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EFFECT OF CIRCULAR ECONOMY ON THE SUSTAINABILITY OF CULTURAL TOURISM (CROATIA)

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ABSTRACT: Circular economy is a developmental concept promoted by the European Union and applied in practice by its member countries. When looking at the circular economy process, it is most commonly observed from the industry's point of view and its related processes. Tourism is less frequently observed, but in recent years, the circular economy application has become significantly more present in tourism, both in the hotel industry and in all types of tourism overall. This paper focuses on the issue of sustainable cultural tourism, emphasising supporting the protection and/or reuse of heritage, where the entire cycle is based on the principles of the circular economy. Sustainable cultural tourism should be founded on circular economy principles wherever applicable (heritage tourism, gastronomy, urban tourism, etc.). In this paper, we take a look at cities in Croatia that apply circular economy to sustainable cultural tourism. This paper's scientific contribution lies in the proposed guidelines for taking further action to create a "new" cultural tourism by adopting the circular economy's principles.

KEY WORDS: CSR, cultural tourism, circular economy, sustainability, local economic development

Introduction

In contemporary business, the circular economy represents a process that means applying the tenets of sustainable development in economic activities at all levels. Emphasis on the circular economy principles is also present in current initiatives in tourism, aiming to create sustainable tourism in all its elements. Heritage tourism is an essential segment in this regard. Sustainable development satisfies the demands of the current generation while aiming to preserve natural resources and the environment for future generations (Rudawska, Renko, Bilan, 2013). Based on the explored literature by various authors who tackled the topic of circular economy in tourism, the authors of this paper have reached the following research question – can sustainable cultural tourism in Croatia be achieved and how? The basis for creating sustainable tourism lies in understanding the concept of the circular economy.

Nevertheless, how specific forms of tourism can be developed remains, i.e. how can circular economy be applied to develop sustainable cultural tourism in Croatia? To that end, this paper explores various secondary pieces of research and available literature in order to determine the current stage of development of cultural tourism in Croatia. Based on the analysis conducted, the authors have provided guidelines for improving and developing particular cultural tourism forms. In addition to this introduction, the paper consists of an overview of relevant literature where the authors provide an overview of previous research pieces about cultural tourism and the circular economy. The section after that tackles how these two topics are connected, followed by specific examples of cities that have implemented best practices concerning the circular economy's application in cultural tourism. Ultimately, the paper ends with a discussion and conclusion, where the authors provide guidelines for applying the concept of circular economy in sustainable cultural tourism.

Literature overview

Research interest has been on the rise over the last ten years when it comes to defining and identifying the possibility of applying the concept of the circular economy that ensures sustainability in a specific area. Research focuses on how to benefit by shifting from linear to the circular economy. The EU has recognised the importance of this field, so the European Commission's new EU Circular Economy Plan (2020) specifies that the process of shifting towards regenerative growth should be faster in order to return to the planet more than we take from it. The Action Plan emphasises the neces-

sity to reduce resource consumption to a level in line with the planet's sustainability, which means reducing the effects of consumption and doubling the rate of the circular use of materials over the next decade. Vukadinović (2018) states that linear economy is based on a linear process encompassing resources, production, consumption and finally, waste. Protecting the living environment is neglected in this case, while circular economy aims the other way around. The circular economy is often defined as a sustainable development strategy that has to secure solutions for urgent issues concerning the endangerment of the living environment and lack of natural resources, which can be achieved by adhering to three principles: reduce, reuse, recycle. Drljača (2015) states that circular economy constitutes a significantly different approach to economic processes, not just in the field of sustainable use of material resources but also in social responsibility and equal economic development. The concept of linear economy is abandoned in such a way, as it has become too expensive and unsustainable to increase competitiveness in the long term. Furthermore, authors Šverko Grdić, Krstinić Nižić, and Rudan (2019) emphasise that the model that supports the concept of sustainable development is based on the transition from linear to the circular economy. This concept took shape as an efficient mechanism for achieving sustainability, which should, in turn, reduce environmental degradation, correct and prevent negative effects, as well as enable both entrepreneurs and the community in general to save money. Authors Šverko Grdić, Krstinić Nižić and Rudan (2020) defined that transitioning to a circular economy requires not only changing one single activity but systemic changes in the industry, social components, energy, transportation, agriculture and more. Change is necessary in all segments of economy, politics and ultimately in the lives of local communities.

