi au niveau urbain qu'au niveau régional. Nombreuses analyses exhaustives existent, néanmoins elles sont limitées à l'échelon urbain. La bibliographie existante concernant l'entrepreneuriat culturel au niveau régional est assez incomplète. Les politiques culturelles internationales et européennes tendent à encourager le déploiement d'une « économie créative », l'entrepreneuriat culturel vue comme un moteur de la croissance, un levier de l'augmentation des revenus durables et également comme un moyen de lutte contre le chômage. Malheureusement, le développement de l'entrepreneuriat culturel au niveau régional se fait dans le cadre des pratiques urbaines et sans prendre en compte les caractéristiques culturelles et sociales locales.

Étincelle pour la composition du présent travail est la crise économique à laquelle est confrontée la Grèce ces dernières années. Conséquences : une diminution dramatique des salaires, l'augmentation du chômage, mais aussi une tendance à la décentralisation. On observe depuis 2008 une immigration intérieure progressive depuis les grands centres urbains vers la province. Il y a un intérêt particulier à l'égard du profil des immigrés. La majorité de ces gens sont des jeunes et des familles prêtes à commencer une nouvelle vie à la province où le coût d'existence est beaucoup plus faible et le niveau de la qualité de vie supérieur

La question qui se pose est si le concept de l'entrepreneuriat culturel peut être introduit et devenir applicable aux régions provinciales de la Grèce afin qu'il augmente les revenus locaux, qu'il conduit à des entreprises et des organismes culturels indépendantes des subventions de l'Etat, qu'il augmente le niveau de la qualité de vie des sociétés locales.

L'étude du rôle des politiques culturelles actuelles ainsi que de la législation existante concernant l'innovation dans le domaine de l'entrepreneuriat est indispensable afin de pouvoir déduire s'ils constituent obstacle ou aide. Enfin, il faudra examiner comment on pourrait valoriser les ressources locales et les caractéristiques culturelles dans le cadre de l'économie créative.

Pour qu'on puisse répondre aux questions ci-dessus, il faudra étudier et allier une série de théories comme celle de l'entrepreneuriat innovateur, de la croissance endogène et viable, de la croissance régionale et du tourisme culturel.

L'entrepreneuriat innovateur entre principalement dans des cas où les occasions créent un terrain favorable pour la découverte et l'exploitation des biens et des services futurs. Néanmoins, il est important de placer la notion de l'entrepreneuriat innovateur dans un cadre culturel et symbolique, vu que jusqu'à maintenant les chercheurs ont tourné leur attention surtout vers la partie économique et le profil des entreprises.

Pour un homme d'affaires, la science économique et le marché est un moyen pour qu'il serve ses valeurs culturelles en reconnaissant les occasions probables et en mettant l'élément de la créativité même à des secteurs comme le financement.

De l'autre côté, l'esprit d'entreprise régional est focalisé sur la résolution de problèmes économiques locaux, sur la création de postes de travail, sur l'augmentation du revenu local et sur la jonction de la société locale avec l'économie dans le sens plus large. Ceci peut être obtenu en introduisant de nouveaux produits, en créant ou en servant de nouveaux marchés et en utilisant les nouvelles technologies et la connaissance spécialisée.

En suivant ensuite la théorie du développement de croissance endogène, on observe que l'esprit d'entreprise est une tendance qui doit être excitée et soutenue par son propre lieu ainsi qu'elle doit être fondée sur des ressources de celui-ci en liaison avec des systèmes locaux bien organisés. Majeur rôle joue la prise de décision concernant les particularités locales et la faculté sociale d'organiser ces particularités afin qu'il réussisse d'augmenter l'efficacité des mesures et des décisions prises. La théorie du développement de croissance endogène, ayant de nombreux points communs avec la théorie du développement durable, met en avant la connaissance, l'éducation qui se transforme à des idées utiles et créatives, à l'introduction des nouvelles technologies, à l'interdisciplinarité, aux approches écologiques.

Donc, les éléments de base qui seront examinés sont les suivants : le contrôle local du processus de développement, la valorisation des caractéristiques locales et en particulier de ceux qui sont singuliers, le lieu de production mais également de consommation, la multifonctionnalité et la diffusion des bénéfices localement. De plus, les liens des hommes d'affaires avec le lieu seront étudiés, vu que les relations sociales jouent un rôle important à la création de confiance. Ils créent des réseaux, ils introduisent la connaissance et l'innovation au marché local et ils corrélient la production et la consommation.

Enfin, les approches politiques ainsi que le rôle qui jouent à la création d'occasions au marché et à l'amélioration du climat d'entreprise seront examinés.

L'étude peut être caractérisée qualitative et exploratoire vu qu'il est indispensable qu'ils soient réunies des informations concernant le niveau et la qualité des activités des entreprises à Limnos. Pour une compréhension plus composée et détaillée du sujet et vu qu'ils existent des points qui ne sont pas clairs, cette approche est nécessaire afin que nous nous familiarisions avec le problème.

Les outils de base qui ont été utilisés afin de réunir des informations sont les groupes ciblés et les entretiens exhaustifs avec des hommes d'affaires (entrepreneurs), des personnes de l'administration locale et de la société locale. Enfin, pour l'analyse et l'évaluation des résultats de l'enquête nous avons utilisé l'analyse SWOT, qui détermine le niveau actuel de l'innovation de l'esprit d'entreprise à Limnos, des ressources disponibles, ainsi que de la possibilité de croissance et de contribution à l'économie locale.

Concrètement, nous observons que le plus grand avantage compétitif de l'île est l'agriculture et les produits locaux. Il est une île qui peut produire presque tout, ayant une qualité de production très élevée, grâce à son terroir et aux variétés locales uniques qui prospèrent seulement là. Le secteur du vin est exceptionnellement organisé avec des perspectives d'évolution. Un autre avantage compétitif de l'île: ses ressources culturelles, archéologiques, géologiques et environnementales. L'île dispose des monuments archéologiques, des hydro biotopes, des paysages d'une beauté unique. Ces éléments d'importance exceptionnelle par rapport à la croissance locale, ils ne sont pas exploités par manque d'information et de financement.

En ce qui concerne les nouvelles technologies, leur emploi est limité même inexistante. Cependant, cet inconvénient est considéré par beaucoup des gens comme avantage pour la promotion de l'idée d'une destination traditionnelle vierge. Le fait que l'accès à l'île est difficile, crée des problèmes mais promeut davantage l'idée qui a été précitée.

Concernant le potentiel humain, la population est petite et à la majorité vieilli. Cependant on observe une tendance d'arrivée de jeunes à l'île dans le cadre de l'immigration intérieure qui a été mentionnée. Le niveau moyen de connaissance et d'éducation du potentiel humain n'est pas très

élevé. Cependant, ils existent certaines exceptions, qui sont constitués par des personnes avec des études de haut niveau, des hommes d'affaires achevés.

La société locale, en général, est ouverte à l'innovation en participant aux affaires publiques et à la prise locale de décisions. Il a été observé cependant que la notion de la collégialité, même si elle se développe rapidement en raison de la crise économique, elle n'a pas atteint encore des niveaux souhaitables. Elles ont été observées à l'île des nombreuses initiatives innovatrices lesquelles cependant ne sont pas alliées.

L'organisation structurale constitue le problème le plus important à la croissance de l'innovation de l'esprit d'entreprise à l'île. La crise et le projet Kallikrati que celle-ci a introduit, créent des problèmes économiques et une bureaucratie élevée, qui de toute façon était toujours très intense en Grèce.

À la fin du 3ème chapitre, des entreprises innovatrices, des initiatives et des tendances vers une économie alternative et viable sont décrites. En outre, la probabilité de la création d'un parc éolien avec des dimensions disproportionnelles à l'île a porté désarroi et désaccord à la société locale. Il a été jugé indispensable qu'il soit analysé.

Le dernier chapitre du travail comprend des propositions pour des stratégies futures qui pourraient promouvoir la croissance de l'esprit, de la créativité et de l'innovation à l'île, contribuer à la valorisation des ressources de l'île et finalement à conduire à l'augmentation du revenu local et de la qualité de vie. Ces stratégies ciblent l'information correcte des habitants ainsi que la promotion des particularités locales en Grèce et à l'export. Le tourisme peut constituer un levier de base de croissance, en particulier s'il attire des marchés extérieurs.

Il est regrettable qu'il ne puisse pas exister grand changement au niveau de l'organisation administrative de l'île. Une stratégie nationale pour les régions provinciales de la Grèce aiderait sensiblement au changement du paysage au secteur de l'entrepreneuriat et de la croissance endogène culturelle.

Durant l'étude, il a été évident que Limnos a de grandes marges de croissance, aussi au niveau économique qu'au niveau culturel et environnemental. Les obstacles de base à cette croissance sont le manque d'information des habitants, la bureaucratie intense et la situation économique et

politique du pays.

Ce travail constitue une tentative de comprendre le cadre général dans lequel se place l'entrepreneuriat culturel au niveau régional de la Grèce. La question qui est suscitée après la fin de l'enquête est si des initiatives créatives et innovatrices et des entreprises peuvent se développer sans aucun soutien économique ou institutionnel. L'exemple de Limnos est remarquable mais dans la situation actuelle qui se trouve la Grèce, il est difficile de faire des prévisions.

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1. Introduction

1.1. *The contribution of cultural entrepreneurship in rural development*

The importance of culture and creativity as the engines of economic growth has been stressed across the post-industrial world since creativeness as a prerequisite for technological, organisational and social innovations is seen to form the key competitive advantage to organisations and regions in the global economy. Also the Lisbon Strategy stresses cultural diversity as a vehicle for creativity and innovation. The significance of culture and creativity as the core driving forces of regional and urban development is widely recognised and theoretically broadly analysed. Economic geographers especially have paid attention to the interrelation of economic and cultural processes. A widespread view is that non-economic factors are crucial elements for regional growth. Development of regions is reviewed as multifaceted processes based on cultural symbols, learning and social interaction. Therefore, the success of a specific region is seen to be conditional on cultural factors as human and social capital, interaction and learning between actors, or more recently, creativity. (E.g. Barnett 1998, Barnes 2001, Copus 2001 and 2004, Boggs & Rantisi 2003, Kainulainen 2005). Creativity has a major role in innovation processes, it has become one of the key elements in the regeneration of organizations and businesses and, consequently, it has been seen as a passport to regional performance and advantage. This emphasis on the significance of creativity has led to a tendency to highlight the importance of the so-called creative industries as the engine of economic growth (Howkins 2001, Florida 2002). As a result of all these considerations, the well-being of people living in rural areas has become an issue of major national significance. Creative solutions are necessary.

Commentators such as Keller (2000) suggest that small rural communities will need to “create” a new future – embracing change and adopting new forms of innovation – if they are to survive or prosper. Many writers recognize the possible contribution of the arts to the revitalization or re-imagining of these communities (Smiles, 2006; Dunn & Koch, 2006).

In modern economic theories, entrepreneurship is seen as the main tool to generate change whereby sustainable economic development will be obtained. Although this view is often geared towards urban areas, nowadays entrepreneurship is also seen as a powerful engine for sustainable rural development. Hence, entrepreneurial activities in rural areas feature recently high on the policy agenda. Despite the long history of entrepreneurship studies, rural entrepreneurship did not have a prominent place in the literature until the 1980s (Wortman, 1990). Generally, rural entrepreneurs are defined or studied in the same way as their urban counterparts with reference to their entrepreneurial profiles and their needs, such as personal motivation, social environment, risk attitude, external business culture and creative medium. Clearly, in the recent rural entrepreneurship literature, the apparent differences between the medium created by rural areas and what urban areas offer in terms of social relations – and the specific effects of these relations on economic life – have articulated the need for specific entrepreneurship research.

Apart from that, the current situation of the economic, political and social crisis in Europe and more specifically in the Mediterranean countries makes this need for research more necessary than ever. Rural cultural entrepreneurship could be a significant, alternative tool against financial crisis and its impacts towards the countries involved and more specifically towards Greece, the country that will be examined in this paper.

1.2. *Issues for rural Greece*

It is crucial to present some of the impacts that economic crisis had in the society of Greece, before the examination of the positive effects that cultural entrepreneurship could bring. After the beginning of the recession in 2008, Greeks have seen their salaries getting more and more decreased because of the austerity measures that the government had to take in order to save the country from bankruptcy. At the same time taxes and the cost of living are significantly increased. Thus, the purchasing power of the Greek people was eliminated and this situation

brought instability in the production and consumption cycle. A huge number of businesses are shutting down, the rates of unemployment keep on increasing and poverty levels are getting unprecedented high especially within the big cities.

In contrast with internal migration to urban centers during the crisis of the '60s, the last 2 years the conditions are reversed and we can now speak of a trend migration of city dwellers to the countryside. The people who more often move are unemployed individuals, families and young people who see no prospect of living in the city and are looking for better life conditions in the villages of the province. The internal migration, although not yet taken large dimensions, it is nonetheless remarkable, and a large number of people seem determined to change careers and move to agriculture, organic farming, livestock, even in PV facilities and the development of agro units.

With unemployment having surpassed 21% in Greece –while at the same time this percentage is more than 35% for young people between 17- 30 years old- the province and the sector of agriculture seem promising even from the beginning of the crisis, since 60,000 new jobs were offered between 2008 and 2011. It is also interesting the fact that 3.092 applications have been submitted till today in the OPEKEPE (Paying and Control Agency of the Community Oriented Assistance and Guarantees, which administers the agricultural subsidies granted by the EU bank) webpage for public agricultural land concession paying 5 euros per acre, demonstrating the tendency of many Greek people to abandon the big urban centers and return to the countryside. Another impressive element is that the profile of the applicants with the biggest percentage is unemployed young people till 35.

