Mapping exercise:
How could creative industries foster innovation in tourism in the Northern Dimension area?

Country Report – Lithuania

December 2016
Team: Terry Sandell, Lila Skarveli

This project is funded by The European Union

PROMAN

A project implemented by the PROMAN Consortium

DISCLAIMERS

This report has been prepared with the financial assistance of the European Commission. The contents of this publication are the sole responsibility of PROMAN and can in no way be taken to reflect the views of the European Union.

This report has been discussed with the international expert concerned in relation to the input work plan agreed with the Client, the expert's terms of reference and to ensure it contains relevant issues and recommendations, which have been discussed in a debriefing session with the Client.

This document has been prepared for the titled project or named part thereof and should not be relied on or used for any other project without an independent check being carried out as to its suitability and prior written authority of the Framework Contract Management (PROMAN) being obtained. PROMAN accepts no responsibility or liability for the consequences of this document being used for a purpose other than the purpose for which it was commissioned. Any person using or relying on the document for such other purposes agrees, and will by such use and reliance be taken to confirm his agreement to indemnify PROMAN for all loss and damage resulting therefrom. PROMAN accepts no responsibility or liability for this document to any party other than the person by whom it was commissioned.

To the extent that this report is based on information supplied by other parties, PROMAN accepts no liability for any loss or damage suffered by the client, whether contractual or tortuous, stemming from any conclusions based on data supplied by parties other than PROMAN and used by PROMAN in preparing this report.

Framework Contract Beneficiaries 2013 - EuropeAid/132633/C/SER/MULTI Lot 9: Culture, Education, Employment and Social.

RfS 2015/369412/1

CONTENTS

DISCLAIMERS 2

LIST OF ABBREVIATIONS 4

1. INTRODUCTION AND KEY POINTS 5

2. BASIC COUNTRY INFORMATION 13

3. CULTURAL AND CREATIVE INDUSTRIES IN LITHUANIA 14

4. TOURISM IN LITHUANIA 18

5. CCI AND TOURISM SECTOR COOPERATION IN LITHUANIA 20

6. LITHUANIA'S BILATERAL AND MULTILATERAL CCS/CCI AND TOURISM COOPERATION WITH OTHER ND COUNTRIES 21

7. CASE STUDIES 23

7.1 THE REPUBLIC OF UZUPIS 23
7.2 TALKING STATUES 24
7.3 ACTUALISATION AND PRESENTATION OF JEWISH CULTURAL HERITAGE THROUGH A MOBILE APPLICATION 25
7.4 N WIND MAGAZINE 25
7.5 WAR AND PEACE ROUTES 26
7.6 DARK TOURISM' - VILNA GAON JEWISH STATE MUSEUM AND KGB MUSEUM OF GENOCIDE 27
7.7 UNESCO CREATIVE CITIES - KAUNAS, UNESCO CITY OF DESIGN 29
7.8 GASTROTOURISM AND LITHUANIAN TOURISM DEVELOPMENT 30
7.9 LOCAL 'ETHNIC' COLOUR - TATAR AND KARAITE HERITAGE AND THE GRAND DUCHY OF LITHUANIA 32
7.10 HERITAGE AND CCI INCUBATION - RAUDONDVARIS MANOR ENSEMBLE AND ART INCUBATOR 33

8. COUNTRY CONCLUSIONS AND OBSERVATIONS 35

APPENDIX A. KEY FACTS AND FIGURES 37
APPENDIX B. KEY DOCUMENTS AND SOURCES 39

LIST OF ABBREVIATIONS

Acronym/abbreviation	Meaning
AR	Augmented Reality
BBC	British Broadcasting Corporation
CCI	Cultural and Creative Industry
CCS	Cultural and Creative Sector
DMOs	Digital Marketing Organisation
EEA	European Economic Area
EEC	European Economic Community
EU	European Union
FWC	Framework Contract
GDP	Gross Domestic Product
HDI	Human Development Index
ICT	Information Communication Technology
IT	Information Technology
KAFe	Kaunas Architecture Festival
MITA	Agency for Science, Innovation and Technology
ND	Northern Dimension
NDPC	Northern Dimension Partnership on Culture
NEMO	Network of European Museums Organisations
NFC	Near Field Communication
OECD	Organisation for Economic Co-operation and Development
OTA	Online Travel Agency
QR	Quick Response
SME	Small and Medium Enterprise
UCCN	UNESCO Creative Cities Network
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
WTO	World Trade Organization

1. INTRODUCTION AND KEY POINTS

This is one of eleven reports on the countries of the Northern Dimension (ND) and should be read in conjunction with a twelfth 'regional/cross-country' report. The reports have been produced under the EU BENEF Lot 9 FWC contract ‘Mapping exercise: How could creative industries foster innovation in tourism in the northern dimension area?’, in line with the terms of reference for that contract. The reports follow what was agreed at the inception report stage. Throughout the period during which the work has been done there has been close and positive liaison with the executive of the Northern Dimension Partnership on Culture (NDPC). The reports that have been produced are based on extensive consultation and research involving a large range of people. These people included country specialists and officials to whom we are very much indebted.

Under the terms of reference the timetable for the work started in February 2016 with completion scheduled for December 2016. The allocation of time for the work was 105 days, split between the two team members, 55 days for Lila Skarveli and 50 days for Terry Sandell, the Team Leader[1]. Given the number of countries, and their diversity, and given the very wide subject matter involving three very dynamic and currently fashionable areas - Cultural and Creative Industries, Tourism and Innovation - the time constraint was a very real challenge indeed. Amongst other things, it meant that while country visits of about five working days to all of the countries took place, it was physically only possible in most cases to visit one city, usually the capital. That said, every effort was made to secure a country overview which took into account at least some of the important developments taking place in the regions.

Quite soon after starting our work various interesting, sometimes challenging, questions arose, such as:

- Is there any reason why tourism itself is not considered one of the creative industries?
- In all three cases, the definitions of CCIs, tourism and innovation are various, unstable and contested. Is this because the necessary action to define them precisely and consistently at a European level has not been taken or is it because we are in a ‘post-definitional’ era with certain areas of human social and economic activity having become too diverse and complex to categorise easily?
- Tourism is a high priority for most Northern Dimension countries yet there were protests against tourism recently in Barcelona, arguably the most successful European city in terms of its tourism development and city brand. What does this signal about sustainability and local community engagement with/in tourism?
- When they do talk, do the tourism industry and the cultural and creative sectors speak the same language?
- Is the tourism industry’s use of culture and heritage because of real engagement with the cultural and creative sectors or in spite of it? Even when they are moving in the same direction are they in reality on parallel but essentially separate tracks?
- Should tourism businesses be engaging with CCIs or vice versa, in which direction is the demand and in which direction the supply?
- Given that both sectors are to a large extent highly fragmented with a numerical predominance of SMEs, to what extent do the actors involved have the time and capacity to engage with each other innovatively or otherwise?

[1] Terry Sandell took responsibility for the Estonia, Finland, Latvia, Lithuania and Russian Federation reports and Lila Skarveli for the Denmark,Germany, Iceland, Norway, Poland and Sweden reports.

- Do the bridges that need to be built between CCIs and the tourism sector include new intermediaries who can identify, interpret, broker and manage tourism-CCI/CCI-tourism synergies?

In the last couple of years there has been increasing interest in looking at the existing and potential linkage of the cultural and creative industries to tourism development. It however throws up considerable practical and methodological challenges and problems for various reasons and explains why relatively little progress seems to have been made. The major first hurdle is that the definition of cultural and creative industries is constantly evolving and, moreover, it differs from country to country[2]. This has been particularly evident in the case of the eleven Northern Dimension countries, even in the case of those countries which work very closely together, for example in the case of Lithuania, Latvia and Estonia. There can also be conceptually quite different national approaches. For example in one country cultural and creative industries may be seen as a distinct sector and be supported on that basis. In another country they may not even be seen as a sector but as part of something wider or cross-cutting such as one part of the creative economy, or as a part of national innovation, entrepreneurship or SME policies. The third issue flows from the other two. Because of an evolving and differing understanding in country terms of what the CCIs constitute, there is no common statistical base which allows clear comparisons or benchmarking, something which is urgently needed and is beginning to start being explored at European level.

If one turns to the tourism sector, there are similar parallel problems. The collection of statistics (e.g. number of nights' accommodation) may be firmly in place but those statistics are partial and beginning to look increasingly inadequate as they are often not taking account of revolutionary changes affecting the tourism and travel industries. The continuing, growing importance of OTAs[3] and an emerging peer-to-peer and sharing economy affecting such areas as traditional tourism accommodation are often not being captured by the traditional industry information systems.

Tourism categorisation is also constantly evolving with the existence of an increasing number of sub-sectors. Even cultural tourism, a sub-sector itself, can be broken down into possibly a dozen or more sub-sectors such as heritage tourism, arts tourism, creative tourism, urban cultural tourism, rural cultural tourism, indigenous cultural tourism, experiential and gastronomic tourism, 'dark' tourism[4], often with overlaps with other forms of tourism e.g. adventure tourism, health and well-being tourism and so on[5]. Again there are definitional differences from one country to another and certain types of tourism may be more developed or be more of a national tourism priority in one country compared to another.

The complications of identifying at a general level the existing and potential linkage of CCIs to the tourism sector is exacerbated by certain tourism sub-sectors being in their own right part of the cultural sector itself, for example in the case of heritage tourism. Both the CCIs and the tourism sector are not in reality

[2] Committee on Industry, Research and Energy and Committee on Culture and Education of the European Parliament Draft Report (23 June 2016) 'On a coherent EU policy for cultural and creative industries' (2016/2072(INI): 'Alongside a clear definition that takes into account all sectors related to CCIs, the co-rapporteurs believe it equally necessary to have comparable and reliable statistical data. Each Member State has, in fact, its own classification of CCIs. It is therefore essential to adopt at EU level an updated framework for the sector and to map changes over time. The objective should be to identify specific indicators to measure the results of policies for the promotion of the sector.'

[3] Online travel agencies (such as Expedia, Booking.com etc)

[4] Tourism in which visits are made to sites, attractions or exhibitions connected with suffering, death, disaster and negative or macabre events.

[5] Melanie K. Smith in her 'Issues in Cultural Tourism Studies' (Routledge, 2009) pp. 18-19 lists thirteen categories of cultural tourism which she reduces to nine and later seven broad sub-sectors. See Appendix X of the Regional Report for a detailed 'Typology of Cultural Tourism'.

clearly demarcated - both are imprecise, fluidly-defined, fast-changing and dynamic areas of complex and important economic and social activity. In the case of CCIs there are other complications. For example the arts 'lobbying industry' has for many years ubiquitously used the terms cultural industries and creative industries interchangeably in order to protect or bolster publicly-funded culture budgets. Although things have moved on and in many countries the importance of the arts, for example, is recognised and understood as a part of the creative industries value chain, there is still often a lot of blurring and definitional confusion[6].

Perhaps naively, we had the intention at the outset of our work of trying to bring some clear and overarching, definitional discipline to our subject. This brave intention was eliminated as a result of almost the first day of the first country visit where it was clear that there were very local and legitimate interests, debates and specificities and that it would be artificial to impose on countries definitions and categories that might work for some but not for others. Imposing definitions would in some cases have been positively distorting to an understanding of the local CCI situation. It should also be mentioned, as will be seen from the two footnote references above to a very recent European Parliament report, that even at EU level, where the cultural and creative industries have soared to a position of highest importance in terms of policy, terminology is often loose, for example with both the terms Cultural and Creative Sectors (CCS) and Cultural and Creative Industries (CCI) being used.

In the context of our work we therefore felt there was no alternative but to assess the cultural and creative industries and the tourism sector in the individual countries in their own terms and then with the regional/cross-country report to try to bring them together.