Authors Kirchherr, Reike and Hekkert (2017) define a circular economy as an economic system that replaces the "end-of-life" concept with reducing, reusing, recycling and recovering materials in the production/distribution and consumption processes. It operates at the micro-level (products, companies, consumers), meso-level (eco-industrial parks) and macro-level (city, region, nation and beyond), intending to achieve sustainable development, thus ensuring the quality of life and safe and continuous economic local development. The end goal is the benefit of all current and future generations. Author Sabol (2019) states that the initiative combines an approach of consuming less with an approach of consuming differently, i.e. ecologically friendly. According to Fusci and Girard (2016, p. 67), a circular economy does not only concern the waste cycle; it pertains to economic synergies and symbiosis between different industrial activities, cities and industrial systems and more. It is the regenerative economy of materials and energy, water,

natural, cultural and social resources. Looking at circular economy in general, a crucial aspect is how it can be applied to tourism to improve the local community’s quality of life and tourists’ stay at a destination and ensure the sustainability of a destination with appropriate regional development. Tourism causes change at a destination. Thus, it is necessary to develop new tourist attractions on top of the existing resource base that will be in line with the destination’s values and identity.

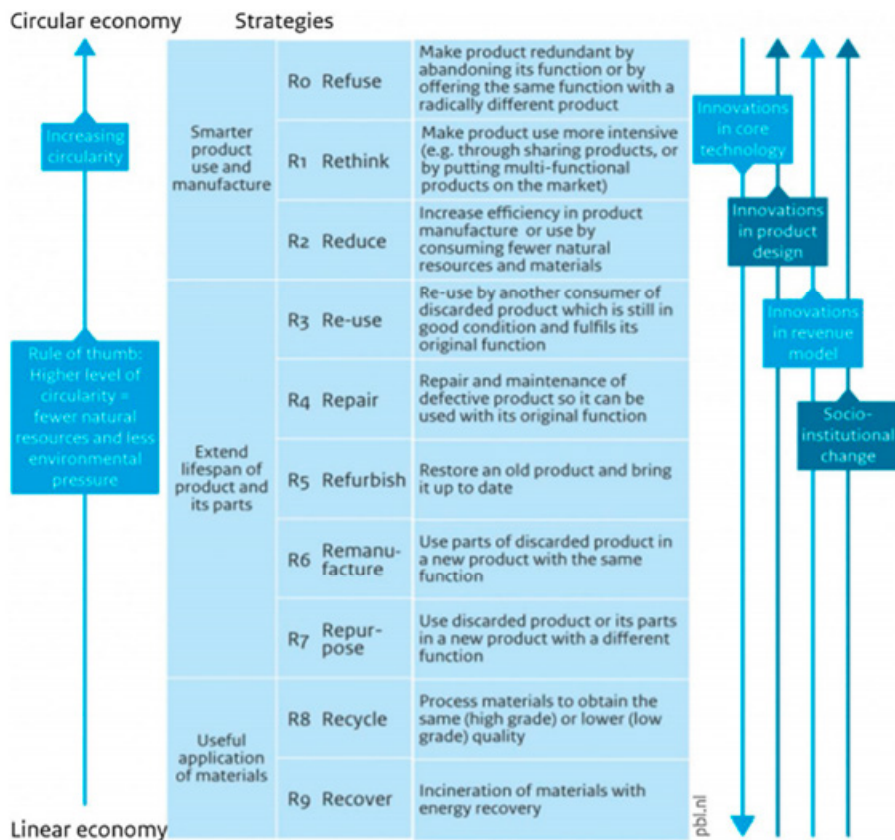


Figure 1. Circularity strategies Employed for Adaptive Reuse of Cultural Heritage Buildings
Source: Foster, 2020.