Another significant element of the Greek economic crisis is that the funds for cultural activities are withdrawing more and more. The budget of 2012, the second series of the memorandum budget provides, as expected, very low subsidies for the Ministry of Culture and Tourism. The degrading benefits from the public budget for the arts, literature and cultural heritage are a feature which distinguishes all governments after 1975 and especially in the current context of the Memorandum this phenomenon is even more intense. For example, the 2012 budget for the Ministry for Culture and Tourism is 458 million in expenditures from the regular budget and 115 million euros from the budget of public investment making in total 573 million euros, or 0.269%

of GDP. In 2010 the amount of budget for this Ministry was 732 million euros. At the same time however, the rulers insist to view culture as the country's comparative advantage, while the reality is that the cultural sector always comes last in the evaluation and thus to support from the part of the Greek state.

1.3. *The aim of this thesis*

The main topic of this thesis is cultural entrepreneurship and its role and impacts on rural areas and more specifically in Limnos Island. The first vision of sustainable development was first developed in the second half of 1980's and it includes the following three dimensions: economic growth, social inclusion and environmental balance. However, many voices including researchers believed that the dimension of culture should be included to the model of sustainable development, since creativity is identified as an inexhaustible resource nourishing society and economy. This new approach addresses the relation between culture and sustainable development through dual means: firstly, the development of the cultural sector itself (i.e. heritage, creativity, cultural industries, crafts, cultural tourism); and secondly, ensuring that culture has its rightful place in all public policies, particularly those related to education, the economy, science, communication, environment, social cohesion and international cooperation.

My thesis will focus on how cultural entrepreneurship is developed in Limnos Island, which are the cultural policies and national regulations about this topic and how they can boost economical sustainability in Greece. Some years before the cultural activities in Greek islands were limited – almost none existing-. The cultural life there depends on municipal cultural centers or some private initiatives. The first – if they exist- work in an old-fashioned way, focused on Greek cultural tradition and their activities don't attract younger people. The seconds on the one hand are very successful in terms of attendance and artistic quality level, but on the other hand lack support of the state or other networks.

We can say that a few years before the Greek countryside were abandoned. Almost the 70% of the country's population lives in two cities, Athens and Thessaloniki. Currently though, there is a

tendency for decentralization because of the economic recession, the dramatically increased unemployment and the high cost of living in cities. People now, especially the young- are trying to find an alternative and quality way of living.

Taking into consideration this tendency and the fact that Greece is a country rich in cultural potential – both in terms of cultural heritage exploitation and people in rural areas, who are «thirsty» for culture and willing to participate in cultural activities- I would like to examine in my thesis whether it is possible to achieve sustainability of cultural activities in the province , how this can be achieved and how it can affect the local economy and , generally, the quality of life of the inhabitants. I am aware though that there is a big difference in social, cultural and economic aspects of rural living near to the big cities, inside the country and on the islands. Thus, I will examine the current situation and the potential of an island and conclude to different models and approaches that could be used taking into consideration the specificities and differences of this particular area.

1.4. *The motive for this subject*

The reason that I chose this particular subject is mainly personal professional aspirations. I would like in the future to find a way to combine the knowledge that I have gained about economic science and cultural management with a life in the Greek province. My personal experience indicates that there is great need for cultural development in the rural areas of Greece. Cultural investments could be used both as a mechanism for economic growth and also as a tool for improvement of social life of the inhabitants. Moreover, as a result of all these considerations regarding the situation in Greece that were mentioned above, the well-being of people living in rural areas has become an issue of major national significance. Creative solutions are necessary. Commentators such as Keller (2000) suggest that small rural communities will need to “create” a new future – embracing change and adopting new forms of innovation – if they are to survive or prosper. Many writers recognize the possible contribution of the arts to the revitalization or re-imagining of these communities (Smiles, 2006; Dunn & Koch, 2006).

1.5. *The main research questions*

The main research questions of this thesis are:

“Is it possible to develop and implement a concept of cultural entrepreneurship in the rural islands of Greece that copes with the specific conditions of this area and shows how cultural organizations can earn significant income additional to governmental subsidy in order to be sustainable and also beneficial for the inhabitant’s social life? –and if yes- To what extent?”

“What are the current national cultural policies and regulations that are related with cultural entrepreneurship and cultural industries and how they support or impede their development in the remote territories of islands? What is the role of local policies in their development?”

“How cultural entrepreneurship can help to utilize the local recourses in rural areas?”

The definitions of the used terms in the main research questions will be thoroughly explained throughout the thesis. In short these definitions are:

Cultural entrepreneurship: (Cultural Entrepreneurs are cultural change agents and resourceful visionaries who organize cultural, financial, social and human capital, to generate revenue from a cultural activity. Their innovative solutions result in economically sustainable cultural enterprises that enhance livelihoods and create cultural value and wealth for both creative producers and consumers of cultural services and products.)

Cultural Industries: The interface between creativity culture economics and technology as expressed in the ability to create and circulate intellectual capital with the potential to generate income, jobs and export earnings while at the same time promoting social inclusion, cultural diversity and human development.

Regional economic development: (Regional economic development is the application of economic processes and resources available to a region that results in the sustainable

development and desired economic outcomes for a region and that meet the values and expectations of business, of residents and of visitors.)

Sustainability: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of needs, in particular the essential needs of the world's poor, to which overriding priority should be given; and
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs."

Cultural policy: Cultural Policy is the area of public policy-making that governs activities related to the arts and culture. Generally, this involves fostering processes, legal classifications and institutions which promote cultural diversity and accessibility, as well as enhancing and promulgating the artistic, ethnic, sociolinguistic, literary and other expressions of all people – especially those of indigenous or broadly-representative cultural heritage.

Post-modern tourism: A sociological theory that has major implications for the study of tourism. Based on the idea that in industrialized, developed nations, the basis on which people act as consumers has been transformed in recent years. The theory suggests that traditional boundaries (hi/low brown culture, up/down market leisure activities) are becoming blurred and are breaking down.

In order to answer this research question several aspects of this potential will be examined from the advantages and barriers in terms of infrastructure, human capital, social and economic environment for each type of rural areas separately to cultural policies and legislation. I will also examine the characteristics of the cultural initiatives that are currently taking place in Greek province, public cultural institutions and whether there is cooperation between them. Moreover, examples of successful rural cultural entrepreneurship will be examined in order to identify the

key elements of their success and analyze if and how many of these elements can be implemented, since the Greek society is currently dealing with this economic and social crisis. Finally, the results of the research about inhabitants' current perceptions and needs have also to be elaborated and combined with the recommended strategies for local development.

1.6. *Limitations of the current research*

A number of important limitations need to be considered in this paper. The most important limitation lies in the fact that the issue of cultural entrepreneurship in rural areas hasn't been thoroughly examined yet and it is considered as a new field, made the research more difficult since many theories had to be connected in order to construct an efficient theoretical framework. Moreover, the theories of sustainability and endogenous development include many qualitative variables that it is not easy to be examined and analyzed. The time frame eliminated the research too. The subject is very broad and there is a lot of research that has to be done. Although the research succeeded to cover many aspects of the subject that had to be examined, the time for elaboration wasn't enough. If the time was more, there would be also a possibility to use more and different kind of research tools and methodology and that would probably lead to more spherical results. Finally, the research was conducted during summer time and since the methodology of research was based in in-depth interviews with local actors, it was difficult to find some of the decision makers or local entrepreneurs in order to construct a more complete sample.

2. Theoretical framework

2.1. Definition of Entrepreneurship

However, scholars have not yet come to a consensus in defining entrepreneurship (Low & MacMillan, 1988), and that, it has been evolving to a complex set of ideas (Henderson, 2002). However, referring to some scholars' work, Low and MacMillan (1988) highlighted certain common aspects of entrepreneurship: carrying out new combinations; predicting the future; working hard and smarter than the competitor; initiating, maintaining, and developing profit oriented business; being driven by perception of opportunity rather than resources currently controlled; and creation of new organizations. Further, Low and MacMillan suggested an overall and common purpose of entrepreneurship as the 'creation of new enterprises' (1988).

The field of entrepreneurship is centrally concerned with understanding 'how opportunities bring into existence "future" goods and services are discovered, created, and exploited, by whom, and with what consequences' (Venkataraman, 1997). Entrepreneurship research to date, however, has focused on a relatively narrow portion of this rich domain. The balance of attention has been directed towards explicating how business plans, marketing strategies, sponsorship, and personal traits enable entrepreneurs to access and mobilize pools of resources to start new businesses, move into new lines of business, or promote new products, ideas, or processes that create wealth (e.g., Hofer and Bygrave, 1992, Schoonhoven and Eisenhardt, 1992, Schoonhoven and Romanelli, forthcoming).

2.2. Cultural entrepreneurship and the profile of a cultural entrepreneur

Despite the fact that entrepreneurship is 'a context-dependent social process' (Low and Abrahamson, 1997), entrepreneurship researchers have largely neglected the broader social and cultural dynamics that embed start-ups (Aldrich and Wiedenmayer, 1993; Baum and Oliver, 1996; Reynolds, 1992). It is important to locate entrepreneurship within these cultural and

symbolic realms of meaning. Following Scott and Lane (2000), on a general definition of culture, culture is ‘an interpretive framework through which individuals make sense of their own behavior, as well as the behavior of collectivities in their society.’ While interpretive frameworks exist at multiple levels (e.g., organization and society), we view them as nested in the sense that organizations must cultivate firm-level cultures in ways that resonate with broader societal beliefs or risk problems associated with the lack of legitimacy (Dacin, Ventresca, and Beal, 1999).

It is important to consider the consequence of adding cultural to the character of the entrepreneur. Sidestepping culture in its anthropological meaning, we take culture to refer to the arts. Whether we need to distinguish high from low art needs to be seen. To make sense of the cultural entrepreneur and to warrant its inclusion as a separate character, we will have to take the peculiarities and particularities of the cultural world into account. The cultural entrepreneur is a special character. According to van der Ploeg he is a marketer with special sensitivity to artistic products and processes, but this characterization is only focused on the economic transaction. Here you have art and culture; there you have the market so that leaves the cultural entrepreneur with the challenge of going from here to there. The picture does not do justice to the complexities of artistic processes. The art world is not just a matter of demand and supply meeting, or products for sale, and of inputs that produce an output.

In the cultural economic perspective that Klamer (2002, 2003, 2004),Throsby (2001) and Frey (2002) have expounded there are the following elements:

- (a) The economy is about the realization of values. Economic values stand for the income and other revenues that allow people to realize the important social and cultural values. In case of social values, think of relationships, social status, an identity and the like, and cultural values refer to spiritual, esthetic, and other values that convey a sense of meaningfulness to life.
- (b) Art tends to be realized as a common good, that is, as a good that is shared by a group of people. Realizing the value of art, therefore, requires the inclusion in one conversation or another in which the commonness can come about.
- (c) The realization of values takes place in different spheres. Economists tend to focus on the spheres of the market and the government and perceive the realization of values mainly in those domains. Businesses, governments, and markets account for the gross national product. Yet, there

are two other spheres for the realization of other values, such as social and cultural values .The “oikos” is the personal sphere where people realize common goods like families, a sense of care and mutual responsibility. In the social sphere, people realize social values like community, a sense of identity, solidarity, neighborhood, country, security, conviviality, friendship, and so on. It is this informal sphere, more generally denoted as civil society that is critical for the realization of the social and cultural values of the arts. The arts require conversations, informal exchanges in order to be shared. Transactions in the market place are important but subordinate to the informal interactions in the social sphere.

According to this cultural perspective, cultural entrepreneurs are people who are geared toward the realization of cultural values. Cultural entrepreneurs are cultural because they are about the cultural. Being focused on the (cultural) content, being about the art itself and the creative process is a moral attribute of the cultural entrepreneur. The economics and the market have to be an instrument for the cultural entrepreneur in order to realize cultural values. After all, the real challenge for the cultural entrepreneur is to contribute to the common good that art is. A cultural good or an artistic process has cultural value because it is common property in some sense. A cultural good needs to function in the cultural conversation in order to qualify as culture or art. Because of the commonness of art, cultural entrepreneurship has to involve more than marketing skills and sensitivity to the artistic process; it also involves the persuasive power to induce a candidate for art or a cultural activity into the appropriate conversation and to realize it as a common good.

Part of the realization of the values of art and culture is the financing of them. If cultural entrepreneurs have as an objective to get into and contribute to the conversation that is culture, the way the culture gets financed matters. It matters whether they adapt the logic of the market and embrace its values. The market is connected with products, returns on investment, efficiency, money making, and consumer orientation. It is dubious whether that language and those values are conducive for the diffusion of cultural values. Market values may crowd out cultural values (Frey 1997).

An alternative source of financing culture is the government. Cultural entrepreneurs may be

enterprising in approaching government agencies but more likely they will have to adopt the character of the public administrator to be effective. They also can operate in the third sphere and generate support, organize communities, build partnerships in order to gain the support but also to extend the conversation for culture. The ability to acquire the right finances in a proper way is one of the attributes of a good cultural entrepreneur.