Although it is right to look at ways of increasing the synergies between the tourism industry and CCIs it is important to recognise that there is already a substantial level of engagement. For example even a superficial listing of the main CCIs illustrates how they are already contributing to the tourism sector:

- Software and digitalisation - this has had a revolutionary impact on many aspects of the tourism industry, not least in the role that OTAs[7] play (e.g. TripAdvisor, booking.com, Expedia, Airbnb etc.)
- Design, especially graphic design but also right the way through all aspects of design including 'son et lumière' spectacles, light festivals and events etc.
- Music for place branding, ambience, open-air concerts etc.
- Advertising and broadcasting - the importance of these areas to the tourism industry are self-evident
- Film and cinema - promos, travelogues, film location tourism
- Theatre - use of actors as animators or for audio guides, staged events, historical pageants and re-enactments etc.
- Festivals - a major element in event tourism and place branding
- Crafts and antiques - as part of shopping and souvenirs

---

[6] Committee on Industry, Research and Energy and Committee on Culture and Education of the European Parliament Draft Report (23 June 2016) 'On a coherent EU policy for cultural and creative industries' (2016/2072(INI): [The European Parliament] 'Calls on the Commission to design its future policies based on the following definition of CCIs: 'cultural and creative industries are those industries that are based on cultural values, individual creativity, skills and talent with the potential to create wealth and jobs through generating value from intellectual property. They include the following sectors relying on cultural and creative inputs: architecture, archives and libraries, artistic crafts, audio-visual (including film, television, video games and multimedia), cultural heritage, design, creativity-driven high-end industries and fashion, festivals, music, performing arts, books and publishing, radio and visual arts'.

[7] Online travel agencies.

- Architecture - the tourism industry's use of built heritage and use/commissioning of significant buildings (including as hotels)
- Publishing - travel and guide books are still very popular
- Fashion - place image and branding, folk costumes etc.
- Gaming, augmented reality and VR - perhaps still at an early stage but already being used even by big, traditional tourism operators such as Thomas Cook
- Food and local natural products - food festivals, branding ('appellation') and gastrotourism in both urban and rural contexts

So the real question is could, and should there, be more interaction? Is there either 'market failure' or under-utilised potential and resources? Out of which flow other questions, for example, is existing CCI-tourism interaction because of effective (vertical) policies or in spite of them? Does a (horizontal) common language exist with regular dialogue producing the development of shared interests between the CCI and tourism sectors? Are there particular tourism sub-sectors and CCI sub-sectors more suited to innovative interaction and more able to produce new cooperation methods, models and paradigms? If there is 'market failure' or under-utilised potential and resources, what kind of intervention or incentivisation is required to make the CCI sector and tourism industry interact more effectively?

As illustrated above, a lot is going on between the various CCI sub-sectors and the tourism industry so there is not classic 'market failure' but rather of 'under-utilisation' which warrants and justifies intervention. Tourism and the CCIs share many characteristics. They are fragmented, dynamic, numerically dominated by SMEs, micro-businesses and sole traders, preoccupied with themselves and often chaotic. They each have their own agendas. There is lack of a common language between them, probably attributable in part simply to lack of time. In general there does also seem to be a lack of 'savoir faire' in terms of their engaging with each other, innovatively or otherwise! For the CCI sector developing clustering appears to be very helpful but CCIs and tourism actors have so far not naturally clustered. Most importantly there have been few practical measures (although there are some good exceptions) to bring tourism professionals and CCI actors together which at the very minimum requires active policy-maker interest, 'interpreters', some funding and participative commitment.

A very important question is to what extent any synergies currently taking place between the cultural and creative sectors and the travel and tourism industry are because of, or in spite of, current 'vertical' policies. While political mention of CCIs contributing to other sectors is frequent, including sometimes in policy documents, it tends not to be targeted in any practical way. There is probably more than one reason for this. It is a fact that the concept of CCIs is still relatively new (even if one traces it back to the 1990s) and is possibly part of the explanation. One suspects that although the role of the CCIs in terms of their economic and social benefits is increasingly being recognised by European governments there is probably still fairly widespread an issue of real understanding of the CCI phenomenon and the nature of their potential. This is then at the political and policy level greatly exacerbated by the problem of poorly 'joined-up' government/administration which particularly affects those areas which need to be politically and economically managed in a 'horizontal' cross-cutting way. A further issue in some countries is that governments often are not imaginative at working with, and for, the private sector especially in relation to SMEs, micro businesses and sole traders. Furthermore, there is also an issue of ownership. Which ministry or administration is responsible for CCI development: Culture? Economy? Industry? Innovation? Business?…Shared? Or are the CCIs themselves, much of the time operating in the private sector, responsible for their own development?

In the case of the other side of the equation - tourism - who is responsible for developing tourism services, products and events especially in relation to an area like cultural tourism? In most cases, it is not government but SMEs, independent commercial and non-commercial entrepreneurs and cultural institutions acting entrepreneurially or imaginatively, not in fact the Ministries of Tourism. It is almost a universal fact that policy-makers traditionally focus on what they directly control and manage unless lobbied to do otherwise. Leadership and representation in the CCI sub-sectors in many countries is not very well-developed so lobbying is weak and the CCI sector as a whole covers such a wide area and diverse interests that lobbying as a 'sector' is most of the time not realistic.

It should also be recognised that the CCIs have not been noticeably lobbying for more engagement with the tourism industry while the tourism industry, although much better organised in terms of sector and sub-sector representation, has not been noticeably developing an agenda for greater joint dialogue and exploration with the CCI sector.

Again one needs to ask a question, this time the question is why such an agenda has not been developed in the past? It would seem that it may simply be to do with the complexity and chaotic nature of the two sectors. For example, how many sub-sectors does the tourism industry have? If one takes just one of those numerous sub-sectors, for example, cultural tourism, how many sub-sub-sectors does cultural tourism in turn have? As for the CCIs - how many are they? It depends on the country but in most cases about a dozen. But again if one looks at one of them individually, such as design, it becomes complex. In one Northern Dimension country design is officially defined according to about 25 sub-sectors!

In looking at how the creative industries could foster innovation in tourism in the Northern Dimension area one needs to take into account all the factors mentioned above. It has seemed very clear from our work that to get the two chaotic and fragmented sectors to begin to work better together and feed off each other it will be impossible to identify a single unified interface or find a'magic bullet'. This is not of course the answer politicians, policy-makers and economic planners want. It is however the reality. If progress is to be achieved in getting the CCS/CCI sector to engage more and in a systematic and synergistic way with the tourism sector, there is a need to be selective, realistically focussed and take a segmental approach. Developing effective methods, models and paradigms for CCI-Tourism cooperation and interaction will only come through such an approach.

Our work suggests that in being selective, and in relation to the Northern Dimension region, the most productive tourism target areas are probably going to be heritage tourism, creative tourism (including routes and trails, gastronomy and rural tourism) and events tourism. Heritage tourism is in many of the countries well developed. That said, there are plenty of sites, many museums....but how many apps? Creative tourism, which we define more clearly below, is a natural ground for all types of CCS/CCI involvement. Cultural routes and trails open up all sorts of innovative opportunities as visitors are there for the experience and need to move, learn, eat, sleep and interact. Cultural routes can of course also be cross-border and multi-country projects drawing Northern Dimension countries into mutually beneficial cooperation. Gastronomy or gastrotourism is also booming in parts of the Northern Dimension area, either as a result of a planned tourism development (e.g. the joint Nordic Food promotion which was launched some years ago, and because of its success, followed by a Nordic Fashion initiative later) or as a practical research area (as in the case of the work currently being done in St Petersburg at the Higher School of Economics). Rural tourism's special challenges - information, communication and access - are also fields of opportunity for CCIs. Events tourism, a priority in many of the Northern Dimension countries, is still not a saturated area, even if it is becoming more competitive, with new festivals of all types mushrooming in the region which are natural meeting grounds for inputs from the CCS/CCI into tourism development. In the case of tourism-based festivals policy in particular, the CCIs could be encouraged to provide the background linkage, depth and continuity for festivals and events that are by their nature often one-off, narrowly-focussed, sometimes self-absorbed and usually of short duration. Why not classical music festivals (with their dying audiences!) linked to co-located youth-oriented fashion pop-ups? Using the local CCS/CCI resource as year-round linkage or continuity is already happening in some places in the Northern Dimension area.

Accepting that the creative industries already contribute a lot to the travel and tourism industry but that there could be a more developed relationship especially if targeted at a few very specific tourism sub-sectors, what kind of intervention is needed? At a policy level the first steps would seem to be a need for increased awareness, understanding and interest, in fact the classic 'Hawthorne Effect'. Policy encouragement of 'bottom-up' initiatives and 'horizontal' engagement combined with 'top-led' imaginative and sensitive strategic place branding and effective destination management marketing are probably part of the needed formula. Awareness of the potential of the CCI-tourism relationship needs however to be proactively promoted, in particular by encouraging it to be put on tourism industry agendas and feature as a discussion topic at industry fairs, conferences, events and through industry information channels. Awareness-raising is also needed in the opposite direction by making CCIs more aware of the importance and potential of the tourism sector as a partner and market for creative industries' goods and services. This needs to be done through making it a practical agenda item at CCI events and gatherings and through 'word of mouth'. There is also a need simply to bring tourism and CCI professionals together to create dialogue and some new and practical 'bridges'. As mentioned earlier, there is little evidence of a common language and there is probably a need for an intermediary cadre of industry 'producer-interpreters' from both sectors.[8]

While in many of the Northern Dimension countries past problems are beginning to be addressed related to finance and investment for CCIs given their non-traditional industry attributes, this is usually manifesting itself in facilitating their access to existing investment, innovation or SME funding schemes which are non-CCS/CCI specific and very general in nature[9]. If real progress is going to be made in drawing the CCI and tourism sectors closer together and more productively then there is probably going to be a need for there to be specific and narrowly targeted encouragement and support opportunities and schemes. In practice this probably means that there is a need for specialised agencies (e.g. Innovation Norway, Swedish Agency for Economic and Regional Growth, Enterprise Estonia, Finland's Tekes etc) to focus on this. The CCIs and the tourism sector are often travelling in the same direction but on parallel rails and not on the same track with shared (but perhaps different) 'win-win' goals, something which the specialised agencies could address. The fact is, as already mentioned, the CCI and tourism sectors are dynamic, chaotic sectors and so fragmented that even within each individual sector there are awareness problems, knowledge deficits and communication gaps.

As suggested above a focus should be on heritage tourism, creative tourism (including routes and trails, gastronomy and rural tourism) and events tourism as these areas seem to be the most fruitful for synergistic and innovative engagement with the CCI sector. Heritage and events tourism are self-evidently understandable but the important and still emerging area of 'creative tourism', which we believe perhaps has the most relevance and potential for many of the CCIs, needs some explanation.

---

[8] A particularly interesting project, Luova Matka, is currently taking place in Finland which is addressing this issue.
[9] New ways of providing investment finance specifically for CCIs is of course being explored at European level through one strand of the Creative Europe programme.

It is important to elaborate a little on what creative tourism is, or rather what it is becoming. The concept of creative tourism emerged about fifteen years ago but in the narrow context of people travelling to destinations to follow a course or learn something in a structured setting e.g. to do a cookery course or to learn a language. In recent times, influenced by the dynamism of the CCI sector, creative tourism development has taken on a much wider meaning and includes any tourism experience which involves not only formal but also non-formal or informal learning. Creative tourism is a 'work-in-progress' in that it is seen by some as also having an important co-creation dimension to it i.e. where the tourism provider and the tourism consumer co-create the tourism experience. It is also often seen as embracing all experiences and learning related to a specific place, even those that have not been traditionally perceived as 'tourism' experiences. The local dimension and active participation by 'locals' is also often considered another essential ingredient. Unlike traditional cultural/heritage tourism, creative tourism embraces not only historical culture but also very much contemporary culture. Finally creative tourism can be seen as a reaction to traditional cultural tourism that has sometimes turned into 'serial reproduction'[10] or 'Gettyisation'[11]. There is a demand for distinctively individualised and active experience, not passive consumption of, for example, a franchised Getty museum. Recognition of the importance of this new form of tourism came in 2014 with OECD commissioning the first serious non-academic study of it.[12]

This already important discernible movement to a new form of individualised, co-created tourism opens up real and innovative opportunities for the cultural and creative sectors to explore and establish new and active relationships with the tourism sector. As is made clear in the regional/cross-country report it will require practical intervention and certain types of support as for all their similarities in terms of being quintessential post-industrial economic sectors, the CCIs and the tourism industry do not speak the same language. Focussing on how 'bridges' can be built between targeted CCIs on the one hand and creative tourism and traditional cultural tourism on the other is probably the best way to start to get the wider tourism industry and the whole spectrum of the cultural and creative sectors travelling more often and more productively on the same track and with mutually-beneficial and genuinely shared agendas rather than on separate, parallel paths as seems so often the case.