The circular economy concept was initially based on the 3R principle – reduce, reuse, recycle, but it has since been expanded to 6R – reuse, recycle, redesign, remanufacture, reduce, recover (Jawahir and Bradley, 2016, p. 105). When looking at the circular economy through the perspective of heritage, the principles of restoration and rehabilitation can be used (Fusco and Nocca,

2019, p. 70), which is particularly important for preserving and presenting cultural-historical heritage. Furthermore, according to Foster (2020), when it comes to renovating buildings with a cultural-historical value, other principles may be added: refurbish (modernisation for reuse), repurpose (use components of old products for new purposes) and refuse (no raw materials needed). The authors use the R0-R9 scheme regarding the circular economy and point out that the circular economy's goal is the macro-level transformation to sustainable economy. This goal cannot be achieved unless the micro-level transformation has also been undertaken.

The concept of circular economy is interesting for researchers in all aspects of human activity. However, governments have to adopt policies and laws to fully encompass its elements in as much detail as possible to ensure the sustainability of a location and life in it. The synergy between all stakeholders is paramount for this task, encompassing all levels from local self-government units through ministries and the public sector in general to entrepreneurship and scientific institutions. It is only through joint action based on the circular economy's principles that satisfactory results can be achieved to ensure sustainable development sufficient for current and future generations.

The link between circular economy and sustainable cultural tourism

Cultural tourism is a specific type of tourism that has become more prominent in the tourism market over the last decades. The contemporary tourist has access to various cultural attractions, events, resources at tourist destinations. In contrast, the cultural offer at destinations has become an integral part of all other tourism types. Contemporary tourist destinations aim to present their cultural values and their cultural-historical heritage, thus becoming more recognisable and competitive on the tourism market. Various authors have researched and contributed to defining cultural tourism's complexities, which essentially represents a form of tourism where tourists were spending time at a tourist destination based on culture and art (McKercher, Du Cros, 2002; Pančić Kombol, 2006; Csapo, 2012). Sustainable tourism is exceptionally important for contemporary business on the tourism market. It emphasises a destination's values that must not be lost to the pressures of tourism and how tourists affect the natural and cultural resources. The principles of sustainability refer to the natural, economic and socio-cultural aspects of tourism development. An appropriate balance must be struck between these three dimensions to ensure long-term sustainability

(Jegdić, Škribić, Milošević, 2013). Sustainable tourism planning in a destination is identified as a process in which leading members or groups of the local community see their future and develop the necessary procedures and processes to achieve that future, taking into account internal capabilities on the one hand and external facts other. Tourist destinations develop very different forms of tourism, and each type of tourism aims to achieve sustainability (Butler, 1999; Pforr, 2001), which is particularly true for cultural tourism. The goal is to achieve sustainable cultural tourism, which means ensuring the safety of and improving the value of a destination's resource base serving tourists as contemporary explorers. The European Union defines sustainable cultural tourism as the integrated management of cultural heritage and tourism activities in conjunction with the local community creating social, environmental and economic benefits for all stakeholders, to achieve tangible and intangible cultural heritage conservation and sustainable tourism development. The EU, in its guidelines for sustainable cultural tourism, provides recommendations concerning sustainable cultural tourism to particular stakeholders in tourist destinations (EU members, local governments, tourists, etc.). The importance of heritage was further elevated when the EU named 2018 as the European Year of Cultural Heritage. Sustainable cultural tourism was highlighted as one of ten initiatives for that year (EU, 2019).

Sustainability is paramount when it comes to cultural tourism if it is oriented on cultural-historical heritage and all activities undertaken to preserve and present it appropriately. According to Kožić and Mikulić (2011), the three essential dimensions of sustainability, both economic and tourism, are ecological, social, and economic sustainability. Additionally, sustainable tourism is achieved when all three dimensions are accomplished simultaneously. It means that sustainable tourism cannot degrade the natural and cultural resource base. It cannot be at odds with either the local population or tourists' needs and desires, and it must guarantee a reasonable return on investment. According to the presented definitions, sustainable cultural tourism can be present in all its subtypes whose development includes preserving the local population's cultural-historical values, taking into consideration a tourist destination's cultural and natural values as preserving them for future generations.