Accordingly, good cultural entrepreneurs have the following characteristics:

1. They are alert to opportunities (Kirzner).
2. They are creative in terms of the artistic content but also of the way in organizing the conversation and arranging the finances. They are innovative (Hagoort, 2000), which means successful in the exploitation of new ideas for creating additional resources (Drucker, 1985 / Accountability, 2002)
3. The artistic content is their passion and commitment; everything else, including the economics, is subsidiary. The cultural entrepreneur tries to open up new markets that are pre-occupied with cultural value (OECD, 2000). This attitude seems to be able to deal with the delicate interaction between cultural value (artistic ideas) and economic value (economic opportunity) (Hagoort, 2000), striving for an optimal balance between what is culturally accountable and possible in business perspective (Deloitte & Touche Bakkenist 2001/Gerardts, 2000)
4. They are persuasive in the sense that are able to convince good artists to work with them, bring about interest in the art, get people involved (e.g., volunteers), and are able to generate the necessary funds. The cultural entrepreneur is pre-occupied with the cultural value and tries to use it as an opportunity to generate earned income, while ensuring cultural value as main concern.(Gerardts,2000/Klamer & Velthuis,1999)
5. They are prudent and exhibit courage, hope, and faith in their actions (cf. McCloskey 2006).

The cultural entrepreneur striving for innovation requires a strong organizational vision, a clear definition of the mission and a realistic statement of the objectives, which make a pro-active attitude towards external developments possible (Drucker 1985/ Gerardts 2000). A strong singular vision of the artistic leader helps to describe the mission, the objectives and the

organizational position in the environment (Dorbin, 2002). Internal and external analysis is advised to determine changes in the environment that have an impact on the cultural organization and businesses (Gerardts, 2000). Exploiting determined changes as an opportunity is the specific tool of entrepreneurs (Drucker, 1985), therefore it might be suggested that a cultural entrepreneurial attitude can try to create opportunity out of the changing financial environment of the of cultural organizations and businesses caused by the earlier mentioned developments.

It might be concluded that a cultural entrepreneurial attitude might be able to help to be alert towards change, trends and opportunities, to help identify possible suitable sources of income and to exploit them. The constant quest of the cultural entrepreneur seems to be finding suitable resources that, although the emphasis might be on the economic value of the cultural output, are mainly pre-occupied with the cultural value of the organization, supporting its mission and core activities. It is a challenge for the cultural entrepreneur to try to develop innovative sources of income that not only ensure the cultural value but actually add to the cultural value of the organization.

2.3. Rural entrepreneurship development

Rural Entrepreneurship Development is a key theme in national development strategies in many countries such as Canada, Europe, America, and Malaysia. It has been gaining wider popularity as: a mean of eliminating rural poverty and rural-urban imbalance, and resolving deep rooted economic problems in low income communities and depressed regions in rural areas (Dabson, 2001); and job creation, raising local income, adding to local wealth, and connecting the communities to global economy (Henderson, 2002). With this importance realized, the studies on entrepreneurship development have also widening its spheres. Stathopoulou, Psaltopoulos & Skuras referred to Hoy (1983), to describe a rural entrepreneur as someone who is “independent, risk-taking, achievement-oriented, self-confident, optimistic, hardworking and innovative” stressing more on the creation of new employments in rural areas through generating new ventures (2004). Stathopoulou, Psaltopoulos & Skuras further referred to Wortman (1990) to define rural entrepreneurship as “the creation of a new organization that introduces a new product, serves or creates a new market, or utilizes a new technology in a rural environment” (2004). However a rural entrepreneur can be differentiated from an urban entrepreneur as

someone in a rural location who is in the effects of rurality on the entrepreneurial process (Stathopoulou, Psaltopoulos & Skuras, 2004).

Entrepreneurship is an outcome of many factors. Earlier, it was believed that Entrepreneurship is based on personality and cultural background of the individuals, and later, the role of context and the process involved in entrepreneurship development were also recognized (Low & MacMillan, 1988). Entrepreneurship on the other hand is a multilevel phenomenon. That can be studied at individual, group, organizational, industry, and societal levels (Low & MacMillan, 1988). Hence, the studies on rural entrepreneurship development need a consideration of diverse factors and more focus on special areas pertinent to ‘rurality’. A model presented by Stathopoulou, Psaltopoulos & Skuras (2004) placed rural entrepreneurship development in such a more dynamic context to explain the entrepreneurial process in the rurality. (Figure 1)

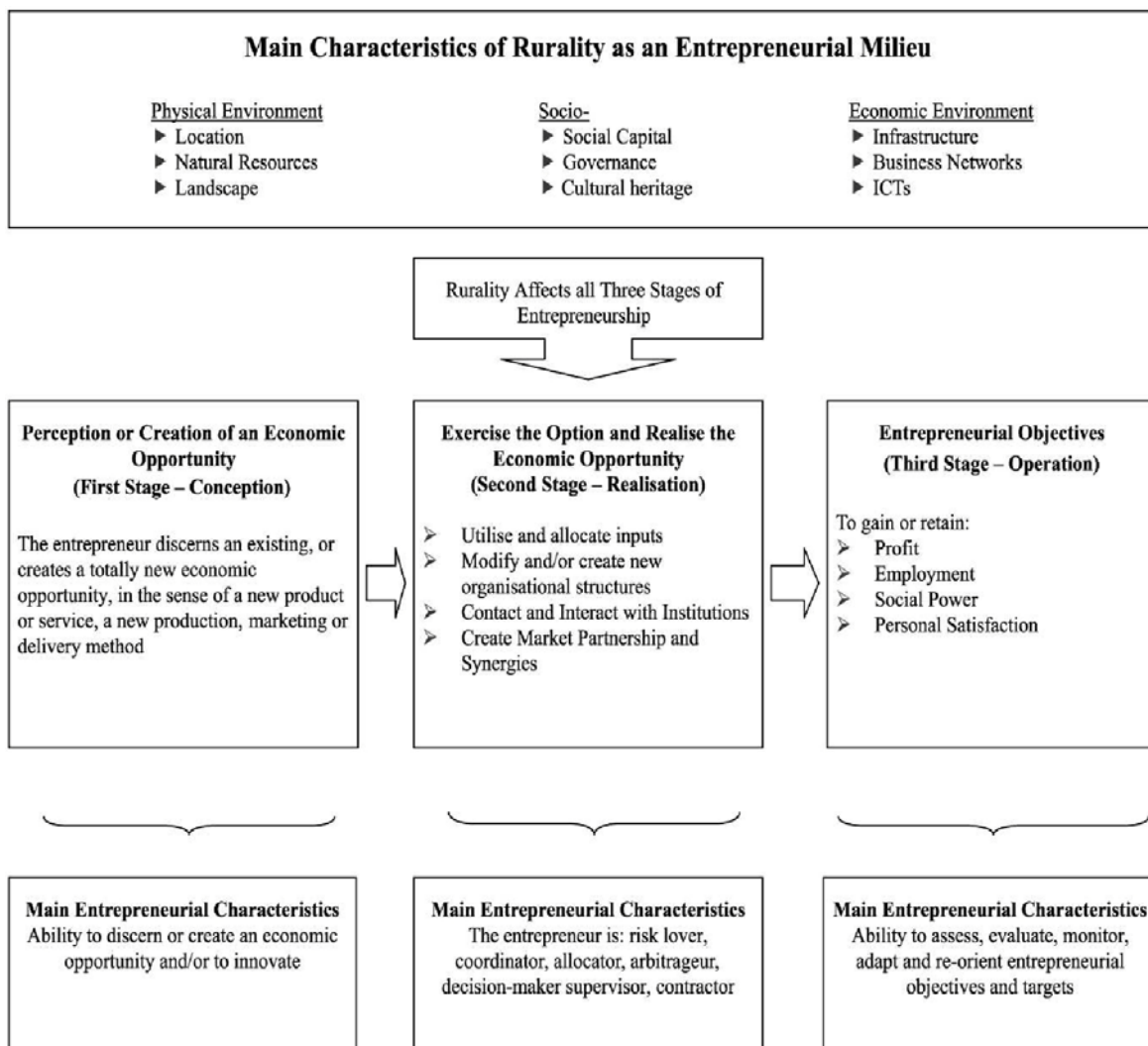


Figure 1: A Three Stage Entrepreneurial Process in the Rural Milieu

The idea to regard entrepreneurship as the key issue of rural development originates from endogenous development theory. The rural milieu with all its existing socio-economic potential is increasingly seen as a promising entrepreneurial milieu (Stathopoulou, 2004). To this end, the endogenous potential of both the environment and entrepreneurship needs to be stimulated and supported from within the rural area itself instead of from outside (Petrin and Gannon, 1991), in order to achieve the aim of opening rural systems to the global arena. That is, rural development requires to be induced mainly by local impulses and needs to be grounded largely on local resources. Some of the early attempts to provide short-term local solutions failed mainly because of the inability to create new income resources. This happened because these initiatives were mainly based on the industrialization of agriculture, and innovation had been brought only as an external force into the agriculture sector (van der Ploeg and Saccomandi, 1995). Therefore, this approach may be seen as a failure in terms of answering the needs of the local inhabitants. What was missing was that rural employment was in fact no longer dominated by agriculture (Ilbery, 1998). This meant that rural life called for new challenges to create endogenous growth and development. And therefore, creative entrepreneurship was seen as a new challenge through which the necessary diversification of activities could be obtained.

In the literature, various types of relations, e.g., cultural relations, offered by the rural environment are identified as critical success factors for a variety of new activities created by entrepreneurship (Camagni, 1991). The diversity of relations in rural areas and, the needs of entrepreneurs require strong ties in order to obtain successful and sustainable development in the local environment. Schumpeter (1934; 1950) argues that what entrepreneurs are doing by being involved in new system-networks is destroying the existing networks. On the other hand, according to Jack and Anderson (2002), the involvement of entrepreneurs in a social context forms a new structure or network according to whether they are contributing or destroying. They explain this new formation by Giddens's structuration theory which can be seen as a parallel to Schumpeter's view of entrepreneurs. In this spirit, maybe not destroying but also contributing, new agents like entrepreneurs have brought innovation, which can be either the creation of

external links or a new product, into rural areas. In addition, rural areas also offer newness to entrepreneurs in terms of their local resources or relations, what is called here ‘locality’. The condition for what is new and unusual in the market, with the ability to meet demand, enables entrepreneurs to easily benefit and use these resources to start up and succeed.

2.4. *The “Theory” of Endogenous (Rural) Development*

The role of endogenous processes in regional economic development and as potential explanatory factors in accounting for spatial variations in the pattern of regional growth and decline has been attracting increasing interest from regional scientists and from regional policymakers and practitioners.

Among researchers there are a range of perspectives on endogeneity and endogenous regional growth processes. There are challenges in developing suitable measures of endogenous regional growth in building and implementing operational models to analyze endogenous regional development and growth across spatial systems. It is also important for research to generate in depth analysis of endogenous development at the scale of the local region to enhance our understanding on the different contextual bases in which endogenous processes occur in local regional economic development.

Traditional regional economic development approaches were based on the neoclassical economic theory and mainly on Solow (1956, 2000) growth model. The emerging endogenous approaches- while recognizing that development is framed by exogenous factors- attribute a much more significant role for endogenous forces. These approaches are crucial since they introduce an explicit spatial variable into economic development and growth theory, an element that was neglected from the neoclassical theories.

The idea of endogenous growth has been favored by many working on rural development because a “[...] model of endogenous development guarantees autonomy to the process of transformation of the local economic system. It does so by underlining the centrality of the decision-making processes of local social actors and their capacity to control and internalize external knowledge and information, and by generally assuming the traits of a self-sustaining

process of development. The process of transformation is based, therefore, on local specificities and on the capacity to govern fundamental variables. A model of endogenous development is, in fact, based on the production of ‘social capability’ at the level of the community of firms and institutions that operate in the local sphere [...]”(Garofoli 2002: 228). Martin and Sunley (1996) note that “endogenous development” is here “synonymous with ‘locally-based’”. These authors refer to the concept of stimulating regional development by the support of “local enterprise, small-firm growth, and technological innovation”. They find a close resemblance to the concept of industrial districts. The authors rightly caution against a confusion of this concept of endogenous development with the theory-based concept of endogenous growth.

The “endogenous development hypothesis” in a rural context has been summarized relatively concisely by three constituent aspects: the territorial instead of the sectorial frame, the valorizing and exploiting of local physical and human resources, and the focus on “needs, capacities and perspectives of local people” (Ray 2000). Thereby, the rural perspective on endogenous development puts a higher emphasis on social aspects than other concepts of endogenous development. Accordingly, “participation in rural development is now generally assumed to be a good if not vital thing. The assumption is that more participation is better than less and that past development strategies failed through its absence. There is, however, surprisingly little written about why participation is so important” (Lowe et al. 1998). The participatory approach seems to have two aims: On the one hand it is an aim in itself. Connected with this aim are many problems of democratic legitimacy and political economy. An appraisal of these problems of strengthening the civil society is beyond the scope of this paper. The other aim of participation is the increase of the efficiency of measures.

While examining the nature of regional development Stimson (2004) observed that it is often difficult in regional economic development planning strategy formulation and implementation to match desired outcomes of regional economic development with the processes that create them. Blakely (1994) emphasizes how regional economic development needs to be viewed as both a product and a process but often not by the same group of actors or groups in the development milieu. For instance, economists tend to be more concerned with economic development outputs and products (wealth creation, investment etc.). On the contrary, regional scientists, development

planners and practitioners are more process oriented and concerned with creation of infrastructure, human capital, labor force preparation and market development. Thus, it is important when considering regional economic development to maintain an awareness of its product and process aspects.