In the country reports we try to take stock of the current state of the CCIs, of the tourism sector, the general climate of interaction between them, and the general degree of the country's interaction with other Northern Dimension countries plus we provide some country case studies. It should be said that it may have partly been because of the severe time constraint already alluded to at the beginning of this report but good case studies were not easy to find. We believe that this reflects perhaps two things. The first is that there are not abundant good examples of the CCS/CCI and tourism sectors developing together innovatively or that the good examples are not recognised or particularly well known in the countries concerned.

In the regional report we bring things together, present an analysis, draw some conclusions and make recommendations which we hope may help to take things forward.

<u>Key points related to Lithuania include:</u>

---

[10] Greg Richards and Julie Wilson: Developing Creativity in tourist experiences: A solution to the reproduction of culture? in Tourism Management 27 (2006), pp 1209-1223.

[11] A phenomenon sometimes referred to as 'Macdonaldsisation'

[12] OECD (2014), Tourism and the Creative Economy, OECD Publishing, Paris. DOI: http://dx.doi.org/10.1787/9789264207875-en

- In the case of Lithuania, CCI development and policy needs to be seen in the context of wider national sustainable development policy. Lithuanian government policy at the highest level is found in 'Lithuania's Progress Strategy - "Lithuania 2030"', a 'roadmap' for the country's future development based on perceived strengths and weaknesses.
- National policy related to CCIs has been determined by the Creative Industries Promotion and Development Strategy, intended as a comprehensive policy instrument to advance the contribution of the cultural and creative industries to sustainable development in Lithuania. The strategy was initiated in 2007, formally reviewed in 2009 and then again in 2015.
- According to a survey conducted by the University of Maastricht, Lithuania is 17th in the European Union for its creativity while its creativity climate is ranked 24th. This may suggest that the right conditions for the development and expression of creativity are not yet properly in place.
- While the three Baltic states are often seen to be very similar, and often with justification, it is interesting to note the differences thrown up by the rankings in the latest biennial World Economic Forum's Travel and Tourism Competitiveness Report (2015). It should be pointed out that these figures cover the year 2013 and it is the personal speculation of the author of this report that in the next two Competitiveness Reports in 2017 and 2019, reflecting the years 2015 and 2017, the rankings of all three countries should see significant improvements in at least some of the categories. Lithuania's performance in particular appears to have been lacklustre. In the country brand strategy rating Lithuania is 88th (compared with Estonia in 7th place and Latvia rated 90th). Lithuania is 113th in terms of effectiveness of marketing and branding to attract tourists (compared with Estonia ranked 49th and Latvia - 66th). In the category of national prioritisation of the travel and tourism industry Lithuania comes 47th (compared with Estonia - 47th and Latvia - 79th). As a percentage of GDP the travel and tourism industry in Lithuania is 1.8%, in Estonia it is 3.4% and in Latvia it is 2.9%.
- There are considerable regional differences in Lithuania reflecting its complicated historical development. It has five main regions: Aukstaitija, Zemaitija, Dzukija, Suvalkija and Lithuania Minor, the latter being the Baltic Sea coastal area. These regions even today differ in terms of dialects, ways of life and customs which can of course be very positive in terms of the country's tourism offer.

2. BASIC COUNTRY INFORMATION

In the 13th century Mindaugas united the Lithuanian lands and over the next century Lithuania absorbed what are today Belarus and Ukraine. By the end of the 14th century it was the biggest country in Europe. In 1386 Lithuania and Poland formed a union under a common ruler which in 1569 turned into a unified dual state, the Polish-Lithuanian Commonwealth. The Commonwealth survived until 1795 when the third and final partition by Prussia, Russia and the Habsburg Empire took place. Lithuania became an independent country in 1918 but was annexed by the Soviet Union in 1940.

In 1990 Lithuania was the first of the Soviet republics to declare independence and since then has transformed its economy and become a mainstream European country joining the EU in 2004.

The country's neighbours are Latvia, Belarus, Poland and the Russian Federation (Kaliningrad). Its estimated population in 2016 was 2,854,235 of which just over 84% are Lithuanian. The main minorities are Polish (6.6%), Russian (5.8%) and Belarusian (1.2%). It is a mainly Catholic country. Since the financial crisis of 2008-2009 Lithuania's economy has been recovering well and has been one of the fastest-growing in the EU.

In 'Lithuania's Progress Strategy - "Lithuania 2030"', the country's national 'roadmap', the aim is for Lithuania to become by the year 2030 one of the 10 most advanced European Union Member States measured by:

- Globalization Index (now 25th in the EU)
- Quality of Life Index (now 23rd in the EU)
- Happiness Index (now 20th in the EU)
- Democracy Index (now 22nd in the EU)
- Sustainable Society Index (now 13th in the EU)
- Global Competitiveness Index (now 25th in the EU).

The Lithuanian emigration rate is one of the highest in the European Union with about one quarter of the population having left since 1990. This emigration is in part a brain drain which does not help a general problem of skills shortages in the country. It is not surprising that in the 2030 Strategy document the idea of 'Global Lithuania' is espoused in which "Lithuania's nation is solid and integral, without any divisions into Lithuanians living in Lithuania and Lithuanians living abroad. Lithuanians living outside Lithuania are active in public life and contribute to the economic and cultural prosperity." The Ministry of Education and Science is trying to address this diaspora issue with its Programme of Brain Regain and Attraction.

3. CULTURAL AND CREATIVE INDUSTRIES IN LITHUANIA

As mentioned elsewhere in the Estonia and Latvia country reports, the three Baltic States have worked closely together in the development of their cultural and creative industries and the policies related to them. Apart from the exemplary way they cooperate in general, one reason for this joint development was fairly intensive cooperation with the British Council starting just over a decade ago. As a result, Lithuania, like the other two countries, was strongly influenced in the early stages by British CCS/CCI thinking and experience.

Interest in the CCS/CCIs and their potential role in social and economic development in Lithuania began in about 2003 with the CCS/CCIs being the subject of a couple of European conferences followed by information gathering and sharing and then mapping. It is interesting to note in the context of this particular study that a key milestone in CCS/CCI policy development in Lithuania was the first mapping project. Two counties, Alytus and Utena, were chosen as the initial places for mapping mainly because of their plentiful nature resources and their potential for tourism development.[13]

The past decade has seen the cultural and creative industries/sectors, as in many countries in Europe and beyond, become a prominent element in Lithuania's national social and economic policy. Culture and creative industries are playing an ever increasing role in the Lithuanian economy with the CCS/CCI sector creating 5.2 % of the country's GDP and approximately 5% of total export products and services according to data for 2014.

National policy related to CCIs has been determined by the Creative Industries Promotion and Development Strategy, intended as a comprehensive policy instrument to advance the contribution of the cultural and creative industries to sustainable development in Lithuania. The strategy was initiated in 2007, formally reviewed in 2009 and then again in 2015. The strategy sets 4 priorities:

- to develop creative skills in all age groups in society
- to use CCIs' potential to develop a creative, high-quality life environment
- to raise the economic value and export share of CCIs
- to foster innovations in all CCI sectors.

The Strategy sets a goal of expanding the role of CCIs in the Lithuanian economy to 7% of GDP and copyright exports to grow to become 7% of total exports by the year 2020.

As with Estonia in particular, considerable emphasis and investment has gone into the 'incubation concept' and creating incubators. In Lithuania there has been development of specific 'art incubators' in the belief that they can provide business support for CCI start-ups, encourage local creative communities to cooperate and develop their businesses and help them make a contribution to the sustainable development of a particular town or city. Co-funded by the national budget and European Union structural funds, nine 'art incubators' were developed in the period 2007-2013. During that same period, 74 million Euros of EU Structural Funds were invested in the Lithuanian CCI sector and this included funding for 'CCI cluster-creation', development of e-business management systems and promotion of CCI exports.

---

[13] See The European Cultural Programme Centre: Creative Industries Mapping Document in Alytus and Utena Counties - Summary of the Study (2005) - "This topic is particularly relevant for the selected Alytus and Utena Counties that are distinguished by excellent natural resources, plenty of recreation and rehabilitation institutions, camps. Well-developed CI is one of the instruments for the attraction of tourism. Neither good hotels, nor better services can be a means of tourism attraction by themselves. Such means of attraction can be pleasant nature and historic monuments but, first of all, services rendered and constantly renovated by CI." (p.15)

Implementation of the Creative Industries Promotion and Development Strategy is coordinated by the Ministry of Culture but involves other ministries, including the Ministry of Economics, the Ministry of Interior, the Ministry of Education and Science and the Ministry of Agriculture.

CCI development and policy also needs to be seen in the context of wider national sustainable development policy. Lithuanian government policy at the highest level is found in 'Lithuania's Progress Strategy - "Lithuania 2030"', a 'roadmap' for the country's future development based on perceived strengths and weaknesses. In its introduction it states:

"The Strategy was built on the principles of sustainable development, as well as tangible and intangible national resources of state and social development: natural resources, rich history and cultural heritage, professional and qualification opportunities, high-engagement work culture, a stable legal system, good information technology and digital infrastructure. At the same time, the Strategy points out the outstanding problems: identity crisis, the power of stereotypes, emigration, closed society, lack of tolerance and trust, lack of concern for one another and the environment, as well as fragile faith in country's success. Our main initiatives aim to address these problems."

A little later it sets out what is trying to be achieved (the bold emphasis is in the original):

"Changes in societal culture, attitudes, behaviour and social values will determine the success of the country's development and help to better prepare for the emerging challenges of global competition. Therefore, this Strategy seeks to promote fundamental changes in society and to facilitate the formation of a creative, responsible and open personality. Such a personality will promote innovative processes and lead to positive changes across all walks of life."

In the 2030 Strategy, mention of culture includes the following aim:

"To develop a rich cultural environment through investments in the development and integration of public cultural establishments, and promotion of public participation in cultural developments. To facilitate cultural dynamism, particularly through international cultural exchanges and international artist mobility. To promote Lithuania's culture domestically and internationally, focussing on digitalization of the cultural heritage and contemporary cultural content."

The role of culture in the Strategy is against a background in which Lithuania's policy-makers believe more than 56 per cent of the population do not participate in any artistic activities, compared to an EU average of 38 per cent. Lack of interest in artistic life, it argues, is reflected also in the household expenditure share for cultural activities. The EU average share of household expenditure on culture is 4.5%, while in Lithuania it is only 2.7%. It notes that Finland, Sweden and Denmark spend twice as much.

The beginning of the practical implementation of the 2030 Strategy is a National Progress Programme for the period 2014-2020. Fifty-seven per cent of EU structural funds were allocated to the National Progress Programme with the priority being creation of a favourable environment for economic growth. Apart from investment in transport, energy and IT infrastructures, other priorities include preserving nature, fostering entrepreneurship and creating an appropriate framework for business creation and development. Fourteen per cent of the total EU Structural Funds and national budget dedicated to the Programme are going to the three areas of

- education of society
- science
- culture

Culture is seen both as a priority and importantly also as a cross-cutting, horizontal issue 9as is indeed the case to a greater or lesser extent in Estonia, Latvia and Finland). Culture is one of only three areas which are seen as 'horizontal' priorities, the other two are regional development and health.

There is a 'Horizontal Priority Culture Inter-ministerial Activity Plan' covering the period 2014-2020 which was signed by ministers in 2014. As in the case of the other two Baltic States there is a double budget for development of the CCS/CCIs with funding coming from both national sources and from EU structural funds.

Mainstream cultural policy in Lithuania is implemented by three main agencies: the Ministry of Culture, the Lithuanian Council for Culture and the Lithuanian Film Centre. The Lithuanian Council for Culture was set up in 2013 and is a budgetary institution which administers the Culture Support Fund, the main source of culture and arts funding in the country. The Fund's main support areas include music, literature, combined arts, traditional arts and crafts, amateur arts, visual arts, theatre, museums, heritage, libraries, interdisciplinary arts projects, film, photography, design, dance, architecture, circus, opera, musical theatre and archives. Only legal entities registered in Lithuania can apply for funding.[14] The Lithuanian Council for Culture has a board of eleven member representing the different arts and cultural sub-sectors.

Funding from the Culture Support Fund is in two main streams, one distributed to the arts and cultural sub-sectors, the other according to specific non-sub-sector related programmes. CCIs are able to apply for funding from the latter.

Another increasingly important player in terms of CCI development in Lithuania is the Creative Industries Association. Set up in 2008, the Lithuanian Creative Industries Association was established as a public legal entity and it now brings together more than sixty members representing creative industries actors, arts incubators, representatives of CCI sub-sector associations, educational and other public institutions. It has a board of eleven members. It does not receive funding from the state at present but can apply for project funding. It would ideally like to receive funding from the Culture Support Fund to enable it to be more stable and extend its activities. It works closely with the Ministry of Culture with whom it has a good relationship. On the last Friday of the month the Association has a working breakfast event.