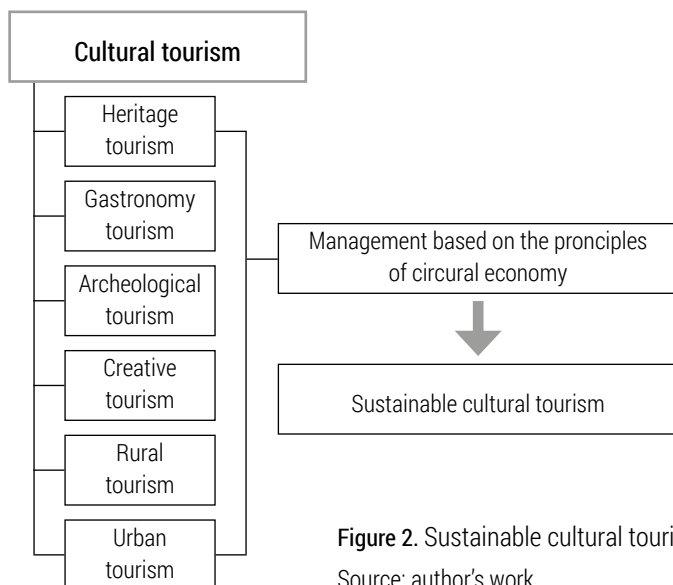
Cultural-historical heritage is closely tied to a destination's identity, and managers in tourism aim to use cultural values to further emphasise this integration to create a difference between similar tourist destinations worldwide. Whether cultural tourism, especially cultural tourism focused on heritage, is sustainable and to what degree. Is heritage-based tourism achievable on the principles of linear or circular economy?

To that end, Girard (2017) states that heritage reuse can revitalise the local economy with jobs, new businesses, tax revenues, and local spending; it can provide valuable wildlife habitat and recreational amenities and regenerate values. From the cultural/landscape perspective, adaptive reuse is a way to put the circular economy's principles into practice. Reuse, restoration, rehabilitation, etc., are improved through circular processes. When the principles of circular economy are applied to the restoration and revitalisation of old resources (small historical cities, old buildings, old furniture, etc.), cultural-historical heritage can gain new value and be repurposed for tourism. This facilitates regional development and population satisfaction. The population then has access to both preserved cultural-historical heritage and contemporary values such as employment options, pride concerning traditional values and more. Tu (2020) states that historic buildings' adaptive reuse has become a popular method to reinvigorate culture, manage heritage, and develop tourism. Gravagnuolo, Fusco Girard, Ost and Saleh (2017) state that the adaptive reuse and regeneration of abandoned cultural heritage contributes to a circular urban-territorial economy which extends the life cycle of heritage by giving it new uses as well as contributing to economic development, employment and more. Nedyalkova (2018) points out that local governments can protect their environments through adaptive reuse, as such projects generate much less waste than new construction. Reusing existing buildings saves energy and reduces greenhouse gas emissions by avoiding new construction and diverts demolition waste from landfills.

Taking into consideration the facts presented above and by further contemplating possibilities, sustainable development of cultural tourism becomes achievable by creating different subtypes of cultural tourism (figure 1) such as:

- archaeological tourism (Kececioqli, Dagli, Cengiz, 2018; Afrić Rakitovac, Urošević, Vojnović, 2019),
- heritage tourism (Du Cros, 2001; Foster, 2019; Alazaizeh, 2014),
- creative tourism which is based on creativity included in cultural and creative industries (Rudan, 2012; Korez-Vide, 2013),
- gastronomy tourism which includes using local ingredients to reduce the supply chain (Yurtseven, 2011; Yurtseven, Karakas, 2013),
- rural tourism (Muresan et al., 2016),
- urban tourism (Lerario, Di Turi, 2018) and more.

Elements of sustainable cultural tourism are present in all segments of the offer provided by different tourism types and have taken the forefront in strategic planning of tourist destination development over the recent decades.