Although exogenous factors probably remain important to a region's economic performance and development, endogenous forces become increasingly important since they determine a region's competitiveness

In the regional growth literature is no doubt that the strategic importance of knowledge for the innovation and entrepreneurship has been increasingly recognized. That has been built on the notion proposed by Simmie (1997) of the «learning region». In the current economic climate of the global financial crisis, Nijkamp and van Hemert (forthcoming) have suggested that in trying to capture the catalytic effect of creativity, innovation and R&D in generating knowledge growth spillovers: *«more than ever is a role for government in focusing strong and directed effort to boost the translation of scientific ideas into useful technologies, and to reinforce the base of science skills that drives this innovation. [...] Currently, there are different forces at play in the science domain that need attention and support from the governments. Besides tensions between local and regional demands, the current crisis has highlighted the growing frictions between the individual and societal needs».*

The challenges today include the need to revolutionize the transport technologies, meet climate-change targets and secure diversity of energy supply. On a national level that will require more directed research, education and training innovation to develop the required skills to enact the new technologies and the active participation of industry in government-science relations to help encourage innovation. This changing socio-political environment, Hertz (2009) suggests, will require different research disciplines to work together more than ever. Understanding the institutional barriers that mitigate against achieving this creativity and the associated economic dynamism of a city or a region and how to unlock those barriers for the emergence of a «learning region» is an obvious priority in regional development strategy planning if the pentagon model by Nijkamp is to be pursued.

Towards a Sustainable Development Model

In the contemporary context of a focus on sustainable development in regional economic development strategy it becomes even more necessary to place concerted attention on harnessing endogenous factors in pursuing regional growth and development. Towards that end from the writing of Nijkamp (1994) and Capello (1999) it is possible to propose a production function for sustainable innovative development based on a pentagon model of five critical success factors as illustrated in the following figure.

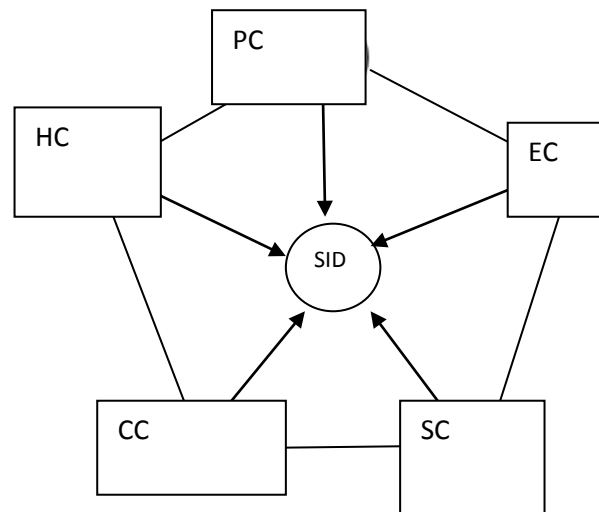


Figure 2. A pentagon model of creative forces for sustainable regional development

The five elements of that model that need to be mobilized for the regional development process are:

1. The availability of the productive capital (PC): this corresponds to neoclassical production theory where output is determined by the traditional production factors labour and capital.
2. The presence of human capital (HC): this refers to the quality of labour input obtained by means of education, training or new skills and may be seen as a productivity- enhancing factor. Clearly a balanced distribution of human capital over people is of great importance.

3. The access to social capital (SC): this condition comprises interaction and communication between people, socioeconomic bonds, social support systems, business networks, relations based on trust and so on.
4. The usage of creative capital (CC): this may be seen as a great ability to cope with challenges and new opportunities and is reflected in entrepreneurial spirit, new ways of thinking and acting, trend setting, artistic expressions, innovative foresights and so on.
5. The existence of ecological capital (EC): this condition takes for granted that a favorable quality of life, an ecologically benign condition in a city, presence of green space, water or an attractive living climate contribute significantly to the innovative and sustainable potential of a region.

Endogenous rural development from a sociological perspective

Endogenous rural development (ERD) is development that initiated and controlled by local community. However, from a sociological point of view, ERD implies much more than this. To some extent, post-modernism and post-Fordism are characteristics of ERD in that it accommodates niche-marketing of value-added product and flexible specialization, while at the same time valorizing local culture, tradition, artisanal production and regional typical food. Generally, ERD refers to the utilization and celebration of local and place-based dimensions of a region as the basis of its economic activity and livelihood. The emphasis in most sociological approaches to ERD is in understanding the characteristics(natural, human and cultural) of a place that makes it special and /or distinctive and how these may become the focus of sustainable economic activity.

Despite the lack of a common definition, there is general agreement around the characteristics of ERD in the sociological perspective. Expanding on Slee (1994) and Bowler (1999), the key elements are:

- A goal to create diversified, resilient and sustainable local economies
- Local determination of development options
- Local control over the development process
- Retention of benefits locally

- Utilization of locally available resources (natural, human and cultural)
- Valorization of « the local» and « place», especially what is locally unique or special and respect for local values
- Awareness of the rural as being post-productivist -that is being a site of consumption as well as a site of production
- Appreciation of multifunctionality

The multifunctionality element recognizes that rural areas (and agriculture) provide a range of non-market (as well as market) goods and services such as environmental protection, landscape management, preservation of biodiversity and habitat protection, ecosystem services, carbon sinks, maintenance of cultural heritage, employment and livelihoods for rural people and food security.

The social values implied by ERD in a sociological approach primarily relate to development as a social concept rather than to economic growth (Brugger, 1986). Sustainability in its broadest possible understanding is a key value (Murdoch et al., 1994). Local control and self-determination are also fundamental-ERD highly values the rights of people to have a say in the things that affect their lives. The principle of subsidiarity- that decision should be taken as closely as to the citizen and that larger groupings should encourage the autonomy of smaller groupings (Carozza, 2003)- is firmly embodied in the sociological and policy approach of ERD. Notions of equity, capacity building, community development and building resilient communities that have vitality, viability and health are all part of the concept.

2.5.The concept of embeddedness

Rural development on the basis of entrepreneurship aims to achieve the optimum use of local resources while developing and maintaining strong local and external ties among agents ('social capital'). In the literature, the conceptual and operational approach to identify the nature, depth and extent of an entrepreneur's tie to a rural location is called 'embeddedness'. Embeddedness is widely used in the literature and is related to a variety of local network constellations. Generally, it is regarded as a local, informally organized interaction among agents which generally promotes endogenous development (Floysand and Sjøholt, 2007). The embeddedness literature in rural

studies has often focused on the social components of economic action, particularly networks of exchange (Murdoch et al., 2000). In this vein, it has recently been adopted as a conceptual tool to investigate food networks in rural areas (Hinrichs, 2000; Penker, 2006; Sonnino, 2007).

Embeddedness is not only used in specific sector studies, but also in entrepreneurship studies: first in immigrant/ethnic entrepreneurship studies in the form of mixed embeddedness (Kloosterman et al., 1999), and more recently in rural entrepreneurship studies. In general, in the literature, its definition is based on linkages to the market and inter-firm networks (Uzzi, 1997), while creating trust between producers and customers, but in the rural literature it is also related to being part of the rural environment in both social and economic contexts as well as to the characteristics of the entrepreneurs.

Granovetter (1985) has claimed that often desired social and economic outcomes are achieved through embeddedness, based on the interaction between social, economic, physical and environmental conditions. 'Embeddedness' is a notion developed by economic sociologists to emphasize the social dimension of economic activities. The term 'embeddedness' is widely used in the literature in relation to many socio-economic developments. The concept arose from Granovetter's (1985) interpretation and extension of the earlier ideas of Polanyi (1944).

According to Granovetter (1985), economic activities need social relations. He argued that social relations have an important and significant role in terms of generating trust for economic activities to happen. From this perspective, entrepreneurs in rural areas should preferably achieve embeddedness in order to start-up, survive, and succeed in their businesses. However, because of the heavy dependency of rural inhabitants on primary group relationships and close personal ties (Frazier and Niehm, 2004), becoming embedded is not an easy task for entrepreneurs. In rural areas, there exists often a very defensive localism (Winter, 2003) in terms of accepting the new. Therefore, it is important that the local community including agricultural labour is engaged in new enterprises (Roberts, 2002). Otherwise, this closed social and economic system can negatively affect entrepreneurship and also be affected negatively by it.

Entrepreneurs rely particularly on local information and resources in the process of business venturing (Romanelli and Schoonhoven, 2000). Entrepreneurship, which is seen as a locally based economic system, is tied to the collective efforts of members of communities (Flora et al., 1992; Kinsley, 1997; Miller and Besser, 2000). Rural areas are basically social systems where social networks and ties are more important than any other relations. Therefore, the ties between

entrepreneurs and rural areas require local potential to link production to consumption. On the other hand, business needs a market area in order to be present and survive. On this basis, it is plausible to say that rural entrepreneurs, depending on their entrepreneurial characteristics, are increasingly choosing rural areas as a living and working environment or as a resource/input of their entrepreneurial process, while seeing the market as a must for their business (Figure 3). Thus, rural entrepreneurs must have ties with both areas: rural and market. Therefore, the link between production (local resources) and consumption (market beyond rural areas) needs to be developed. In addition, the embeddedness of entrepreneurs creates a new rural area which is a new socio-economic system, whole parts of which benefit. In other words, the embeddedness of entrepreneurs in rural areas brings: first, knowledge to rural areas about the market and beyond, which is a new system; second, innovation to the market, as rural areas are not very well known in the market as a resource; and finally, an environment to the entrepreneur who is striving, according to his/her own needs, to have a better living.

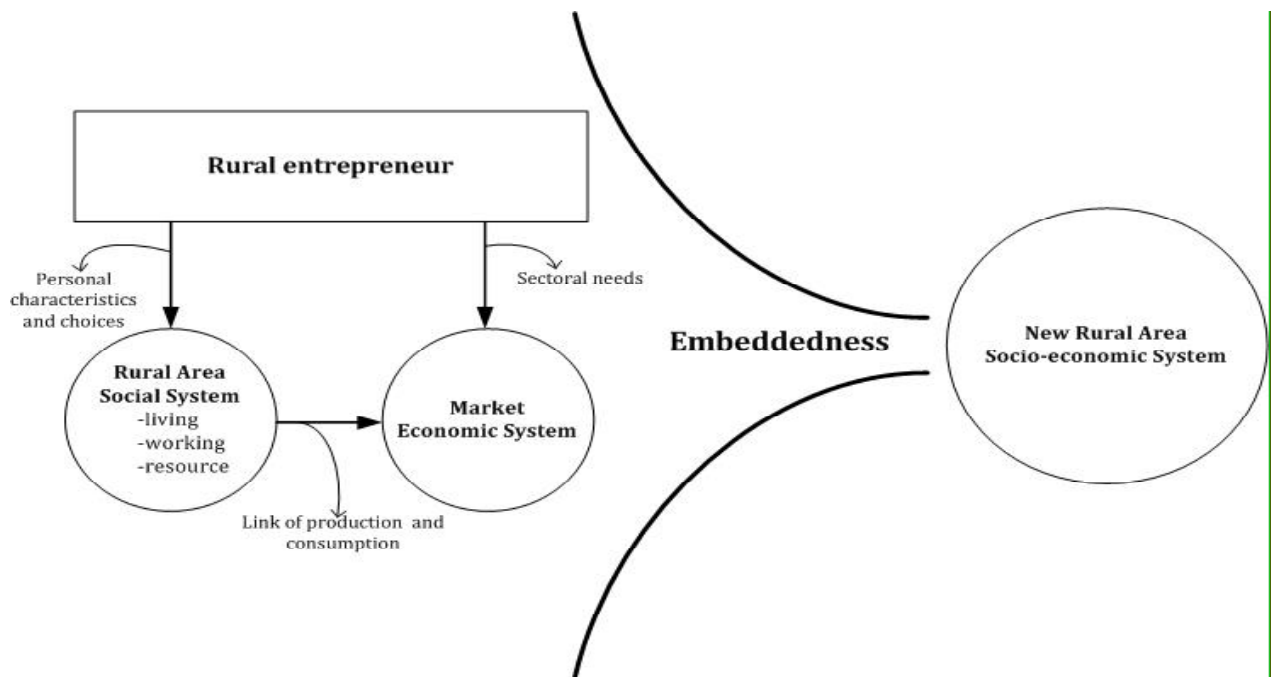


Figure 3, Effect of embeddedness on rural areas

2.6. Post-modern cultural tourism

Tourism is a part of modern lifestyle, in which geographical mobility and cultural enjoyment are critical parameters. At the same time, tourism is also a lead sector for accelerated economic growth in many countries. Consequently, tourism policy has become an important vehicle of sustainable economic policy. In many regions, it is observed an increasing interest in the potential of tourism and culture is considered as a major attraction for economic growth. Clearly, a significant part of mass tourism is related to entertainment based on nature, beach and sun or social activities, but cultural tourism is on the rise. One of the main challenges is to ensure a permanent and stable flow of tourists throughout the year. From this perspective cultural tourism has many advantages, as culture can in principle be supplied all year round.

The theory of post-modern tourist reconceptualizes tourism as a social and cultural practice. Urry makes the argument that people are now beginning to see a universalisation of the tourist gaze and the reforming of the word "tourism" as it was conventionally understood, to include other forms of social practice (Urry,1990). One of the main features that come up in both Urrys and Perkins studies is that of the notion of the tourist searching for authenticity (Urry,2000). This is also supported by Cohen who argues that tourism can be seen to lead to "commoditisation" of areas within the local community life (Cohen,1998). The tourism industry transforms actual culture into staged productions, demonstrating a culture that is perceived and no longer authentic. "Staged authenticity is said to thwart the tourist's genuine desire for authentic experiences" (Cohen,1998 pg 102). The importance of authenticity in relation to the tourist has been one of the most key features in identifying the construct of tourism (MacCannell,1973).