In 2015 the Association used its website to focus on CCS/CCI competitiveness in national and foreign markets. Since 2015 it has started to develop a relationship with Enterprise Lithuania, both having a common interest in CCI exports. Enterprise Lithuania has a dedicated CCI specialist post. The main challenges seem to be

- making Lithuanian exports competitive
- becoming stronger in terms of innovation
- increasing the effectiveness of cross-sector working and thinking.

The latter challenge being directly relevant to CCS/CCIs contributing to innovation in the tourism sector. An important element in overall national strategy and related to CCS/CCI development is the 'Lithuanian Innovation Programme for the period 2014-2020'. It has four overarching aims, three of which are of contextual importance for both the tourism sector and CCIs. They are:

- to develop an innovative society
- to increase the innovative potential of businesses
- to promote the creation of value networks, their development and internationalisation.

---

[14] See http://www.ltkt.lt/en/grants-for-the-arts/stats-and-figures for details of grants given by sub-sector and geography etc.

Itself an innovation in the Lithuanian context and extremely important for CCI development, the Innovation Programme has amongst other things created a legal model for joint activity between businesses and scientific and educational institutions. This now encourages and facilitates the implementation of joint projects between them, for example, for creation of intellectual property and its commercialisation. The types of legally recognised partnership will be expanded and improvements will be made to the patenting and licensing systems. New institutions and instruments were foreseen in this Programme document too, including 'technological centres'/accelerators to increase experimental development before products go on the market. The creation of value networks is related to the planned development of clusters and integration of Lithuanian innovation players into international networks. All these proposed developments have been accompanied in the Programme by recognition of the importance of financial instruments such as venture capital investment and availability of loans and export credit guarantees.

Following on from the Innovation Programme, the Lithuanian Ministry of Economy launched an Entrepreneurship Action Plan, also for the period 2014-2020. Its main general objectives are to create a supportive environment for entrepreneurship, to increase entrepreneurship and to encourage start-ups through people developing small businesses. The focus on small businesses is common to all three Baltic countries which with EU funding set up in 2012 the Baltic Innovation Fund to stimulate Baltic SMEs with high growth potential.

Although ostensibly covering the period 2013-2020, the Lithuanian National Programme for the Development of Studies, Research and Experimental Social and Cultural Development was only approved at the end of 2014 and seeks to take forward one part of the Innovation Programme including promoting knowledge and technology transfer and business cooperation.

One of the recommendations (see the regional report) coming out of our work concerns a targeted voucher scheme for CCIs specifically in relation to working with tourism businesses. If such a recommendation were taken up the vouchers could be a ring-fenced part of an existing scheme or a separately funded new scheme. Voucher schemes can be effective in raising awareness among companies of potential service providers such as universities, or in this case, CCIs. Learning to collaborate with service providers may lead to to extended collaboration once sufficient trust has been built using the voucher. The advantage of establishing a voucher scheme specifically linked to CCIs and tourism businesses is that the CCIs can provide close-to-market services, for example through design. The key is ensuring that the request is coming from business-driven demand, not a scheme which encourages service-driven supply. If it is the latter there is a danger that it is seen an extra source of funding and interesting work for CCIs and universities but will not meet the real needs of the businesses. There already exists a Lithuanian voucher scheme so there is some experience of the concept.

In the planning period 2007-13, a policy priority was the development of clusters and innovation value chains including for the creative industries. Like Estonia and Latvia, Lithuania is now in a new and more mature phase of CCI development. An important and extensive study was carried out in 2014 on Lithuania's creative industries. The 'Survey of the Lithuanian creative industries sector competitiveness' was an opportunity to take stock of what had happened in the previous decade and address the very real issue of competitiveness. This was followed by another milestone 'Development Trends of Cultural and Creative Industries 2015-2020.

4. TOURISM IN LITHUANIA

Tourism comes under the Ministry of Economy which has a Tourism Policy Division. The Tourism Policy Division has four areas of responsibility:

- development of tourism policy
- tourism planning
- international cooperation
- planning of EU support

At the next level down, implementation of policy is the responsibility of the State Department of Tourism with a particular emphasis on:

- targeted tourism marketing
- supervision of the tourism sector
- implementation of EU projects

The Ministry has an advisory body, the Tourism Council which includes representatives of tourism-related ministries (including the Ministry of Culture) and tourism business associations. Lower down at local level, tourism is the responsibility of municipalities. There are also local tourism information centres.

The three main tourism business organisations are:

- Chamber for Tourism which represents 9 tourism business associations (Lithuanian Hotel and Restaurant Association with more than 300 members; Lithuanian Countryside Tourism Association with 390 members; Lithuanian Health Resorts Association - 8 members; National Tourism Business Association - 6 members; Lithuanian Camps Association - 23 members; Lithuanian Castles and Manors Association - 32 members; Lithuanian Private Healthcare Establishment Association - 100 members; National SPA Association - 15 members; Lithuanian Golf Federation - 9 members)
- Lithuanian Tourism Association which represents 53 Lithuanian tour operators and agencies
- Lithuanian Medical Tourism Association 'Medical Lithuania' which represents 13 Lithuanian medical establishments.

The Lithuanian tourism industry accounts for 2.9 % of GDP, 24 % of export of services and 4.4 % of all private sector employees. A major focus for tourism development in Lithuania is on cultural heritage and nature.

There is an Action Plan for tourism development which receives EU structural funds and which also includes development of tourist routes and tourism product marketing. Lithuania's main target markets have included the Russian Federation, the UK, Italy, Norway, France, Sweden and Germany and long-haul markets include Israel, Japan, China and the USA. Priority is also being given currently to marketing Lithuania to Belarus, Estonia, Latvia, Poland, the Russian Federation and Ukraine. Markets with potential have been identified as Belgium, Denmark, Spain, Netherlands and Finland.

The four main products as far as the State Department of Tourism is concerned are:

- MICE[15]
- cultural tourism
- health and wellness tourism

---

[15] Meetings, Incentives, Conferences and Exhibitions/Events.

- eco and sustainable tourism

In 2016, the State Department of Tourism introduced a new national tourism brand with the slogan ‘Lithuania. Real is beautiful’ accompanied by areas of focus: ‘Meet people’, ‘Taste Food’, ‘Stay Active’, ‘See Nature’ and ‘Explore Culture’. The development of the brand is part of the project ‘The presentation and promotion of Lithuanian natural and cultural heritage objects on Lithuanian and foreign Internet sites, social networks and publications developed with EU structural funds’.

Although there have been setbacks such as the dramatic decline in visitors from the Russian Federation, the number of local tourists in 2015 grew by 10.3 percent, and the number of foreign tourists grew by 2.3 percent according to Lithuanian government statistics. The number of tourists in Lithuania from European Union countries grew by an impressive 11.9 percent in 2015 although the number of tourists from non-EU countries fell by 8.6 percent. The latter included a drop of 32.6 percent in the number of Russian visitors and a 13 percent drop in the number of Belarusian visitors. In 2015, 58.2 percent of foreign tourists visiting Lithuania were European Union citizens. Of the State Department of Tourism's six new target countries - Germany, the United Kingdom, Sweden, Italy, Norway and France, all of these markets grew in 2015. In the case of five of the growth was in double digits. Together, they currently make up 27.1 percent of Lithuania's accommodation market. In 2015, for the first time, Germany became the leader in terms of Lithuania's inbound tourism market with 170,100 German tourists visiting our country, an increase of 4.9 percent compared with 2014. In a survey commissioned by the SDT as many as 9 of 10 Germans who had visited Lithuania said they would recommend Lithuania to their friends and acquaintances.

Out of the top 10 most important countries for inbound tourism to Lithuania, the greatest growth in inbound tourists was seen from Ukraine (27.1 percent) and Norway (27 percent) but there was also impressive growth from Italy (20.2 percent), the United Kingdom (17.2 percent), Latvia (11.3 percent) and Estonia (10.6 percent). In 2015, there were 8.3 percent more Polish visitors than in 2014 reversing a recent downward trend. Spanish (26.2 percent), Swedish (24.2 percent) and French (14.6 percent) interest in Lithuania also grew. In terms of long-haul travel, the number of visitors from Japan grew by 45.4 percent, China by 36.4 percent, and Israel by 11 percent.

In the first quarter of 2016 organisations providing accommodation services in Lithuania recorded 11 per cent more tourists compared to the same period in 2015. In the period from January to June 2016 about 1.2 million tourists stayed in Lithuania. Lithuanians accounted for slightly less than half of this number, i.e. 46 per cent (548,000) and foreigners accounted for 54 per cent (652,000). The biggest flows of foreign tourists arrived from Belarus (76,500), Germany (72,000) and Poland (70,000). The dramatic decline in tourists from the Russian Federation seemed to have bottomed out by the beginning of 2016 but with their still representing the fourth biggest market in terms of accommodation services.

5. CCI AND TOURISM SECTOR COOPERATION IN LITHUANIA

A representative of the Ministry of Culture sits on the State Department of Tourism's board as mentioned above and there is direct cooperation under the National Tourism Programme in connection with projects such as the 'Jewish Cultural Route' and the 'Pope John Paul II Pilgrimage Road'.

Cultural tourism is one of the priorities of Lithuanian tourism policy and in general cultural heritage, along with the country's nature resources, is seen at all levels as a major asset.

In many current policy documents the principle of cross-sectoral, 'horizontal' working is mentioned and as was pointed out earlier in this report, culture is seen very much as a cross-cutting and priority issue. As explained above, this is not simply a declaratory statement but has been backed up by the drawing up of a 'Horizontal Priority Culture Inter-ministerial Activity Plan' for the period 2014-2020.

In Lithuania it would seem that the 'cross-cutting and cooperation context' established by policy should facilitate any practical measures that are taken to increase engagement by the CCS/CCIs in innovative tourism development.

6. LITHUANIA'S BILATERAL AND MULTILATERAL CCS/CCI AND TOURISM COOPERATION WITH OTHER ND COUNTRIES

In an editorial in N Wind magazine with the heading the 'New North', the relationship of eight of the Baltic Sea countries is amusingly and perceptively described better than any lists of cooperation projects, case studies or statistics:

"Three Baltic sisters? Yes, this edition will only feature three, even though now there are eight of them. We speak of the eight Finno-Ugric, Baltic, Scandinavian sisters of the North. It seems like it was only yesterday that there were five adults and the three Baltic teenagers, but the youngsters grew up and they do not want to be copies of their elder siblings. They want to be themselves. If it wasn't for them, the life for the older sisters would be much more boring. The world will surely benefit from the creative identity of these former teenagers. It's just hard work for them to talk about themselves yet, but that's textbook Nordic modesty.

These eight sisters are the strongest sisters in the world. They have a secret arrangement help each other, and it's forbidden to mention it to others outside the family. Organisations, politics, businesses and a mutual mother - the Baltic Sea - are not the only elements connecting them; people who create inside this region act as a link as well. A strong link between strong sisters brought up by the North, where sunshine is rare and weather is cold, where locals have a windy sense of aesthetics that smells of the sea, dunes, rocks, steel, woods and resin."

Since the collapse of the Soviet Union, Lithuania and the two other Baltic states, Estonia and Latvia, have been cooperating in an exemplary way by global standards. Like them, Lithuania is pursuing a policy of giving priority also to wider regional cooperation and integration. 'Lithuania's Progress Strategy - "Lithuania 2030"' states this very clearly:

"Lithuania is neighbouring Scandinavian countries that have long been renowned for their wise wellbeing creation policies. Therefore, as we purposefully take over their experience, we should strive to become an integral, successful, politically and economically consolidated part of the Nordic-Baltic region, which is home to five Nordic and three Baltic States."

The degree to which the three Baltic countries cooperate is perhaps no better symbolised than at the 2016 Venice International Architecture Biennale where a Baltic Pavilion represented Estonia, Latvia and Lithuania with a project that won three separate national competitions and presented the three countries in one joint exhibition.

Another good example of the very special relationship the three Baltic countries enjoy is in the area of film. The Baltic film institutions signed a mutual cooperation agreement in Cannes in 2015. Co-productions between the countries have become significant in the last couple of years with the Lithuanian Film Centre providing grants in 2015 for ten co-productions with Estonia and Latvia.