2.7. Developing policies and actions to unleash cultural entrepreneurship

The Global Entrepreneurship Monitor (GEM) has identified important differences between specific 'entrepreneurial framework conditions' and more general 'national framework conditions for business'. The key priority for low income countries should be improving the overall business climate, as a precursor to any other policy interventions. This is necessary to generate investment and thus create market opportunities, particularly for smaller entities. This thinking sees

economic development in a sequential way, as growth and market opportunities increase, then at that stage specific flanking measures aimed at strengthening the entrepreneurial framework should be developed. However, there are also other external barriers, such as trade barriers (tariff and non-tariff), that many low income countries can be faced with which can act as inhibiting factors on economic growth, no matter how conducive the business environment is.

Entrepreneurs are faced with an array of barriers and obstacles from the practical such as business registration or access to workable systems of contract enforcement - to societal barriers - such as cultural views of entrepreneurial activity as being a waste of education and 'not a real job'. Sadly empirical evidence suggests that those countries most in need of boosting entrepreneurial activity place the most barriers in front of would-be entrepreneurs. However, many developed countries also need to take measures to improve the business environment and cut unnecessary bureaucracy and red tape.

A good investment climate (such as good social and physical infrastructure; environment conducive to enterprise development; good governance structures, rule of law, property rights, etc) makes it easier for firms to enter and exit markets in a process that contributes to higher productivity and faster growth. Firms experiencing strong competitive pressure are more likely to innovate than those reporting no such pressures.

Above all enterprises need the space to experiment and learn. Some will thrive and create jobs and wealth, others (rightly) will fail (it is estimated in OECD countries that 5-20% of firms enter and exit the market every year).

Employer organization's have an important role in facilitating the process of identifying opportunities in different industries, and communicating these opportunities to existing and aspiring entrepreneurs in a way that makes it easy for them to evaluate and take advantage of these opportunities.

Creating an awareness of not just the value of entrepreneurship but the wider contribution of business to society (in terms of wealth creation and by consequence employment) is a key component in realizing cultural shifts in viewing the importance of entrepreneurial activity to further societal aims. In parallel, education systems should seek to develop the right skills needed

to develop entrepreneurial attitudes among young people. Courses in entrepreneurship are fundamental aspects of the curriculum in business education at the tertiary level.

Political stability and effective rule of law are evidently key platforms to stimulate entrepreneurship and enterprise development. Entrepreneurs (and business generally) need a predictable and stable environment in order to have the confidence to engage in entrepreneurial activity. Without that confidence, a vital cog in the process of economic development will be missing.

3. *The Research*

3.1. *Conceptual Design*

This study entitled “Cultural entrepreneurship in rural areas” (the case of Limnos island, Greece) is a qualitative exploratory research that attempts to accumulate existing information and data regarding the level and quality of entrepreneurial activities in Limnos island that are related to culture. According to Trochim the key reason for doing a qualitative research is to investigate and become more experienced with a particular phenomenon of the researcher’s interest in order to deliver a detailed description. This study wishes to depict the current state of cultural entrepreneurial activities in Limnos and to what extent is it possible to develop and implement a concept of cultural entrepreneurship in the island that copes with the specific conditions of this area and shows how cultural organizations and enterprises can earn significant income additional to governmental subsidy in order to be sustainable and also be beneficial for the inhabitant’s social life. It is also examined if the national policies and regulations are opening the way for sustainable entrepreneurial activities and place-based development or if they act as an obstacle for the development of this concept. It seemed more appropriate to use a qualitative approach since a more complex and detailed understanding of the issue was required.

The research is utilizing exploratory research methods in the conduct of the study. Exploratory research is often utilized in order to yield information to explain problems which are not yet clearly defined or the real scope is still unclear. It allows a researcher to familiarize himself with the concepts of the problem under study and to facilitate development of insights and hypotheses. The present study is an exploratory attempt since I would try to gather information regarding the tendencies, the national policies, resources, infrastructure and competitive advantages of the place, weaknesses and barriers for endogenous development and perceptions of the local society.

3.2. *Methodology tools*

There are three main methods for collecting data in a qualitative research. The resulting data is usually transcribed then analysed using one of a variety of techniques for analysis (development and interpretation on the key themes). The three main methods of data collection are focus groups, direct observation and in-depth interviews. In this case though, only two of them were used.

Focus Groups

For this method the researcher brings together a small number of subjects to discuss the topic of interest. The group size is kept deliberately small, so that its members won't be intimidated but can express opinion freely. A topic guide to aid discussion is usually prepared beforehand and the researcher "chairs" the group, to ensure that a range of aspects of the topic are explored. In this case, focus groups were used in order to collect perceptions of the locals regarding the issue of cultural entrepreneurship. The focus groups were composed by people who knew each other in order to allow the participants to be open and spontaneous. Sometimes the meetings were scheduled and the participants would know the subject of the discussion that will follow but it also happened to take advantage of non-organized meetings and gather opinions about the subject of the research. Although it is usual to record focus groups, personally I preferred to take notes.

In-depth Interviews

Interviews use the same principle as focus groups, but subjects are interviewed individually, ideally in the participant's space. Interviews in qualitative research are usually wide ranging, probing issues in detail. They seldom involve asking a set of predetermined questions, as would be the case in quantitative surveys. Instead they encourage subjects to express their views of length. One particular useful technique is the critical incident study, in which subjects are asked to comment on real events rather than giving realizations. This can reveal more about beliefs, attitudes and behavior. Indeed, in this research the most significant method of the research were the in-depth interviews. A total of 10 interviews were conducted with individuals from different

backgrounds and positions, in order to succeed an objective approach and form a more spherical opinion. The interviews' average time was 1 hour and the questions guidelines were mainly based on the theoretical framework of the topic.

3.3. Population Description

The selection of the participants in the research was done very carefully. Firstly, a list with the most innovative initiatives and businesses on the island was prepared in order to be examined the level of creativity of the island, but also to proceed later in the selection of the interviewees. More than 40 names and associations were gathered and this number made the decision even more difficult. The people who were selected were local entrepreneurs, key actors, presidents of innovative associations or clubs and administration workers. The basic purpose of the research is to identify the current situation regarding cultural entrepreneurship and gain insight into this complex issue. Thus, the innovation level was the basic element used for the selection of the entrepreneurs. Still though, in order to examine the local policies it was necessary to interview administration and municipality workers. Those who were more engaged in positions relevant to the subject of the paper were selected. The list of the 10 interviewees is the following:

1. A member of the administrative council of “Anemoessa”, an association for the protection of the environment and the architectural heritage of Limnos
2. A member of the club “The seeds”, an open network that is focused on nutrition and promotes eco-farming and preservation of the local varieties of seeds
3. A member of the municipality’s culture, sports, environment and education board.
4. The owners of “Keros Surf Club”
5. The owner of the local newspaper “Ta Limnia”
6. One of the initiators of “Daphne’s folklore café”
7. The oenologist and owner of “Chatzigeorgiou Wines” company
8. The owner of “Chrisafis” company (specialized in the production of local products)

9. A member of the “Development association “ of Limnos
10. A member of the Trade association of Limnos

3.4. *Data collection*

The in depth interviews were separated in 2 parts. The first part was describing the activities of the organisation or association and the second part was mainly concerning more generally Limnos Island. In both parts, the guidelines of the interviews were based totally in the theoretical framework that it is used for this paper. The in depth interviews were recorded and the results’ transcript was prepared afterwards. Regarding the interviews with the focus groups, the “discussions” weren’t recorded but the researcher kept notes of the key points. Finally, more information was acquired by the observation of municipal reports and newsletters online.

3.5. *SWOT Analysis- Results*

The research mainly employs SWOT analysis to identify the current situation of innovative entrepreneurship on Limnos Island, the available resources and potential for growth and contribution to the local economy. SWOT analysis is a general technique which can be applied across diverse functions and activities, but it is particularly appropriate to the early stages of strategic planning. Since Limnos hasn’t achieved yet the level of sustainability through cultural entrepreneurship that is desired, its current situation can be considered as an “early stage” of sustainable development. Performing a SWOT analysis involves the generation and recording of strengths, weaknesses, opportunities and threats in relation to a particular task or objective. It is customary for the analysis to take into account the internal resources and capabilities (strengths, weaknesses) as well as factors external to the project (opportunities, threats).

SWOT analysis can be proved beneficial for a research related to the potential for sustainable development of an area, since it can provide a framework for identifying and analyzing the internal and external environment, an urge to and finally a basis for core capabilities, resources and competences evaluation.

It is crucial before the analysis to have your objectives established and select the appropriate contributors. The information and data required for the analysis was obtained through focus groups and in depth interviews with key actors/ local government officers/ and representatives of selected innovative enterprises as well as local people. The review of municipal reports and newsletters has also provided valuable information in order to understand the island's socio-economic conditions.

<i>-Strengths-</i>	<i>-Weaknesses-</i>
<ul style="list-style-type: none"> *Excellent earth for agriculture * Unique wheat species *Unique grapes for wine production * 103 unique flora species that grow only in Limnos *Therapeutic earth /soil *thermal baths *1/3 of the island belongs to the protected areas network "Natura 2000" * Hydrobiotope, Chortarolimni and Asprolimni (lakes) * The biggest natural salt pit in Greece which 	<ul style="list-style-type: none"> *Lack of infrastructure and facilities *Lack of modern technological equipment *The majority of the population is old *The population of the island is too small in comparison with its size (Limnos is the 8th bigger island in Greece) *Not well enough organized marketing plan for the local products *Slight promotion of the island and its sights *Bureaucracy *Lack of young people *Many Ngo's and other initiatives are depended

<p>produces a very high quality salt</p> <p>*Rich in Flora and Fauna-Unique and protected species of birds living in the lakes</p> <p>*It is characterised from the ministry of Environment "an island of infinite natural beauty" and therefore is specially protected. (Only Limnos and Sifnos among all the Greek islands have this characterisation)</p> <p>*Plains and huge cultivatable areas</p> <p>*Unique natural attraction is also the inland sand dunes that form a desert in the "heart" of the island. (It is the only desert in the geographical territory of Europe)</p> <p>* The semi-mountain island of Agios Eustratios, which belongs to the Limnos administration is characterised too "protected area Natura 2000". It has very important oikotopes for the bird fauna. Also features impressive caves and beautiful and rugged beaches on the west side, which in the east side become rocky and steep, but are still equally impressive.</p> <p><i>Products -Big Issue!</i></p> <p>* Developed beekeeping, production of high quality thyme honey</p> <p>*Fishery, famous for the fresh fish and more specifically for lobsters and shellfishes.</p> <p>*Tradition in sponge fishing</p> <p>*Production of dry figs in a special old traditional way.</p> <p>*Famous for the production of cheese. There are some types of white cheese that are produced in Limnos and belong to the "protected name of origin" products like kalathaki, melichloro and</p>	<p>financially on their external environment</p> <p>*The businessmen/producers do not focus on the promotion of the island</p> <p>*Problems with the ferries-not enough routes</p> <p>*Problems with the government subsidies for innovative enterprises and agriculture</p> <p>*The cooperative of wine producers of the island is about to close due to financial problems</p> <p>*Because of that the grape producers who sell their fruits to them, show little interest in the cultivation of their grapes.</p> <p>*The cultivation of this unique wheat variety that was mentioned earlier is not extended</p> <p>* There are no mills on the island to produce flour from this unique wheat</p> <p>*The promotion of the therapeutic and rich in ingredients land of the island is limited</p> <p>* The promotion of the archeological sights is limited. There are Greeks that don't even know the existence of Poliochni, Ifaisteia and Kaveiria temples.</p> <p>*The existence of therapeutic thermal baths is also unknown to the rest of the country</p> <p>*No activities connected to the island's hydro-biotopes are developed. The visitors are incapable to visit</p> <p>* Little attention has been paid to the ancient Poliochni village. There is no museum there-only the ruins of the village and a small photography exhibition that gives some historical details about the place.</p> <p>* The ancient theatre of Ifaisteia cannot open</p>
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<p>kaskavali. Limnos cheeses win every year many awards in national and international fairs.</p> <ul style="list-style-type: none"> * Wine production of high quality. *Sesame *Bread, rusks, traxanas, pastries and pies *Goat and sheep meat * Delicious traditional cuisine influenced from the minor Asia, central Greece and Egypt *One of the best-preserved castles of Aegean is located in Limnos capital, Mirina. Except from the beauty of the monument, a special type of deer lives there (Platonía) and makes the experience even more interesting. *Excellent sandy beaches, clean blue-green water. Most of them have the blue flag of awarded beaches * There are beaches that are perfect for sea-sports like surf etc <p><i>Monuments of Ancient Interest</i></p> <ul style="list-style-type: none"> *The prehistoric settlement/village of Poliochni is considered the oldest city in Europe with an early civic and social organisation. In Poliochni is the oldest bouleuterion (parliament) in the history of the world! *The ancient city of Ifaisteia, where there were discovered, among other edifices, baths, 3 ancient cemeteries, a very big and well-preserved palace, temples and a magnificent ancient theatre * More specifically, the ancient theatre of Ifaisteia re-opened in 2010 and is hosting ancient Greek plays, under certain protection 	<p>properly to the public. There is need of reconstruction and maintenance</p> <ul style="list-style-type: none"> *The temple of Kaveirioi is not promoted too. There is no touristic infrastructure. *The access to some of the beaches is difficult and confusing * The medieval castle of Mirina doesn't even have a path to climb on the castle and that makes the access very difficult *Because of bureaucracy and lack of organisation significant initiatives are not progressing. Example of the museum of children's toys * There are just a few areas with trees and small forests. The island seems dry –although it's not- *The Ministry of environment is planning to built a huge wind park on the island as a part of a bigger wind energy project in north Aegean *High percentage of imports of products that the island can produce *There were villages and buildings of important cultural and architectural value that which were destroyed in the past *The inhabitants view every attempt for alternative enterprises/activities/initiatives with suspicion at first * Conventional exhibitions about the history of the navy and its participation in the wars. *The percentage of young local people participation in initiatives connected with innovation and endogenous development is not that high * Isolation-less influences
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<p>measures.</p> <p>*The temple of Kaveirioi, across the city of Ifaisteia, where the Kaveiria mysteries were taking place, mystic ceremonies connected to the discovery of fire.</p> <p><i>Other Sights</i></p> <p>*Churches and monasteries. The most famous is the church of Agios Charalampos in the area of Plaka, where there is a spring and its water it is supposed to be blessed and therapeutic.</p> <p>*Numerous traditional villages and settlements. The best example the village of Kontias</p> <p>*Long navy history. Some significant battles in the WWI and Balkan wars took place in the area of Limnos</p> <p>* Cemeteries of allies</p> <p>*Museums. Archeological, navy, folklore and Byzantine museum</p> <p>*Academics and specialists show great interest in the initiatives that are taking place in Limnos and they are working voluntarily for the progress of the area</p> <p>* Ngo's and independent teams that successfully work for the preservation of the environmental resources, heritage, architecture etc and other initiatives connected to arts and culture</p> <p>*Easy access- airport</p> <p>*The businessmen/producers promote their sectors adequately</p> <p>*The inhabitants are willing to participate to the process of cultural development</p> <p>* Numerous old schools made of stone with a</p>	<p>*Introvert population, not that demanding</p> <p>*Unilateral economic development in the past, targeted in army population which was almost as big as the island's population</p> <p>* The airplane tickets are very expensive</p> <p>*There wasn't in the past any support or guidance from the state or other bodies</p> <p>*Education-information deficit doesn't allow the people understand the values of the place</p> <p>* Limnos is a part of the Lesvos county, so all the procedures and decisions have to be approved by Lesvos authorities</p> <p>*There is no professional cooperation among business with similar products</p> <p>*Some professions are not developed or even existing on the island, especially in the field of media</p> <p>*The decision making process doesn't follow a certain, specific vision/goal for the island</p> <p>* There are many decisions that are not taken in a local level</p> <p>*Need for more human capital</p> <p>*No use of new technologies</p> <p>*The phenomenon of interdisciplinarity is slightly developed</p> <p>* The people in charge in the committees of the island are elected, That means that not only they don't have the proper knowledge/experience on certain matters, but also they change maximum every 4 years.</p> <p>*The touristic period is small</p>
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<p>special architectural value.</p> <ul style="list-style-type: none"> *Inhabitants of high educational level *The inhabitants' behavior towards development is aggressive. They don't wait for the state but they do thing by themselves. Example folklore café in Dafni *The beautiful landscapes attract film and documentary producers *No previous touristic development- an unspoiled land *Faculties of the Aegean University are located in Limnos capital, Mirina *Two painters that are known worldwide live in Limnos. Painting donations and important network with the artistic community *Strong socio-economic bonds among the businessmen (ex. Taverns, bars and restaurants serve only local wine) *Excellent Mediterranean climate *People who are currently in charge in the Municipality are well-educated, creative and have a strong vision for the island's development *Good road network for an island 	<ul style="list-style-type: none"> * The inhabitants cannot recognize the cultural values of the area *There people with certain skills and knowledge that are not in the right positions *There are mentality conflicts between cultural operators and bureaucrats *The society hasn't defined yet its needs * There isn't suitable body to control if the legislation and the laws are followed or not *The idea of collective work is not yet rooted, many individual examples * Slow administration
<p><i>-Opportunities-</i></p>	<p><i>-Threats-</i></p>

<ul style="list-style-type: none"> *European and international funding * Unesco's support? *Increasing number of Volunteers * Successful businessmen and academics tend to share their knowledge and time voluntarily * Increase of Eco-friendly activities and practices * Tendency for enhancing the traditional ways of living *Tendency for decentralization * Higher levels of unemployment in the cities *The locals are more informed and more sensitive about the crucial issues of the area * Tendency for alternative sources of energy *Greeks perceive the crisis as a reason to cooperate *People realize that currently the focal point of innovative entrepreneurship is the fact that uniqueness and quality add value to the product * The idea that the preservation and the protection of the environment is not the opposite of human activities development is in progress *There is a global trend related with healthy, traditional nutrition * The Mediterranean food is famous worldwide for its beneficial effects * Increase of sports' tourism, food tourism etc * More and more skillful people are moving on the island and they concern themselves with alternative farming 	<ul style="list-style-type: none"> *Limnos is still famous in Greece as "the soldiers' island" *Still there are many army camps *Economic crisis, recession *The funding and grants from the state to the Municipalities are continuously decreasing *Extremely high taxes *No state's support to new enterprises *Extremely difficult to take a loan from a bank * People who don't have savings and property are not able to start a new business * Instability in the markets *Instable political situation affects future plans *The legislation is constantly changing and the opening of a business seems too risky * Because of the economic crisis many faculties are closing or being merged * Wind park project of North Aegean will affect the beauty of the landscape * Elimination of the ferries * Lack of external influences * Greeks have decreased purchasing power because of the recession * There is a possibility that the local society won't realize the competitive advantages of the island
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<ul style="list-style-type: none"> * Locals tend to participate more into the decision-making process * Local businessmen tend to realize the value of specialized knowledge * Authentication of products is now a trend * Younger generations are less suspicious * Spreading of the idea of autonomy and sustainability * The promotion of the idea of “a virgin, unspoiled from tourism” island * Successful people who come from Limnos and have emigrated in the past are contributing in every way they can to the island’s development 	
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3.5.1 *Agriculture*

One of the greatest advantages that Limnos has is its primary sector. Throughout the history Limnos Island was always supplying other cities in Greece with its products. There is a priceless agricultural treasure in Limnos. There are several local varieties that were recently re-discovered and studied by researchers and academics from the Aristotle University of Thessaloniki and the National Kapodistrian University of Athens. For instance, the red cotton, the Limnian sesame, the local “short” xeric corn, grapes, the xeric melons “Vontona”, the “foulia” the local small peanuts, the unique species of cereals, the local variety of horse beans (*Athyrus ochrus*) and lupins

(traditionally put for 5 days in the sea to become more tasteful). There is a huge effort by academics and local Ngos to inform farmers about these treasures, to protect them and start cultivating them again in bigger scale. Till now, the elderly in the remote villages were the seed-keepers of these plants. This sector forms a huge opportunity for a significant increase in the local income. The cultivation and promotion of these varieties is not developed yet although the global trends nowadays underline the significance of healthy nutrition and traditional, ecological ways of agricultural production.

3.5.2 Local Products

Wine

The wine of Limnos is known through Homer, who mentions in the Iliad that the wine of Limnos gladdened the Achaeans during the siege of Troy.

Until today, the wine,-and cereals- is considered as one of the main products of the island with sufficient surplus for export. The most ancient type of grape in Limnos is Kalampaki, which is black and it is used mainly for wine production. The most famous though is “Muscat” ,which is white, has largely crowd out other local varieties and according to official figures, in 1995 accounted the 92% of the total grape production on the island. The volcanic soil which is low in calcium, the climatic conditions -hot and dry summers and low rainfall- are giving to the grapes of Lemnos, high ABV. The traditional techniques and the tools that were –and some of them, are- still used contribute to the wine’s unique characteristics.

The quality, but also the fame, that the wines of Limnos have, is a competitive advantage that the wine producers of the island could benefit from. Unfortunately the wine cooperative of the island is about to close because of poor financial management and recession. Some of the private wine companies have attempted to found a cooperative of Limnos’s wineries, in order to promote more efficiently their products in the national and international markets, but this effort hasn’t been completed yet due to interpersonal problems and competition among the producers. There are some isolated examples though among the producers. For instance, Chatzigeorgiou winery

focuses not only on wine production but also on the development of targeted wine tourism, while the winery of Savoglou is more focused on the idea of organic wine and its promotion.

Cheese

Along with agriculture, stock raising is also very rife with mainly goats and sheep breeding. As it was mentioned earlier the rich soil that the island has contributes to quality nutrition of the animals and that makes their meat and milk extremely tasty and rich in nutrients. It is logical that the different types of cheese that are produced in Limnos are famous for their nutritional value and taste. The traditional techniques and methods that are used to produce it add more value to the product. Three of the types of cheese that are produced on the island belong to the "protected name of origin" products like kalathaki, melichloro and kaskavali. Limnos cheeses win every year many awards in national and international fairs. The producers are focused to a better marketing plan and promotion of their products internationally by participating in exhibitions and fairs. Moreover, the last few years there have been more people interested to work in the cheese industry of the island and 4 more small cheese factories are about to open.

Other local products

Many other local products were mentioned in the SWOT analysis above. Except from wine and cheese, Limnos is also famous for its honey, wheat, sesame, meat, fish, bread and rusks, pastries, pies, trachanas and flomari (A special type of pasta that is traditionally made in Limnos). These products are not promoted at a national or international and are mainly consumed by the locals.

3.5.3 *Natural, Archeological and cultural assets*

Limnos Island is rich in resources for cultural tourism development. As it is mentioned in the SWOT table the island it is recognised for its unique natural beauty. Moreover, there are located significant archeological sights such as the Bouleutirion of Poliochni or the ancient city of Ifaisteia. It was sadly observed that the hydro-biotopes of the island provide only substandard

bird-watching facilities, while a marketing campaign about the uniqueness of the place could be promoted in order to increase tourist visits. Similar observations were made in the archeological sights, where the places weren't even carefully protected. The lack of funding doesn't allow restoration of the ancient theatre for example or the creation of a proper museum, although the findings have huge significance for the science of archeology. The lack of promotion is a flaw in this case too. To show this it's important to mention that the fact that Poliochni's bouleuterion is the oldest in the world is unknown even in the majority of Greek population. Those "treasures" haven't been identified and exploited yet by the local administration and community. The reason is that the local do not really understand the value of these sights and the way that the sights could contribute to the local economy.

3.5.4. *Transport-Access*

There is a huge transportation problem in Limnos. The routes of the ferries are few since Limnos is considered as a remote coasting line. The ship companies used to be subsidized from the state in order to perform these routes, which were already few. Currently and due to the recession the subsidies are decreased and the itineraries towards the island are becoming dramatically less. Moreover, the island has to deal with the same problems with the air transport. Although Limnos has one of the biggest airports in the country with everyday routes towards Athens and Thessaloniki, the cost of the fares is very expensive. In the past, Olympic airlines (the national airline) were responsible for these routes and were maintaining the prices at a stable low level. Some years before Olympic airlines were privatized and merged with Aegean airlines. Although the new company was obliged to follow the previous pricing policy because Limnos is a remote area, after a year Aegean started increasing the fares. Finally, even the transport within the island is a big issue. There is no public transport on the island and it is necessary for the inhabitants or tourists to have their own cars for their transport since the island is too big. The local people are trying hard the last few years to change this situation but it seems that the recession cannot allow the state to subsidize the island's means of transport. Thus, it is concluded that Limnos is not an island that someone can easily reach but a destination for vacation that someone has to prepare very carefully his visit.

3.5.5. *Human Capital- Skills and Knowledge*

There are many controversies about the Limnos's Human capital. In the past Limnos's economy was based on the army. The soldier's number was the same with the number of the inhabitants and that led to develop an economy which was targeting to meet the needs of them. The other significant source of income was agriculture. The last few years the many army camps have closed and the inhabitants have realized that their economy has to focus on other sources of income, As in every remote area in Greece the young people who wanted to study had to leave the island and most of the times never come back, since the demand of more sophisticated professions was very low.

Nowadays, local businessmen tend to realize the importance of specialized knowledge and the necessity of human capital and that increases the employment opportunities for people who have specialized skills. Although the percentage of local young people who are connected with cultural entrepreneurship is not that high, there is a huge "import" of human capital from the cities. Many young people are moving in Limnos in order to develop an alternative way of income-mostly in the field of alternative agriculture and targeted tourism-. The people who decide to work on the island are mainly freelancers, educated, with specialized knowledge on the subject of their job. These people also introduce to the inhabitants the national and international trends about innovative entrepreneurship or eco-friendly practices. Still some professions are not developed or even existing like. For instance the field of new media and advertising needs more and specialized human capital.

There is also an illogical distribution of the available human capital. There are people with specific skills or knowledge that are not used in the positions that they would be more useful. For example, the municipal cultural committee of the island is consisted of candidates of the municipal elections that gained a small percentage. Even people from this committee claim that their job should have been done by people who are more educated on this field and people who would be permanently hired. The people in charge now gained their positions accidentally and because they just "like" arts and culture and in 4 years the most other random candidates will replace them. In addition, there is emigrated human capital (successful businessmen, academics, artists who live out of Limnos), which is contributing to the local development voluntarily by

giving useful advices or sharing their knowledge with local authorities or NGOs.