Also in the film area, a new online cinema space is to be launched in 2017, bringing together some of the best films from Lithuania, Latvia and Estonia. 'Baltic View' will feature significant and exciting work from across the region and will often be the only place where the films can be legally seen online. A subscription service, it will be curated by a selected group of experts, including critics, festival programmers and cinemas. It has been funded by the national film councils of all three countries.

At the CCI level, the heads of the enterprise agencies in the three countries meet systematically with issues such as CCI strategy/harmonisation on the agenda.

At the tourism level, there is a Baltic Joint Committee for Tourism Development. For long-haul business cooperation it meets quarterly including for joint marketing activities in China, Japan and the USA.

It is interesting to note that eleven international culture and arts cooperation projects have been developed between cultural organisations from Lithuania, Norway and Iceland in the period of 2015–2017 using EEA grants which Iceland, Liechtenstein and Norway contribute for strengthening bilateral relations with 16 European Union countries, Lithuania being one of them.

World Heritage Sites: 4 cultural sites

- Struve Geodetic Arc (shared with Belarus, Estonia, Finland, Latvia, Norway, Republic of Moldova, Russian Federation, Sweden, Ukraine) (2005)
- Kernavė Archaeological Site (Cultural Reserve of Kernavė)(2004)
- Curonian Spit (jointly with the Russian Federation) (2000)
- Vilnius Historic Centre (1994)

Intangible Heritage Lists: 3 elements on the Representative List of the Intangible Cultural Heritage of Humanity

- Sutartinės, Lithuanian multipart songs (2010)
- Cross Crafting and its Symbolism (2008)
- The Baltic Song and Dance Celebrations (jointly with Estonia and Latvia) (2008)

Tentative List: 1

- Trakai Historical National Park (2003)

Memory of the World Register: 2

- Radzwills' Archives and Niasvizh (Nieśwież) Library Collection (submitted by Belarus in cooperation with Lithuania, Finland, Poland, Russian Federation and Ukraine) (2009)
- The Baltic Way - Human Chain Linking Three States in Their Drive for Freedom submitted by Estonia, Latvia and Lithuania (2009)

Creative Cities Network: 1

- Kaunas, a UNESCO Creative City of Design (2015)

UNDP HDI - Lithuania is 37th (2015)

Legal instruments: 19 ratified and 20 non-ratified

- International Convention against Doping in Sport: ratification (2 August 2006)
- Convention on the Protection of the Underwater Cultural Heritage: ratification (12 June 2006)
- Convention on the Safeguarding of the Intangible Cultural Heritage: ratification (21 January 2005). Lithuania was the second European Member State (after Latvia) to have ratified the convention.
- Convention on the Protection and Promotion of the Diversity of Cultural Expressions: accession (18 December 2006)

7. CASE STUDIES

7.1 The Republic of Uzupis

Uzupis means 'the other side of the river' in Lithuania and is a district of Vilnius but with a difference. Often compared with Montmartre, it is a place that has been popular with artists for the last two decades. In the 1990s it was a neglected, very run-down part of the city until, with Frank Zappa as its patron saint and who has no connection with Lithuania whatsoever, it declared its independence in 1997 as the 'Republic of Uzupis!

This post-Soviet absurdist fantasy had its origins in a proposal by a recently formed fan club that there be a statue of Frank Zappa in Vilnius, perhaps simply as a symbol of freedom. The proposal gathered support, especially among the artistic community, and an elderly sculptor who had previously specialised in statues of communist leaders was commissioned to make the statue. Zappa's philosophy and music became part of the inspiration for the local neighbourhood improvement movement in Uzupis to declare the district a 'republic'. As has been commented on more than one occasion, the Republic of Uzupis might have been an ironic joke but it has been long-lasting and successful. The district is now the artistic and creative heart of Vilnius and a visit to the Republic is a 'must' for any tourist to Vilnius.

At 'independence' the Republic appointed a President and a bishop and created its own flag (well, in fact four, one for each season!). It has a national anthem and its own constitution of 41 articles or rights, suitably surrealistic in parts, which are engraved in twenty-six languages on mirrored plaques attached to a wall in the main street. Like any republic it has a palace, an army (of twelve!) to defend itself and a National Day which is not surprisingly 1 April. The Republic erected a new monument in 2002, its Eiffel Tower or Nelson's Column, in the form of a bronze sculpture of an angel, the Angel of Uzupsis, in honour of Zeonas Steinys, a much appreciated local artist who died in 1998.

Uzupis has been transformed from being the roughest district of Vilnius to being a prestigious part of town that regularly hosts open-air events, carnival activities, concerts, poetry readings, fashion festivals and open gallery showings and is a magnet for artists, creative people and tourists as well as for CCI-related activity. The main art school is just across a bridge and the Lithuanian Creative Industries Association has its office there in the premises of the Uzupis Art Incubator (www.umi.lt).

The Uzupis Art Incubator was the first in the Baltic States and originally started as an independent artists' space before receiving funding from Vilnius municipality to become an incubator. It offers premises to SMEs and individual creators for long-term residences of 1-2 years and short-term residences of 1-12 months but they can be renewable. Uzupis Art Incubator states that it has as its purpose:

- to provide facilities for artists and for SMEs
- to provide conditions for artists to create and introduce their works to the audience
- to help artists to start their own businesses
- to facilitate the development of art-related businesses
- to intensify the cooperation of society in the cultural life
- to work closely with the Uzupis community and other creative communities
- to develop innovative approaches

The story of the Republic of Uzupis, now very much part of touristic Vilnius, is an inspiring one of how a very rough and run-down neighbourhood can be developed to become - through art and creativity - an important visitor destination and an attractive location for CCIs.

7.2 Talking Statues

Contemporary public art can be used imaginatively to attract visitors to a particular destination and there are many ways of doing that. In 2015 Vilnius joined London, Manchester, San Diego and Helsinki to have a talking statues project. The idea was started in Copenhagen in 2013.

The Modern Art Centre (Modernaus Meno Centras) in Vilnius chose fifteen statues in the centre of Vilnius and brought them to life with the text and voices of some of Lithuania's most prominent contemporary writers and performers. Attractive and interesting to locals and tourists alike it allowed the story behind a statue to be told, with sometimes the person depicted by the statue talking to you directly on your phone.

The project in Vilnius worked as follows. There was a map of the Talking Statues which could be downloaded (www.mmcentras.lt/9) and a route taking you from one statue to another which one could follow if one wished or of course one could go to a specific statue of interest. You then chose the most convenient way to hear the statue talking. You needed a QR scanner on your smartphone (which can of course be downloaded from the Internet free). You then turned on the NFC function on the phone and walked up to the statue, swiped your phone on the NFC mark on a tag on the statue and then received an incoming call! It might be from Frank Zappa or Gediminas, the medieval Grand Duke of Lithuania or whichever one of the fifteen Talking Statues you have chosen.

The fifteen statues are:

- Lamplighter
- Zemaite
- Kristijonas Donelaitis
- Barbora Radvilaite
- Romain Gary
- Taras Shevchenko
- Lauren's Gucevicius
- Frank Zappa
- Adam Mickevicius
- Grand Duke Gediminas
- Tsemakh Shabad
- The Uzupsis Angel
- The Uzupsis Mermaid
- Plaques honouring the Victims of Soviet Occupation on the wall of the new Museum of Genocide (formerly the headquarters of the Gestapo and the KGB)

This case study shows how an imaginative approach to public art can create an enriching experience for both locals and tourists. Some locals either do not know the significance or symbolism of some of the public monuments in their town or city and possibly fail even to notice them in their everyday lives and so the Talking Statues project gives new meaning to their environment. For tourists who are often not familiar with the local history of their destination, what better way of finding out about Lithuanian history that getting a phone call from Grand Duke Gedimas?

7.3 Actualisation and Presentation of Jewish Cultural Heritage through a Mobile Application

Until the Second World War there were large Jewish communities in Lithuanian cities and towns and Vilnius itself was known as the 'Jerusalem of the North'. As part of a wider project which is running during 2015-2016, a new mobile application has been created which presents Jewish culture, heritage and history in Lithuania to Lithuanians and tourists in an interactive way. The app 'Discover Jewish Lithuania' was developed as part of an EEA-funded project (www.discoverjewishlithuania.com).

EEA grants are a scheme funded by Iceland, Liechtenstein and Norway with the aim of contributing to closer bilateral relations of those three countries with sixteen of the European Union countries. EEA grants are jointly administered with the EU country concerned and are available for projects in various areas, including culture. There are 11 EEA grants involving Lithuanian cultural organisations and operators for the period 2015-2017.

This particular project was a Lithuanian-Norwegian collaboration. The app works on the basis of the user's location with historical research and AR (augmented reality) technology combined to showcase important Jewish heritage in seven Lithuanian cities and towns. Information is to be available in five languages - Lithuanian, English, Hebrew, Polish and Russian.

The app features more than sixty stories so far from Ukmergė, Kėdainiai District, Žagarė, Valkininkai, Degsnė and Vilnius.

Apart from study visits to the cities and towns covered by the project, another strand of activity consisted of workshops on digital storytelling with the Norwegian partner. The EEA grant was for just under 120,000 Euros which represented a little over 80% of the total project costs.

This case study provides an insight into how heritage, even forgotten or unwanted heritage (which is sometimes the case of some of the Soviet heritage in the three Baltic states), can be're-invented' in a positive way for both educational and tourism development purposes using CCI resources such as mobile technologies and new tailor-made curated historical and narrative content.

7.4 N Wind Magazine

Since Richard Florida's Creative Class, what creativity is and the economic dimension of creativity have become centre-stage in national and multinational policy-making, in urban planning and development and increasingly in tourism. The links between creativity, CCIs and tourism are becoming much more apparent now that life style issues are becoming a real influence in tourism with the emergence of creative tourism. Destinations, especially main urban ones, need to project a creative image to attract a certain segment of the tourist market. In recent years Baltic and Nordic countries have been taking this fact on board and revamping their brand accordingly while not compromising some of their main selling points such as their unspoilt nature.

Producing a creative and 'cool' image can be managed but not created by a national or city tourist agency which requires all sorts of bright and unfettered inputs, something that the CCIs have to offer. While some aspects of traditional publishing have been made redundant because of people now reading and getting their information online, there is still a powerful place for magazines as one can see at High Street, airport and station bookshops/newspaper shops/booths.

The magazine N Wind is a particularly attractive and interesting publication produced in Vilnius in English and focused on all aspects of creativity and contemporary thinking in the Baltic countries but also with an interest in Nordic-Baltic cooperation. Its vision is to "encourage exchanges of creative northern energy" and is a “free magazine about creativity and culture as our future in the New North”. It is a valuable source of new ideas and a showcase for creativity in the region. It has also quite a strong life-style dimension to it. Available also online, it is distributed free in Lithuania, Latvia and Estonia with a circulation of 8,500 and is partly funded by the Lithuanian Council for Culture.

The latest issue at the time of writing this report is on the theme of ‘modern Nordic rituals’ with a guest editor from Latvia.

It would be interesting to know:

- to what extent this magazine in its print or online form is being promoted by the three Baltic national tourism agencies, where and how?
- to what extent tourism professionals are involved or consulted at an editorial or content level by the magazine in terms of themes or national tourism brand issues?
- to what extent magazines like N Wind can be used to start a creative dialogue between CCIs and certain segments of the tourism sector? One of the main observations and recommendations in the regional report is the need for much more focus on the CCI-tourism relationship and highlighting ubiquitously as an agenda item the contribution that the CCI’s can make to tourism innovation.

7.5 War and Peace Routes

In 2015, the number of foreign tourists increased by 2.3 percent in Lithuania but tourism flows from the United Kingdom in the same year grew by 17.2 per cent. Why?

While it is difficult to say exactly, the BBC may be able, with those in Lithuania who worked with them, to take some of the credit. In 2015 the BBC produced ‘War and Peace’ which is a six-part historical series based on the Tolstoy novel. It was mainly filmed in picturesque places in Lithuania. It was very popular when broadcast in the UK and a spillover of that was that it awakened significant British interest in Lithuania.

The series was made by the BBC in cooperation with the American company The Weinstein Company and has already been broadcast in the USA, Canada and Sweden, in addition to the UK. Estonia, Belgium, Denmark, the Philippines, Greece, India, Iceland, Israel, China, Latvia, Luxembourg, the Netherlands, Norway, South Korea, Portugal, France, Russia, Finland, Taiwan and Ukraine have already acquired broadcasting rights.

‘War and Peace’ was shot in Vilnius, Merkinė, Trakų Vokė, Trakai, Kernavė and Rumšiškės and the specific objects seen in the series are

- Vilnius University – as headquarters of Austrian Ministry of War
- Gediminas Tower – as dominant landmark of the Austrian Alps
- Bernardinų Street – as a street in Moscow
- Rusų Street – as Moscow by night
- Saint Nicholas Orthodox Church – as a church in Lysyje Gory
- Dominikonų Street – as Moscow before siege
- Courtyard at Benedictine Nunnery on Ignoto Street – as a shooting site
- Franciscan Monastery on Trakų Street – as a Moscow mansion
- Šv. Kazimiero Street – as Moscow under siege
- Šv. Dvasios Street – as Moscow on fire

- Residence on Žygimantų Street – as a mansion in Moscow
- Dominican Monastery and Church of St. Jacob and Philip – as a mansion in Lysyje Gory
- Pushkin Museum in Markučiai – as a countryside estate in rural Russia
- Ruins of Merkinė Estate – as rural Russia after the battle
- Trakų Vokė Estate – as a mansion in Moscow
- Trakai Island Castle – as a residence of tsar Alexander I
- Kernavė landscape – as battle-fields of Austria and Russia
- Open Air Museum of Lithuanian Ethnic Culture in Rumšiškės – as rural Russia
- Rundale Mansion in Latvia – as the most fashionable house for balls in Saint Petersburg

Following the success of the BBC's adaptation of 'War and Peace', Lithuania's State Department of Tourism launched two new tourist routes through the country, highlighting the locations where the series was filmed. The first War and Peace tourist route, through Vilnius, is designed to be enjoyed on foot or bicycle and covers sights such as Vilnius University, which as listed above served as the headquarters of the Austrian Ministry of War in the series, and Gediminas Tower as a landmark in the Austrian Alps. The second War and Peace route takes the form of a car tour through the country. Starting in Vilnius, it features sites including the picturesque island fort of Trakai Castle, which doubles as Tsar Alexander's residence. Maps and information in English for both routes can be downloaded from the Department of Tourism's website.

Being a film location has other benefits too. The 'War and Peace' series had a 21 million Euro budget and amongst other things used a Lithuanian cast of 500, plus crew and extras. The filming took seventeen weeks in Lithuania with more than 1,000 costumes having to be made locally. For the shooting of the Austerlitz scenes there were 300 extras on set for 10 days plus 40 horses!

Napoleon and his massive Grande Armée did in fact pass through Lithuania - which was then part of tsarist Russia - on their ill-fated campaign in the summer of 1812. The few survivors retreated along the same route in winter.

A number of travel articles related to the series and to the historical events had already appeared in the British press recommending places for visitors to Lithuania even before the series was screened. A small amount of filming was also done in Latvia and St Petersburg.

Apart from the fact that attracting foreign companies to film in a country, city or town brings in direct revenue (accommodation and other spending) and employment (for example in this case for those one thousand costumes), it can sometimes have a positive impact on local technical and professional film industry standards. The tourism benefits of being a film or TV series location can be quite substantial as this case study shows. This is also only the beginning as no doubt in other countries with screening rights for 'War and Peace' there will be additional tourism demand in relation to Lithuania.

7.6 Dark Tourism' - Vilna Gaon Jewish State Museum and KGB Museum of Genocide

There is a growing interest in 'dark tourism' which can be seen as a specialist sub-sector of more general cultural tourism. Because it is a growing area it is becoming increasingly important for the tourism industry. Countries like Lithuania with tragic historical episodes in their history, not least in the twentieth century, are endowed with resources and national and local narratives for the development of this type of tourism.

'Dark Tourism' is normally defined as tourism that involves travelling to places associated with death and suffering. It also sometimes is called 'thanatourism' or 'grief tourism'. The main attraction of 'dark tourism' and 'dark locations' is their historical value rather than their associations with death and suffering. They are often drawing attention to past terrible events or periods so that they will not be repeated in the future.

'Dark tourism' is nothing new and visiting catacombs or cemeteries was normal for travellers in past centuries. In the twentieth century the visiting of World War 1 battlefields in particular became popular. The concept of 'dark tourism' however and research related to it really only started in the 1990s but it has become an increasingly popular area in academic tourism studies.

The Vilna Gaon Jewish State Museum was established in 1989 by the Lithuanian Ministry of Culture. After its institutional establishment, its exhibition items, many from earlier Jewish museums in Lithuania, were brought together. It received its current name in 1997 in commemoration of the 200th anniversary of the death of the Talmudic scholar Vilna Gaon.

It has five branches which focus on various aspects of history and culture:

- The Tolerance Centre's collections include works of sacred, modern, and traditional art along with historical materials
- The Green House is a Holocaust exhibit
- The Paneriai Memorial is dedicated to the Paneriai (Ponary) Massacre
- The Jacques Lipchitz Memorial Museum in Druskininkai exhibits his lithographs
- The former Tarbut Gymnasium displays the history of Lithuanian Jews in the interwar and Nazi period

It describes its mission as follows:

- To collect, preserve, recreate and exhibit the material and spiritual heritage of Lithuanian Jews with the aim of filling the vast cultural gap in the narrative of Lithuanian history and the worldview of its inhabitants resulting from the totalitarian regimes of the 20th century
- To enhance and cherish democratic and humanitarian values in society, based on the examples of global Jewish history and the tragedy of the Holocaust in Lithuania and Europe
- To offer foreign tourists an opportunity to get better acquainted with the history of the Lithuanian Jews
- To broaden visitors' (especially young individuals') horizons by focussing on the history of Lithuanian Jews
- To reflect the changes in the political and cultural environment in the light of historic precedents and modern cultural needs by organising respective events and exhibitions
- To broaden society's horizons and to enhance its sensitivity to the feasible dangers faced by modern democracies
- To introduce society to famous Jews of Lithuanian descent who played an important role in Lithuanian and world history, culture and art
- To develop the artistic taste of visitors by offering opportunities to get acquainted with the unique works of talented Jewish artists, including paintings, music and literature
- To strive for a memorable dialogue with different generations in society by invoking various forms of modern discourse, including a variety of opportunities offered by modern museology

The KGB Museum of Genocide is is located in the former KGB headquarters which were previously the headquarters of the Gestapo. In Vilnius most people simply call it the KGB Museum. It was established in 1992. The museum is dedicated to collecting and exhibiting documents relating to

- the 50-year occupation of Lithuania by the Soviet Union
- the Lithuanian resistance
- the victims of the arrests, deportations, and executions that took place during this period

The building was used by the KGB as offices, a prison, and an interrogation centre. Over one thousand prisoners were executed in the basement between 1944 and the early 1960s, about one third for resisting the occupation. Most of the bodies were buried in Tuskulėnai Manor, which underwent reconstruction and will become a second Museum of Genocide Victims.

In the Baltic (and Nordic) countries in particular there is a lot of activity and discussion relating to the role of museums both in their relation to the cultural and creative industries but also the role they play in tourism development. For example, in Latvia five new museums have recently been opened in Riga, including the 'reinvented' National Art Museum. Latvia is very active in a current NEMO (Network of European Museum Organisations) project looking at museums' cooperation with CCIs.[16] In Estonia, the National Museums Association launched an ongoing project specifically to enhance the contribution of museums to tourism.

In Lithuania there are over one hundred museums and there is no question that they are an important general tourism development resource but also in terms of attracting niche tourism segments, as for example as this case study suggests in relation to 'dark tourism'. They need particularly careful and imaginative interpretation and are an area where CCS/CCI innovative inputs could be particularly important.

7.7 UNESCO Creative Cities - Kaunas, UNESCO City of Design

With a population of 300,000 inhabitants, Kaunas is the second largest city of Lithuania and was the capital of the independent Republic of Lithuania from 1920 to 1939. During that period Lithuanian architects started to design and build houses in the style of modernism - Bauhaus - which was avant-garde in Europe at that time. This legacy remains, and design and architecture are still the main driving sectors of the city's creative economy.

Kaunas is making this legacy a stepping-stone to develop itself as a modern, creative and inclusive city. A wide cultural offering is provided through its sixty museums and galleries, as well as through festivals and fairs such as the Kaunas Architecture Festival (KAFe), the Design Week and the Kaunas Biennial. In addition, the city is home to the Architecture and Urbanism Research Centre, which supports design-driven creative hubs integrating features of traditional architecture into modern urban life.

As the architecture of buildings and streets retains the city's cultural identity and collective memory, the municipality has dedicated a large area of the old town to cultural and creative events. The city has made itself an environment conducive for creativity by establishing facilities for young entrepreneurs, such as the Talent Garden Kaunas and the Arts Incubator. Urban creativity, good quality of life and sustainable urban development are at the core of the on-going strategic development plan of Kaunas for the period up to 2022.

---

[16] See for example: NEMO (Network of European Museums Organisations/Excolo Latvia Ltd: Museums and Creative Industries Mapping Cooperation - Pilot Examination and Test Phase of the Methodology (2015)

In its role as a UNESCO Creative City of Design, Kaunas envisages:

- creating a municipal funding programme to support the mobility of young artists and students through residencies and exchange programmes within the Creative Cities Network
- nurturing collective memory with the use of information and communications technology (ICT) to develop a site for interactive memory storage and new applications showcasing and revalorizing the city's artistic heritage from the interwar period (1920-1939)
- developing joint initiatives with other UNESCO Creative Cities of Design, including brainstorming sessions on how to ameliorate public spaces with works of design to improve quality of urban life.

The Creative Cities Network at the beginning of 2016 consisted of 116 Members from 54 countries covering seven creative fields: Crafts & Folk Art, Design, Film, Gastronomy, Literature, Music and Media Arts. The UNESCO Creative Cities Network (UCCN) was created in 2004 to promote cooperation with and among cities that have identified creativity as a strategic factor for sustainable urban development. The 116 cities which currently make up this network work together towards a common objective: placing creativity and cultural industries at the heart of their development plans at the local level and cooperating actively at the international level.

By joining the Network, cities commit to sharing their best practices and developing partnerships involving the public and private sectors as well as civil society in order to:

- strengthen the creation, production, distribution and dissemination of cultural activities, goods and services
- develop hubs of creativity and innovation and broaden opportunities for creators and professionals in the cultural sector
- improve access to and participation in cultural life, in particular for marginalized or vulnerable groups and individuals
- fully integrate culture and creativity into sustainable development plans.

The objectives of the UNESCO Creative Cities Network are implemented both at the level of the member cities and at the international level through the following areas of action:

- shared experiences, knowledge and best practices
- pilot projects, partnerships and initiatives associating the public and private sectors, and civil society
- professional and artistic exchange programmes and networks
- studies, research and evaluations on the experience of the Creative Cities
- policies and measures for sustainable urban development
- communication and awareness raising activities

The designation of being a UNESCO Creative City carries certain advantages including raising a city's profile internationally but it has a spillover into tourism, just as designated UNESCO Heritage Sites automatically attract extra international tourism.

7.8 Gastrotourism and Lithuanian Tourism Development

Tourism is a major part of the contemporary experience economy and in which food plays an important role. Food is a key part of all cultures, a major element of global intangible heritage and an increasingly important attraction for tourists. The linkages between food and tourism also provide a platform for local economic development which can be strengthened by the use of food experiences for branding and marketing destinations.

Culinary tourism or gastrotourism is an increasingly important tourism segment globally and is being developed very actively in the Baltic and Nordic countries, building on the distinctiveness of traditional cuisines but often with a new twist.

Gastrotourism usually focusses on two areas. The first area is promotion of a country's traditional national and regional dishes often in the context of rural or regional tourism development. The second focuses on gourmet restaurants which tend to mainly be in urban locations and where 'reviews' of them are an extremely important part of the marketing, especially if they get featured in gourmet guides.

Each Lithuanian region has its own culinary specialties, which is why it is sometimes said that Lithuania has not just one national cuisine, but several. Aukštaitija (central/northeastern Lithuania) is renowned for its dough-based dishes such as pancakes and dumplings. The 'specialty' of Dzūkija (southern Lithuania) is mushrooms. In Suvalkija (western Lithuania) many meat products are produced, including skilandis (cold-smoked pig's stomach stuffed with minced meat and garlic), sausages and hams. In Žemaitija (northwestern Lithuania) there are many potato dishes.