In the end it is important to mention which phenomena and trends regarding human were observed in Limnos. The negative phenomenon is that the idea of interdisciplinarity and collectiveness is slightly developed, while it could contribute significantly to the strategic planning of endogenous sustainable development. There are, many interesting initiatives taking place in Limnos but cooperation among them barely exists. The increasing number of volunteers though may contribute in the future to the development of these ideas.

3.5.6. *Local Society*

Concerning the attitudes of the local society a conflict between the past and the present attitudes towards entrepreneurship has been observed. In the past the society used to be more suspicious towards innovative initiatives because of the string and strictly defined socio-economic bonds that they had developed. There is a significant change in the locals' behavior the last few years though. On the one hand the younger generations are less suspicious than the previous ones. Moreover, the younger inhabitants nowadays are better informed about the global trends, they are embracing the ideas of innovative entrepreneurship, tradition, eco-friendly development along with economic growth, the value that quality adds to the product, place-based promotion of goods and services and the importance of cooperation and they realize that those ideas can be used as tools against the recession. Younger people are recently more aggressive, willing and impatient regarding the local issues for innovative projects. For example, the municipal bureaucracy and lack of funding couldn't allow to the residents of the village Dafni to host a small folklore café in the abandoned school of the area. The inhabitants decided not to wait for an approval and they built the café by themselves using their own materials, labor and capital.

There is a huge distance in the attitudes between the younger and the older generations of the island. The older are introvert, suspicious and not demanding, they are behaving in a more competitive/individualistic way (promote individually their products and not the island), they are not demanding changes and the lack of information/education doesn't allow them to realize the cultural values, the competitive advantages and the potential of the island. Finally, it can be

observed that there are also mentality conflicts between cultural operators and bureaucrats and due to these controversies and conflicts the society hasn't define yet its needs.

3.5.7. Organisational Structure- Decision-making process

It can fairly be said that the current municipal officers are well educated, creative and have realized that changing local policies in favor of innovation, sustainability and ecology is crucial for the island's development. It was also observed that the local society is informed about the local problems and needs and participates a lot in the decision making process. This increase of participation derives from the major's decision to make the decision making process more open to the inhabitants. In the past, the decisions were taken in a more protected environment, but the last year people have access to information about the island's issues and thus are more eager to participate in the decision making process and cite their opinion. Nonetheless, it is crucial to mention that although the Major has a vision and specific goals, the society seems that hasn't defined yet its needs.

Very often though, the bureaucracy creates problems in the implementation of the local decisions and sometimes significant initiatives are not progressing. For instance, Mr. Boulotis, - archeologist, awarded tale writer and collector of children's toys- has proposed to found in Limnos a museum of children's toys by donating his huge collection, but because of bureaucracy and slow administration reasons the proper building cannot be found. One of the main reasons that bureaucracy becomes such an obstacle for the local development is because Limnos belongs to Lesvos County. Many of the local decision have to be approved by Lesvos or even the state's administration. The administration of the hydro biotopes or the archeological sights is the Ministries' responsibility.

Finally, another problem that has been mentioned in the interviews is that there is no support or guidance from the state or other bodies for the important issues that the island has to deal with or even control if the legislation is being followed. The people in charge cannot work on long-term projects, since they are elected and composition of the administrative body changes every 4 years. Thus it is crucial for stable and increasing cultural development the creation of a council or

a network composed by cultural managers and experts, who would guide and support the cultural initiatives on the island using their expertise and knowledge.

3.5.8. Funding

The issue of funding is the most challenging and crucial among all the other problems . It has been stated by many key actors during the research that the recession and the cutting of state's subsidies and grants is the main barrier for development in the area. It is true that the impact of crisis in citizen's life is extremely negative. Every aspect of everyday life is influenced.

Greeks don't have anymore the same purchasing power, the taxes are very high, The banks stopped giving loans to young entrepreneurs and the state cannot support them any longer with significant subsidies. If someone nowadays wants to start a new business needs to invest his personal property with a high risk of failure due to economic instability.) Even if a loan is approved, it is never the amount that has been asked from the bank. The legislation is unpredictable. It is constantly changing and along with the instable economic and political situation makes the decision for opening new enterprises too risky. In the case of state's subsidies, the entrepreneur needs to have the capital needed in advance, because even if his grant is approve, he will get the funding a long time after the project is finished. The subsidies for agriculture are also eliminated and farmers across the island lost a significant percentage of their profit leading in an increase of imports in products that the island could already produce.

The country doesn't function any more as it used too and the locals feel insecure. Many Ngo's and other initiatives are depended financially on their external environment, specifically on the state's subsidies. The municipality of Limnos was merged with Lesvos in order to eliminate costs. There is also a possibility that department of the Aegean University which was a few years ago located in Limnos capital, Mirina, will be closed or merged with another department.

It is true that the previous years the economic management wasn't functioning properly. Because of corruption a lot of capital that could be invested in infrastructure and cultural/sport/ educational and other facilities were lost.

On the other hand Limnos has two significant advantages. The first one is the potential in the field of agriculture. All kinds of fruits, vegetables and herbs can be cultivated in Limnos and make the island not only self sufficient, but also capable for exports in a national level or even beyond the countries borders. On the other hand, the environmental and archeological treasures of the island could probably ensure European or international funding for their preservation and promotion.

3.5.9. *Technology and Infrastructure*

The use of new technologies is not widely used on the island. The only sector that is technologically more updated is the sector of dairy and wine production. Technologies regarding the architecture, the eco-friendly energy sources or even the use of new media are barely unknown. It is interesting though that the lack of new technology is considered from the majority a “virtue” or a competitive advantage. People tend to believe that this absence, which characterizes the island and its products, makes Limnos an authentic touristic destination, pure and untouched by the evolution.

In terms of infrastructure, it is worth to mention the road network of the island, which can be characterized as “exceptional”. The islands of Greece usually have very dangerous, narrow and not well-preserved roads. In Limnos, the roads are big, safer and connect easily the 36 villages and towns of the island. In addition, Limnos disposes 2 ports – the one in Moudros town is not extensively used- , hospital, University equipped with laboratories and airport.

3.6. *Successful examples of innovation*

The conduction of the research revealed several innovative organisations and creative initiatives on the island connected with the concept of cultural entrepreneurship and sustainable development. Since the number of them is bigger than expected, only some of them will be illustrated. The examples can be separated in two categories: successful and profitable enterprises and not-profit organisations and cultural initiatives.

-Successful & profitable enterprises

- “Keros Surf Club” : Two young men, distinguished surfers from Thessaloniki visit Limnos to practice wind-surfing and realize that the 4 kilometers long beach of Keros in the eastern part of the island is one of the most suitable locations for surfing in Greece. The beach 5 years ago was deserted and the villages around were empty. The fact that the wind always blows in this part of the island, the beach creates a small natural gulf that protects the surfers from dangerous streams and the shallowness of the sea, makes the Keros beach an excellent place not only for surfing beginners but also for professional athletes. The surf club that they founded was successful enough to allow them after 3 years of operation to expand their business and built surf camping, which is also gaining a lot of international interest the last 2 years. It is significant to mention that these enterprises contributed significantly on the touristic development of a previous abandoned area and increased the income of the locals, who bestir themselves in complementary services.
- “Chatzigeorgiou Wines”: “Chatzigeorgiou wines” is a successful example of innovative family businesses. Although 10 years before the company was specialized in ouzo, the passion of the father of the family for the wine and the island has led to the transition of ouzo to wine production. Chatzigeorgiou’s “Limnia Gi” is one of the most famous labels of Limnian wine. Recently a new winery has been built -totally balanced with the environmental surrounding and open for visitors- , where seminars and conferences about wine are organized. The family is currently building extra spaces for hosting since they plan to be expanded in the wine-tourism industry.

-Not profit Organisations and cultural initiatives

- “The Seeds” association”: The association “The Seeds” based its foundation in 2009 in on the desire/need for improved nutrition and thus the purity of the food itself. Because of this purpose it proceeded collecting local and other varieties of agricultural products, in order to consolidate them using methods of cultivation that do not include fertilizers and pesticides. Due to the interaction between the members and open minded professional

farmers, who provide their expertise, “The Seeds” proceeded in 2010 to collective farming i.e. crop plots by groups of members (who are not farmers, but have a completely different job), who are involved in the necessary agricultural work depending on the time they can spare and contribute equally to the financial needs, and finally, they share their ecologically-produced products. Then, in 2011, and as the members of the club increased (It is worthy to note that the club doesn’t have legal status, but it is based on the good will and faith of the members), it began in cooperation with other clubs, a “network of exchanging products and services”. The network is now underway and it is envisaged the creation of a coordination center, which will serve faster the needs of the network.

- “Anemoessa” Association: Anemoessa is an association connected with the protection of the environment and the architectural heritage of Limnos Island. “Anemoessa” also promotes the natural beauty of the island in Greece and abroad, is raising awareness and informs about the environmental issues that are arising in Limnos. The most innovative of its activities that have been organized by “Anemoessa” are the following: 1) It gave emphasis in the primary sector and initiated and coordinated for the first time in Limnos workshops with the participation of the municipality, the county, the University and local actors. In the workshops were invited producers and cooperatives’ representatives who don’t live in Limnos Island and the subject was the production activities in Limnos, the challenges and the perspectives for the future. 2) It coordinated with professors from the University of Aegean the collection of seeds of local varieties and a number of meetings on the subject: Local varieties of Limnos: Tools to support and develop the rural economy of the island. 3) It organized trips with farmers of the island to places of particular interest in terms of agricultural and livestock production and marketing, with simultaneous briefings with producers, scientists, academics etc (Anavra- Prespa lake- Kerkini lake)

3.7. *The Investment on the Wind -A debate*

During the research an unexpected issue arose about a private renewable energy investment, authorized by the Ministry of Environment, regarding the construction of a wind park in Limnos. Although before the research, it wasn't planned to analyze thoroughly in this paper the field of alternative energy, this issue and its details were mentioned in every interview and appeared necessary to be examined, since it will affect totally the type of development that the island will have if the project will be finally approved.

The wind park in Limnos is part of a bigger investment in North Aegean that includes wind parks also in Chios, Lesbos and Ikaria. The energy that will be produced will be transferred for use in the mainland and will be also sold abroad. The project describes a wind park in Limnos where 125 wind generators will be placed. The wind generators will have 231 tones weight, 67 meters height (as a 15-floor building), blade diameter of 80 meters and foundation of at least 15x15x2,5 meters. Moreover, it will be needed to construct many kilometers of dirt roads and hundreds of kilometers on wiring channels. The total power that it will be produced is 250 MW, while the maximum needs of the island are no more than 17MW.

This particular proposed investment doesn't fulfill the necessary conditions for an holistic and sustainable approach. Specifically, the international conventions and the recent national legislation are directly violated, environmentally, but also in terms of landscape, because a disproportionate in size and in volume investment is being promoted. That is a gigantic intervention for the island's scale and it will damage visually 85% of the space, since it will destroy the unique landscape of the island (the one that the same Ministry has characterized "of infinite beauty"), the sensitive archeological sites and the special Natura areas. Moreover, in terms of development it has been ignored that institutionally the islands of Aegean form- according to the national spatial legislation- unique natural and cultural capital for the country and milder development practices with respect to the capacity of the landscapes, ecosystems and economy of these areas is needed. Finally, if the case is examined economically and socially, it is observed that priority of the project is not the local community, since this investment is of national importance and its benefits do not concern primarily the island but they will be diffused in the country or abroad.

For these reasons, the local community strongly disagrees with this plan. Limnos Island has already chosen to follow a specific direction regarding the local development. The inhabitants embrace, on the one hand, the idea of renewable energy sources (there are already some small

solar energy units) but on the other hand, they realize that it is crucial to protect the island and its unique characteristics. This investment would force the island's authorities to redirect their approach and Limnos would be transformed in a center of intensive industrial development. Limnos has potential in many levels and can ensure diffusion of economic benefits to the local society. The uncontrolled and without strategic and spatial planning transformation of the island is likely to deregulate and change once and for all the growth perspectives of the place, since it will affect the social structures, devalue the land and mainly the natural and cultural resources, which are the comparative advantage on which the present and future generations can base the island's development.

3.8. Summary

This paragraph will present possible future strategies regarding the concept of cultural rural development synthesizing the results of the SWOT analysis. Some of the priority areas for strategic planning and action are:

-Local capacity building: how culture can be better recognised and identified as an effective medium for developing more sustainable communities

- Engaging young people: how the culture can contribute to more fulfilling lives for local youth

- Supporting the development of cultural tourism: how cultural entrepreneurship can contribute to greater economic growth and diversity through tourism.

In order to achieve fulfillment of these priority areas, some possible strategies are mentioned:

- Increase cultural/creative influences: increase of the number of entrepreneurs, experts, volunteers and artists in local community who have great ability, experience, innovation, creativity.

-Better funding support, especially cross-government: cultural organisations do not seek for charity, but look instead for stronger investments as a mean of achieving sustainable and

inclusive development Private support from alternative funding resources is critical to the expansion and development cultural initiatives

-Recognition and promotion of local cultural heritage: Preparation and distribution of reader friendly resource materials explaining the value of the local cultural and natural assets

-Networks' creation: Collaboration with local key actors, media networks and business to find ways to promote and extend information and training and to develop a cultural promotion campaign

4. *Recommendations and Conclusions*

4.1. *Recommended policies*

The following chapter synthesizes recommendations, based on literature for actions necessary to build long-term vitality for the cultural activities in rural areas ,into six major themes:

- *Commitment from government to cultural vitality dimension of planning and public policy*

The action considered likely to lead to the most significant change is a commitment from government to the value of the cultural vitality dimension of planning and public policy. These comments are directed to the three levels of government; prefecture, state, and local. The creation and support of contexts for sustainable local communities should be a major policy direction of governments. It is widely spread the perception that local government tends to seem more committed to sports and other fields than culture and that cultural organizations believe they are the most vulnerable to budget cuts in times of fiscal restraint. The best hope for sustainable regional arts and cultural sectors is if councils made a commitment to cultural vitality as part of their core business. However, it's not an easy transition to bring about the needed shift in attitudes and priorities especially this period.

- *Recognition of the value of local cultural product and practices*

The importance of regional communities recognizing and valuing their own culture, including locally generated cultural products is very significant. While this may be challenging and may take some time to achieve, it is an essential factor in the development of sustainable local culture and employment for local artists and cultural operators. An ongoing government investment in

regional culture would make possible for more artists and other experts to work outside metropolitan centers- already many prefer to do it for lifestyle reasons except from the need to reduce living costs -. Radical changes in information technologies over the last years has also made it easier to live and work in rural and regional communities, so it is likely that the pool of practitioners in rural communities will slowly increase over time.

- *Support for arts in communities, especially networks of supporting professionals*

Networks are needed to provide arts services, resources, and support to communities (Mulligan & Smith, 2007). Suggested networks include a decentralized network of cultural officers within easy reach of all communities to enable regional communities to develop cultural projects that reflect their own unique experiences. Their recommendations were that many of the problems facing a dwindling volunteer base in regional organizations would be overcome with such a network of locally based cultural professionals. Support for volunteers, given the significant role they play in the creative life of the rural and remote communities, is essential. Volunteer organizations are often expected to complete tasks that are often beyond their expertise and demand excessive time commitments. These pressures are leading to a decline in the number of people prepared to give of their time and skills for their community. Without more regionally based support, there will inevitably be a long-term reduction in the number and quality of cultural-based activities in Limnos.

Support structures within each region, such as that available within the Sport and Recreation fields, would make a substantial difference to cultural entrepreneurship development in regional areas: support with onerous funding application processes, the identification of new funding sources and assistance with project management. This support should include a form of training that is held close to where people live and should employ a flexible model of delivery to meet the specific needs of the community.

- *Better funding support- long-term investment*

Long-term investment in the cultural development, not seed funding, is required especially to encourage interest in local product (Mulligan & Smith, 2007). The more financially successful sectors can contribute a pre-defined percent of their profits to arts and cultural infrastructure of the island. This system would represent an effective way of stimulating creative activity, providing work for local artists and beautifying the local environment. Encouraging developers to participate in such systems will, in the long-term, increase the value of the built environment and will develop the community's artistic and cultural base.

- *Data collection about arts activities including outcomes at a local level*

Collection data about outcomes of arts activities, and consideration of these in implementation of activities, is essential (Mulligan & Smith, 2007; Dunn & Koch, 2006). Undervaluing of the arts is both reflected in and exacerbated by a lack of empirical data in the fields of arts and culture at a regional level. Figures that show employment rates, household spending, and levels of production are not available at the regional level and therefore it is difficult to make definitive statements about the economic impact of the arts on regional communities. Until this deficiency is rectified, it will remain possible for governments to ignore the arts as a core activity in favor of other, more statistically supported priorities

- *Awards for good practice*

Awards for good practice are a strategy suggested by researchers Mulligan & Smith (2007) and Dunn & Koch (2006) for increasing the value and profile of regional and rural cultural activity

4.2. Conclusions

This paper has explored the contribution of culture and creativity to the development and revitalization of the remote area of Limnos Island. Findings from the international literature indicate that arts and creative initiatives are significant for the development of rural and remote communities, in economic, environmental, social, and cultural domains. The “creative industry” model and its primary consideration of the contribution of culture to local economies was introduced, as was the community cultural development approach that values economic results

and social outcomes of cultural activity in rural areas, including health and wellbeing, social inclusion, and educational achievements.

The issue of cultural entrepreneurship in Limnos has revealed numerous ways that could lead to endogenous development, sustainability and economic growth in the area but also many barriers that have to be overcome.

Regarding the local resources it is fair to say that Limnos is an area that can take advantage of many assets to develop the local economy. There are areas in Greece but also in an international level that have based their economy in one or two local characteristics that form a comparative advantage for the area. The island of Chios, located also in the northern part of Aegean, for example has constructed its local economy around the cultivation of mastic trees-these trees don't grow anywhere else in the world- and tourism. The island of Patmos has targeted on tourism that is connected with Christianity, since, according to the Bible, the Apocalypse has been written there. In Limnos Island the resources that can be exploited are much more. Indicatively we can mention the following: The most ancient bouleuterion in the world, the unique flavor of the wine, the hydro-biotopes, the navy history and its contribution to the wars of the last century or the appropriate environment for sea-sports.

On the other side though, the local decision-makers, entrepreneurs and even the local population have to overcome numerous obstacles connected with the national economy, the legislation and local awareness and perceptions. Greece currently is not the ideal country for investments and businesses. The taxes are unbearable and even successful businesses that were blooming in the past have been obliged because of the critical economic situation to adopt more defensive strategies in order to survive. The local decision making process has also been eliminated due to the crisis. The "Kallikratis" project has added inflexibility and even more bureaucracy. The local communities do not have the possibility to take decisions according to their own local characteristics. There are many interesting initiatives that are taking place not only in Limnos but in many remote islands or small towns in the mainland and their further development or even their realization is delaying or postponed due to the central government. It is crucial to say that the municipalities/organizations/ individuals are not asking for economic resources anymore, but only for authorization.

It is interesting though that lately a new tendency appears and gains support from a significant percentage of the population and is related to self-managed and autonomous movements. The last few years, after the economic crisis has begun, people started to create teams which act in a local level trying separately by their own means to improve their local environment. These movements act in an “aggressive“way without asking any permission or license from the state. Many parks, small museums, kindergartens even cultural centers or places where someone can receive education for free (foreign languages, musical instruments, different kind of workshops etc) have been built. These initiatives may not always be profitable, but are certainly sustainable and add value to the quality of life of the local society.

This kind of initiatives has been observed in a large scale in Limnos. Unfortunately, the research revealed lack of cooperation among these movements, which, ironically enough, some of them have similar or even the same field of action. It is difficult to understand where this problem has its roots. During the research, many people have claimed that the Greek education system and professional world that promotes competition and not collective work. Still in every team separately the element of collectivity is very strong and according to the interviews there are plans for cooperation in the future. As the crisis is spreading the locals become active and more determined to take control over the development process.

Finally, the research examined for this paper factors that might support initiatives in Limnos. The most fundamental of these is the necessity of government commitment –at least at policy level-to the value of cultural dimension in planning and public policy. Since the government cannot financially support the cultural initiatives, less bureaucracy and legal support would at least allow individuals and movements to contribute to the cultural activities whenever it is possible Other factors include the need for recognition of the value of local cultural product and practices, more support for culture in rural areas, especially through networks of regional cultural development officers, assistance for volunteers (including training), and reduction of bureaucratic obstacles. Also suggested are better funding programs by local private business, including long-term investments, as well as data collection about cultural activities and outcomes at a local level and awards that recognize and acknowledge excellence.

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Appendix

Guidelines for the focus groups and the in-depth interviews conducted in Limnos

Part 1 – Specifically for the interviewee’s activity/initiative/project

Name, occupation, studies, in which way are you related with cultural entrepreneurship and endogenous development?

Do you have any special knowledge that led you to this idea?

Tell me about your product/services/activities/initiatives?

What are the innovative characteristics of your work?

Do you use new technologies and special knowledge?

Is there the element of Interdisciplinarity?

Did you recognize any opportunity/trend/tendency/alternative way of income?

Which market does your product/activity serve or create? To whom are you addressing?

How did you introduce yourself in the local community?

How is your contact and communication with the community? Are there any socio-economic bonds? Systems of support? Trust?

Participation in the decision making process?

The place or the field of the profession?

Product and process orientation?

Do you use the local advantages and human capital?

Focus on the needs of local society?

The element of passion. Commitment on the subject and on its spreading?

Does the economic approach include any innovative characteristics? Unusual?

Sustainability ?

Ecology ? Environmental protection?

Does it solve local economic problems? Boosts the local economy, connects the community with the national or even global economy?

Institutional barriers regarding the development of creativity and its relevant financial approach?
Legislation? Political situation?

Are you optimistic about what you do? Why?

Part 2 – Perceptions for Limnos and projects/initiatives that are taking place in the area

Geographical proximity: geographical location, climate resources, natural, cultural, economic resources, quality of life, economies of scale (including other activities which can reduce transactional costs), local regional traditions and costumes, quality of governance.

Local potential dynamics (culturally, socially, environmentally etc)

Interesting, innovative projects (present and future)

Opinion about the decision-making process about the local specificities,

Local heritage related to innovative projects on the island

Participation in the decision making process? In order to increase the efficiency of the decisions.

Legislation, policies, regulations, municipality's and state's support

Orientation in the product (increase of local wealth) or the process (creation of infrastructure, market development)

Level of education /special skills, knowledge that can be transformed in useful and creative ideas

Use of new technologies

Autonomy of the place

Promotion development of product and process

Do you think that the local resource and local human capital are properly used?

Do the local entrepreneurship and other activities cover the needs of local community?

Ecology, environmental protection, (contribute significantly in the development/potential of a place)

Socio-cultural proximity: intangible factors, culture, social capital, local attitude (open/closed; progressive/conservative; reactive/proactive; inclusive/exclusive...), mutual trust, and informal rules that enable actors to work together under conditions of uncertainty.

Is a tendency for innovative entrepreneurship supported? Is such a tendency cultivated here?

Would you characterize the local community “creative”?

Is the local community capable to protect and organize these characteristics that constitute comparative advantage for the economy and culture of the area?

Human capital, active actors, Interdisciplinarity, cooperation of many scientific fields

Contact and communication in the local society, socio-economic bonds, systems of support, trust

External connections and networks

Attitude of the locals towards innovative activities and enterprises

Effects of innovative initiatives in terms of development

Information about territorial administration (Greece)

With the annomination “**Kallikratis plan**” is known the New Greek Law 3852/2010 (FEK 87 A/ 2010), with which the administrative division of Greece has been reformed through mergers. In addition the heads of the new self-administrative units have been reassigned, the procedure of their election has been described and the competences of each unit have been appointed by this law. This Law was voted from Parliament of Greeks on May 2010 while it will be placed in force on 1st January 2011.

“Kallikratis” has been considered as the subsequence of the previous administrative plan “Kapodistrias”. Both the plans are serving similar ideas such as the compulsory merger of the current small municipalities in order to create bigger and fewer. More specifically, by “Kallikratis plan” the first tier level of Territorial Administration will be reformed, so the newly created municipalities will be fewer and more powerful than before and will be capable to respond to contemporary demands and be more effective in discharging the assigned duties.

Moreover the composition of the municipalities into bigger, concerning the population and the extent of ground, geographical units, facilitates the development of a more strong administrative system in Greece and also leads to a serious saving of economical resources of the country.

Basic aspects of “Kallikratis plan” are:

- The reduction of the number of municipalities and their juridical persons
- The abolition of the 54 prefectures and 19 provinces that consisted the second level of Territorial Administration
- The determination of the 13 regions as the second level of Territorial Administration
- The formation of the new 7 decentralized administrations

From 1st January 2011, in accordance with the **Kallikratis plan** (Law 3852/2010), the administrative system of Greece has been drastically overhauled. The previous system of 13 regions, 54 prefectures and 1034 municipalities and communities has been replaced by the 7 decentralized administrations, 13 regions and 325 municipalities. The regions and municipalities will be fully self-governed, while the decentralized administrations will be run by a general secretary appointed by the Greek Government.

Provisions of law 3852/2010 “Kallikratis plan”

· The first tier level of government is constituted by the municipalities, which have resulting from merging several former municipalities and communities. Each of them will be administered by a mayor and a municipal council, popularly elected every 5 years. The municipalities are further subdivided into municipal unities and finally into communities. Communities will have their own councils, but their role will be purely advisory to the municipal-level government.

- The second level is composed of the existing 13 regions and each one run by a regional governor and a regional council popularly elected every 5 years. The regions will be divided into regional units, usually but not always coterminous with the former prefectures. Each regional unit will be headed by a vice-regional governor, drawn from the same political block as the general secretary of each region. The obligation of each region is the planning and effectuating policies in regional level and in accordance with the principles of sustainable development and social coherence. Between these two levels (first-tier and second-tier levels) of territorial administration there is no relationship of control and hierarchy, but only harmonious collaboration.
- The third level is composed of the new decentralized administrations, comprising two or three regions, run by a government-appointed general secretary, assisted by an advisory council drawn from the regional governor of the region and the representatives of the municipalities.

A short biography of the author

Faki Vasiliki was born in Thessaloniki Greece in 1987. She graduated from the Department of Economic Sciences of Aristotle University with specialisation in Business Administration in 2011, In October of 2011 she enrolled in the master Programme “ Cultural Policy and Management” of University of Belgrade. Her professional background includes mainly volunteer work in cultural organisations of her hometown, Thessaloniki and her internship in the Children’s cultural centre of Belgrade. Finally she has attended and participated in several trainings connected with Theatre, Contemporary Art, Photography, Creativity and Cultural entrepreneurship in rural areas.