Over the centuries Lithuanians have therefore created a unique palette of dishes, sometimes with foreign influences. A distinctive trait of Lithuanian cuisine is the preponderance of potato dishes. The most impressive of these is cepelinai ('Zeppelins'), large boiled potato dumplings (made from grated raw potato) with fillings of minced meat or cottage cheese. Other traditional potato dishes are various types of kugelis (potato loaf) and potato salad, potato pancakes made from grated raw potato or boiled potato (sometimes – with a meat filling), and small potato dumplings with mushroom or berry filling. Perhaps the most exotic Lithuanian dish is vėdarai or 'potato sausages' - pork intestines stuffed with grated raw potato, baked in a wood stove or electric oven.

An important place in Lithuanian cuisine is occupied by small dumplings (called koldūnai or virtiniai) made from dough and with a filling of meat, mushrooms, berries or cottage cheese. An interesting variety of koldūnai is "tinginiai" ("lazy bones") - half-moon shaped dumplings with a filling of freshly crushed blueberries. One of the most interesting Lithuanian soups is šaltibarščiai (cold beetroot soup), which is made from beets/beetroot, kefir (a fermented milk product), greens and boiled eggs. In most Lithuanian restaurants you can order kibinai and čeburėkai, which are imports from Karaite cuisine (see separate case study for information on the Lithuanian Karaite minority). Lithuania is actively building its rural tourism infrastructure, products and services and its culinary traditions are already being used quite a lot to make its rural destinations more interesting and distinctive.

In terms of gourmet restaurants, Lithuania, with the other Baltic countries, is slowly building its reputation with 'gastrotourists', a process which has been particularly stimulated in 2016 as restaurants in Lithuania were classed as excellent by the 'White Guide', the leading restaurant guide in the Nordic countries. In total, 10 Lithuanian restaurants were rated by the 'White Guide'. The highest rating was awarded to Sweetroot in Vilnius, which was also rated as the fourth best restaurant in the top 30 restaurants in the Baltic States. The sixth place went to Gastronomika (Vilnius), the ninth place went to Telegraphs (Vilnius), Monai (Klaipėda) took tenth place, Dublis (Vilnius) was the twelfth, and Uoksas (Kaunas) was the twenty-second. In addition, 'White Guide' ratings were given to Gaspar's (Vilnius), Lauro lapas (Vilnius), Monte Pacis (Kaunas), and Bučeris (Vilnius).

Gastrotourism, especially the gourmet strand, by definition usually involves higher-spending tourists and so the 'White Guide' recognition of Lithuania's progress in this area, combined with the promotional efforts of the Lithuanian State Council for Tourism, are now putting the country on the map for this kind of tourism. The diversity of Lithuania's regional cuisine augurs well for development of new products and visitor experiences in terms of rural tourism. The 'White Guide' is available as a book or an app. Where are the apps for foreign visitors wanting to sample Lithuanian cuisine in rural environments?

7.9 Local 'Ethnic' Colour - Tatar and Karaite Heritage and the Grand Duchy of Lithuania

Particularly in relation to urban tourism and city breaks, one 'old' but 'new' development has been an interest in the diversity and multiculturalism of certain destinations. New York and London are good examples of where many visitors positively enjoy being in an environment where there are racially and culturally different communities whose cultures, cuisines and even clothing are interesting to experience. The 'tourism market' is increasingly responding to this both in terms of demand and supply. Even organised visits to 'edgy' areas of a city are in some places becoming part of the tourism product offer. In mentioning something 'new' that is 'old', one should remember that for a very long time visits for example to 'Chinatown' in London or San Francisco, have been part of mainstream tourism and tourism marketing.

In Lithuania, there are few immigrants but it does have two of the most interesting ethnic minorities in Europe, the Tatars and the Karaims, both of which are a very potent reminder of the almost forgotten fact that for some centuries until the late 18th century Lithuania was the largest country in Europe, albeit in its later stages as part of the Polish-Lithuanian Commonwealth.

In Lithuania, Tatars and Karaims are frequently thought of as similar peoples. Both these communities have Turkic roots and their presence in Lithuania dates back to the 15th century when the borders of the Grand Duchy of Lithuania were not only on the Baltic Sea but also on the Black Sea. Both Tatars and Karaims originate from Ukraine/Crimea, their ancestors brought to Lithuania by Grand Duke Vytautas the Great.

Other than superficial similarities, Tatars and Karaims are very different. Tatars are Sunni Muslims. They were brought to Lithuania to serve as soldiers, their villages being established at the Grand Duchy borders and around the capital city Vilnius. They were highly valued and the lives of Tatar leaders were not dissimilar from the Catholic nobility. Tatars gradually lost their language and speak Lithuanian today but their Muslim faith survived and continued to distinguish them. Vytautas the Great brought in some 13,000 Tatars but today that number has dwindled considerably.

An additional influx of Tatars migrated to Lithuania together with other Soviet ethnicities, during what Lithuanians term as the second Soviet occupation (1944-1990). These Tatars however were mainly Volga Tatars who are in reality a different ethnicity. In total there are about 3,000 'Lithuanian Tatars' and Tatars from the Volga area. A third of them speak Lithuanian, meaning there may be 1,000 'Lithuanian Tatars' and the remainder are largely Volga Tatars who probably have Russian as their native or second language.

Tatar heritage in Lithuania includes four active mosques of which three are wooden village ones plus a brick one in Kaunas. There are Muslim cemeteries in Tatar villages of which surviving Tatar villages include Raižiai (Alytus municipality), Keturiasdešimt totorių and Nemėžis (both in the Vilnius district municipality). With the exception of the mosques there is little historical architecture left. In late June every year a traditional ethnic holiday 'Sabantuy' takes place in Trakai. Čeburekai,[17] a Tatar dish which used to be taken by soldiers to war, has been appropriated into mainstream Lithuanian cuisine as a popular 'fast food'.

[17] See case study on Gastrotourism.

Almost all Karaites are ethnic Karaims, a Turkic ethnicity, like the Tatars. Karaims, by contrast, practise their own Karaite faith. The Karaite faith is the smallest of the traditional religions in Lithuania. Although sometimes considered to be a type of Judaism, the Lithuanian Karaism followers have always considered themselves to follow a different faith.[18] No government that ruled contemporary Lithuanian territory has ever treated them as Jews, even the Nazi German regime considered Karaims to be a separate ethnicity, sparing them from the Holocaust.

Unlike Tatars, Karaims were always primarily city dwellers rather than soldiers. Initially brought by Vytautas the Great to Trakai and the Panevėžys area they eventually migrated to Vilnius. Karaites pray at Kenessas (synagogue-churches) and currently there are two Kenessas in Lithuania - one in Trakai and one in Vilnius. The Karaite community in Trakai is the most active. Trakai, near Vilnius, is a major tourist centre because of being a former capital of the Grand Duchy of Lithuania and because of its magnificent island castle. Until the 19th century Karaites enjoyed a separate town charter in Trakai and nowadays there is a Karaite museum there. The iconic three-windowed Karaite homes in Trakai's main street are another part of their heritage. Karaite culinary culture is also still alive there. Dishes, such as kibin pasties (in Lithuanian - kibinai) and krupnik, an alcoholic beverage are on sale locally in Trakai.

It is interesting that so little is known even to contemporary scholars of the close-to-extinction Karate and Crimean Tatar cultures yet they are an intrinsic part of Lithuania's history. Apart from representing a potentially rich tourism theme related to historical memory and Lithuania's dominant but largely forgotten place in European history. As with the case study about the project related to Jewish heritage, this is another area where CCS/CCI inputs could contribute to heritage tourism promotion related to these two ethnicities. As with a visit to Chinatown in London or San Francisco, a local ethnic Tatar and Karaite taste should not be missed and a Tatar ceburekai or Karaite kibnai pastie tried.

Is there an app, a film, a game, a virtual exhibition or any other kind of product the CCI sector produces which takes those visitors who are interested into Lithuanian history through Tatar and Karaite heritage? Is there anything that explains, preserves and promotes the confused origins and local and transnational histories of these groups and uses it as part of a colourful ethnic thread to enrich external perceptions of Lithuania's one-dimensional national identity?

7.10 Heritage and CCI Incubation - Raudondvaris Manor Ensemble and Art Incubator

Raudondvaris manor ensemble was an example of 17th century Renaissance architecture in Lithuania. The main building of the ensemble is a castle-palace with a tower. The estate consists of 3.8 hectares of park, two office buildings, an orangery, stables and an ice-house. The estate was owned by a number of prominent members of the Lithuanian nobility including Jan Eustachy Kossakowski, Janusz Radziwiłła, Jan Karol Worłowski, Anton, Józef, Henryk, Kazimierz Zabiełła, Michał, Benedykt Emmanuel and Benedykt Henryk Tyszkiewicz.

In 1831 the wooden castle building burned down and Count Tyszkiewicz had constructed a new manor house in brick using well-known architects of that time including a Prussian and an Italian. The new manor house became a luxurious residence in which he assembled a large number of paintings and other art works, including by Leonardo da Vinci, Caravaggio, Rubens and del Sarto, rare books plus exotic plant and animal collections. It belonged to the Tyszkiewicz family until the end of World War I.

[18] Unlike the Jews the Karaites do not recognise Old Testament commentary (such as the Talmud) as divine. Both Karaim and Hebrew languages are used in their liturgy.

This manor house plus the stables, an ice-house and the orangery have been restored in the last five years and adapted for cultural tourism purposes. The orangery was turned into a restaurant and banqueting rooms. Promotion of Raudodvaris Manor is the responsibility of the Kaunas regional tourism information centre and it has been open to the public since the summer of 2012. It also houses a Palace of Culture and Arts where conferences, concerts, presentations, civil registry marriages and celebration of other special occasions take place. The estate also houses collections devoted to the Tyszkiewicz family and Juozas Naujalis.

In 2015 the stables were adapted to be used for Arts Incubator activities. The adaptation of the stables now provides a theatre and concert hall with 500 seats and residential units for young artists from the Kaunas region and other parts of Lithuania.

There are many historic manor houses in Lithuania, Latvia and Estonia, some of which have already been restored and put to new use as schools or as a community facility. Raudodvaris Manor is a good example of animating a place intended for heritage tourism with contemporary cultural and creative arts practice and experimentation making it all the more interesting for visitors.

8. COUNTRY CONCLUSIONS AND OBSERVATIONS

The impressive progress that Lithuania, and indeed the other two Baltic states, Estonia and Lithuania, have made in the past fifteen years in terms of their tourism development augurs well for the coming years. The degree to which there has been progress is very clearly illustrated if one goes back to a UNESCO policy paper of the period 2001-2003 and one compares what was written then and what is happening now.[19]

While various challenges remain, Lithuania has very successfully transformed itself in the twenty or so years since independence. It is developing into a country which is following what is becoming a recognisable Scandinavian-Baltic model and integrating fully both with its two fellow Baltic states and the five Scandanavian 'elder sisters'. The challenges still remaining have been very frankly identified in the country's main strategy document and 'road map', 'The National Progress Strategy - "Lithuania 2030"' which appeared in 2012 and is supplemented by 'The National Progress Programme 2014-2020'.

In terms of the cultural and creative industries, in parallel and in cooperation with Estonia and Latvia, it has made very significant progress over the past decade, influenced in the early period in particular by British experience and involvement but whose development has become much more diversified in recent times. Policy related to the CCIs is mainly driven by the Creative Industries Promotion and Development Strategy which was initiated in 2007 and subsequently reviewed in 2009 and 2015. Two of the main development planks of the Strategy are the Creative and Cultural Industries Association (described earlier in this report) are 'art incubators'.

Although not specifically a funding document, the Strategy does make provision for funding of selected cultural industry projects, including for involvement in international events in the fields of visual arts, design and books.

In general one feels that at government level there is understanding of the actual and potential role of the cultural and creative industries but there is still a lot more to be done especially in terms of the maturing of what has been achieved such as the 'art incubator' programme and further development of the Creative and Cultural Industries Association. The latter, for example, is doing a good job and making an impact but is probably not working at full capacity because of resource constraints and because of needing more time to grow.

The launching of the 'art incubators' programme took place at a time when one senses that there was not a clear and single vision of what an 'art incubator' should be. They seem to have developed in various ways, some being somewhat similar to other types of industry incubator e.g. focussing on start-up businesses, while others are more akin to a hub where, for example, artists gather. The time constraint related to this study precluded any in-depth analysis of the success or otherwise of the 'art incubators' but in the past there has been at least some concern that some of them are too dependent on primarily public funding and that the base of their partnerships and other relationships has been restricted, thereby limiting their impact.

At one level down from central government at the municipal level, awareness of the role of CCIs seems to be uneven. Vilnius' Strategic Plan 2010-20, for example, is very much focussed on traditional socio-economic elements and a knowledge economy but without even mentioning the creative industries. On

[19] UNESCO and Estonian, Latvian and Lithuanian National Commissions for UNESCO: Baltic Cultural Tourism Policy Paper. Short version (2001-2003). http://portal.unesco.org/culture/en/files/23640/11033006043bct_short1.pdf/bct_short1.pdf

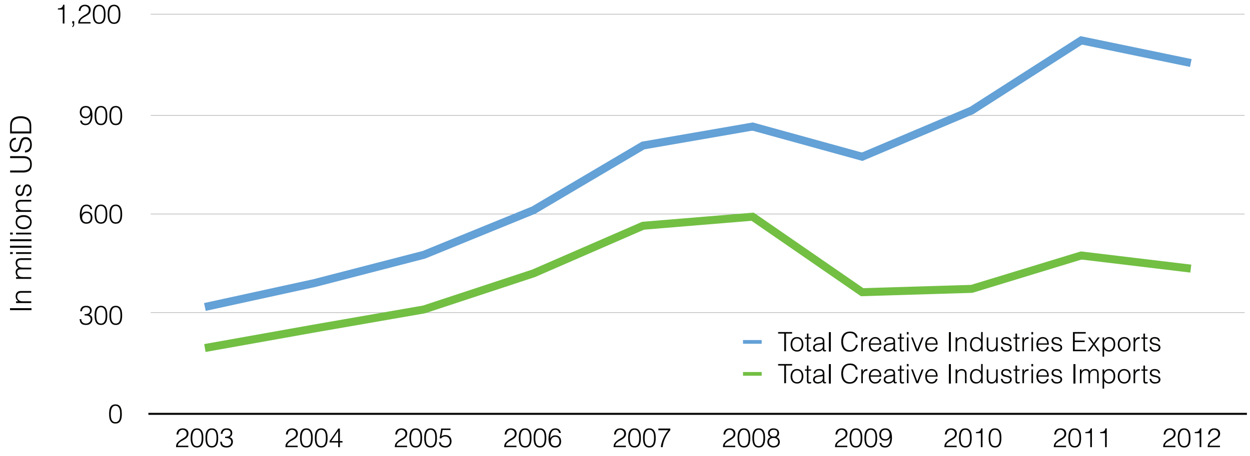
the other hand municipal enthusiasm in Kaunas, especially in relation to it joining the UNESCO Creative Cities Network (see case study), is quite evident.

The potential of the CCI sector and its link to tourism development through practical and imaginative government support and how this can make an enormous difference has been illustrated in Lithuania by a tax incentive scheme launched in 2014 related to shooting films in the country. Already in 2015 six feature films were shot in Lithuania as a result of the scheme. This included the BBC shooting a major television series 'War and Peace' primarily in Lithuania which has had a direct and dramatically immediate tourism impact both in terms of visitor numbers and a new tourism product, the 'War and Peace Routes' (see case study). In the same year other TV productions shot in Lithuania included a Finnish international crime series, part of a Japanese television series and a Spanish television production.

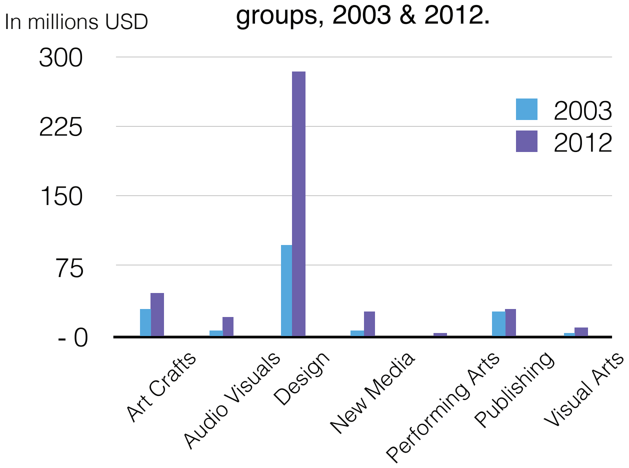
Appendix A. Key Facts and Figures

COUNTRY PROFILE - Lithuania						
Creative Industries Trade Performance, 2003 and 2012						
Lithuania	2003			2012		
	Value (in Million US$)			Value (in Million US$)		
	Exports	Imports	Balance	Exports	Imports	Balance
All Creative Industries	320.16	196.68	123.48	1,054.33	435.70	618.63
All Creative Goods	224.76	167.69	57.06	1,025.61	415.29	610.32
All Creatives Services	95.40	28.99	66.41	28.72	20.42	8.31

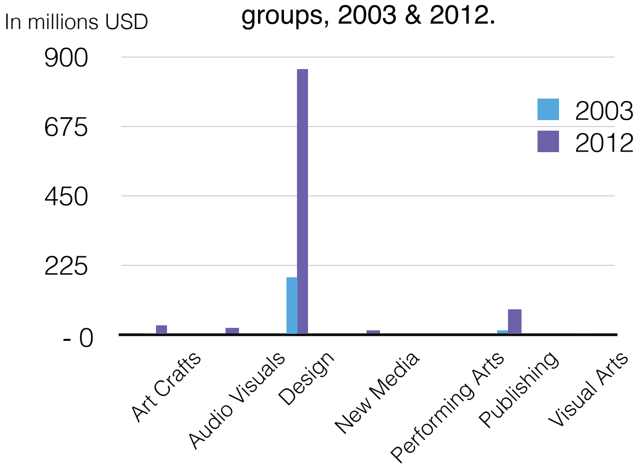
Lithuania: Creative Industry Trade Performance, 2003-2012.



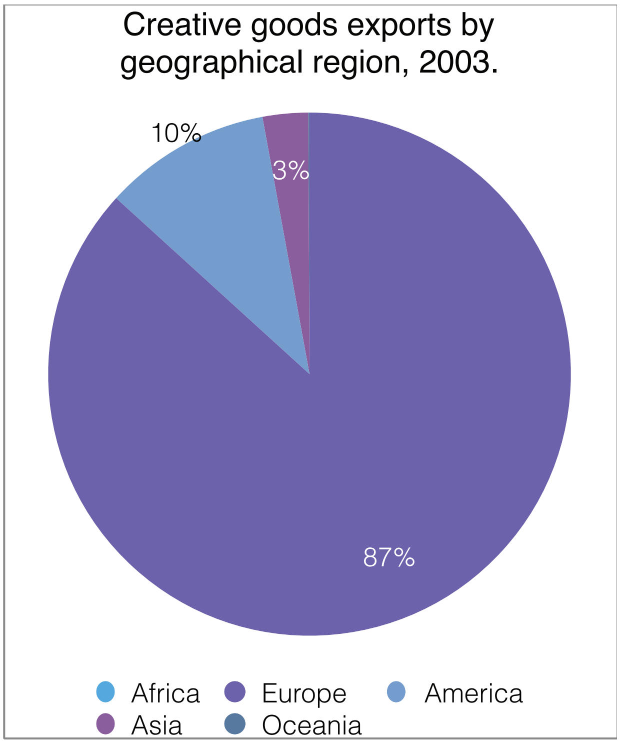
Creative goods, imports by product groups, 2003 & 2012.

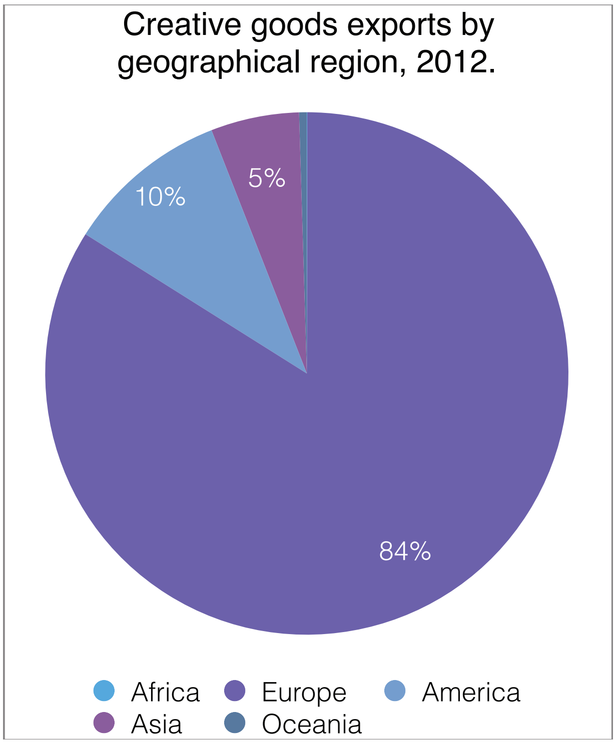


Creative goods, exports by product groups, 2003 & 2012.



Lithuania's creative goods exports went from $320 million in 2003 to $1,054.3 million in 2012. Imports also grew but at a different rate going from $196.7 million to $435.7 million, resulting in a positive trade balance of $618.6 million in 2012. The creative goods export that showed the best performance in 2012 was design. According to the Department of Statistics of the Republic of Lithuania, 6,149 companies with a total of 61, 297 employees operated in this sector in 2007.





TOP 10 EXPORT PARTNERS FOR CREATIVE GOODS, 2003 AND 2012

	2003				2012			
	Values in Million US $				Values in Million US $			
Rank	Country	Exports	Imports	Balance	Country	Exports	Imports	Balance
1	United Kingdom	43.30	9.63	33.67	Russian Federation	240.21	13.45	226.76
2	Sweden	28.97	6.26	22.70	Germany	110.27	62.03	48.24
3	Germany	26.93	16.58	10.35	United Kingdom	79.11	27.42	51.69
4	France	19.92	6.82	13.10	Sweden	74.65	6.46	68.19
5	United States	17.89	4.62	13.26	United States	60.93	2.65	58.28
6	Latvia	15.36	2.85	12.51	France	56.50	9.05	47.45
7	Russian Federation	15.02	8.71	6.31	Norway	43.01	1.44	41.57
8	Belgium	9.20	3.30	5.90	Latvia	41.59	22.37	19.22
9	Denmark	8.13	8.64	0.50	Netherlands	38.85	12.66	26.19
10	Austria	4.94	3.06	1.88	Spain	34.86	5.85	29.01

Source: http://unctad.org/en/PublicationsLibrary/webditcted2016d5_en.pdf

Appendix B. Key documents and sources

Bibliography

Ugnė Daubaraitė and Gražina Startiene: 'The Role of Creative Industries in Economic Development of Lithuania and Latvia' in Country Experiences in Economic Development' in Eurasian Studies in Business and Economics, Volume 5, pp. 91-103 (2016)

Estonian Ministry of Culture: Creative Industries in Estonia, Latvia and Lithuania (2010). http://www.esa.ee/cms-data/upload/files/CreativeIndustries_EstLatLit.pdf

The European Cultural Programme Centre: Creative Industries Mapping Document in Alytus and Utena Counties - Summary of the Study (2005)

Mindaugas Lauzikas and Rasa Mokseckiene: The Development of Creative Industries: The case of Lithuanian fashion design companies (2014)

Lithuania Ministry of Education and Science: Creative and Cultural Industries in Lithuania - a feasibility study (2008)

Lise Lyck: Strategy and Framework for Tourism in the Baltic Sea Region (Copenhagen Business School, 2012)

Lithuanian Ministry of Culture: The Development Trends of Cultural and Creative Industries 2015-2020 (2014)

The National Progress Strategy - "Lithuania 2030" (2012)

The National Progress Programme 2014-2020 (2014)

MITA: The Lithuanian Innovation Development Programme 2014-2020 (2013)

Akvile Normantiene and Vytautas Snieska: Role of the Creative Industries in Lithuanian Economy Development, Economics and Management, 19 (2) (2014)

OECD Economic Surveys: Lithuania 2016 - Economic Assessment (March, 2016)

OECD Tourism Trends and Policies 2016 (2016)

Egle Rindzeviciute: Post-Soviet Transformation of Lithuanian State Cultural Policy: the Meanings of Democratisation in Geir Vestheim (editor): Cultural Policy and Democracy (2015) pp. 71-86

Survey of Lithuanian creative industries sector competitiveness (2014)

NOTES