The diversity of potential types of cultural tourism based on the principles of circular economy can bring sustainability to tourist destinations in the form of cultural-historical heritage and preserve the area's identity where tourism is in development.

Examples of circular economy in sustainable cultural tourism in Croatia

The circular economy is a model that is being considered in the Croatian economy. However, it has not yet been sufficiently applied in all segments. The model itself is insufficiently represented in papers researching tourism. This lack of research and consideration stems from a host of limitations, particularly due to sustainable tourism development policies not being sufficiently implemented. According to Andabaka (2018), Croatia needs to overcome the limitations rooted in a poorly defined legal framework, lack of policies for promoting circular economy, lack of infrastructure dedicated to increasing the value of secondary materials and reducing landfilling, and a lack of public awareness on the advantages of circular economy and sustainable waste management. The author explores the economy in general and points out the lack of application. This paper may be considered a continuation of that research as it analyses cultural tourism and why the circular economy principles are not more present in Croatia's cultural tourism.

Cultural tourism in Croatia has seen intensive growth and development, especially in the last twenty years since the Strategy of Development of Cultural Tourism (Ministry of Tourism, 2003) and the Action Plan for Cultural Tourism (Tomljenović, 2015) were adopted. With varying success, Croatian tourist destinations have opened and created their cultural-historical values based on their tourism offers, which indicates that cultural attractions and events have become a more prominent reason for tourist arrivals to the country. Based on the TOMAS Institute for Tourism, back in 2001, this motivation was the primary reason for 7.5% of tourists, and it increased to 12.3% in 2017. According to the latest TOMAS research results (2020), in the year 2019, this went up to 13%. When looking at regions, the percentage for Adriatic Croatia is 12.7%, and in Continental Croatia, it is 15.7%. Sea (81%) and nature (56%) are the most important motivations for visiting Adriatic Croatia, and the most important motivations for visiting Continental Croatia are nature (32%), touring (26%), and city break (26%). In 2019 culture polled sixth in both regions, so plans for further development should include sustainability in cultural tourism.

Using the circular economy principles results in many benefits for cultural tourism, primarily through the preservation of a destination's cultural identity. The local population identifies with its environment's traditional values, and sustainable cultural tourism ensured the preservation of identity and pride of one's heritage. Economic benefits pertain to the possibilities opened up to the local population by a "new" cultural attraction in the form of potential employment and improving the regional development of a tourist destination. The circular economy principles also create an environmentally sustainable destination that involves not creating new tourist attractions, but repurposing, refurbishing and restoring a destination's existing resource base instead. According to Korhonen, Honkasalo and Seppala (2018), social goals include sharing economy, increased employment, participatory democratic decision-making, and more efficient use of existing tangible material capacities through cooperative and joint action. Cultural heritage adaptive reuse, which applies the circular economy model operationally (Angrisano et al., 2016), can ensure that cultural heritage continues to "live" for present and future generations by ensuring use-values indefinitely, thus preserving the heritage's intrinsic value. The opposite is also true – abandonment and obsolescence threaten their existence (Nocca, Fusco, 2018, p. 40). Restoring cultural-historical heritage (old buildings, historical towns, industrial complexes) is not just the foundation of how we think about tourism development; it is also something that adds value to the local community and its pride. It is how heritage is protected, how the local community's living space gains quality, how the quality of life increases, and how regional devel-

opment is enabled. According to Hardy et al. (2002), more effort is dedicated to environmental preservation and the economic effects of tourism than to the local community's impact, even though the realisation of sustainable tourism development depends on the same local community. Restoration of old objects for tourism or for personal or community requirements is not just limited to the restoration itself, it is a model that enables reusing cultural-historical heritage on the principles of circular economy striving for sustainable development. Müller's work (1994), back from the very beginnings of sustainable tourism development, is essential in this regard as he observed the balance between key factors of development without domination, as seen in the magic pentagon (figure 3). The magic pentagon can be used to maximise benefits and minimise costs for the local community. It can be applied to a destination's cultural resources when the destination does not adequately manage those resources or simply lacks the interest for reusing them to benefit the local community and the tourist offer.

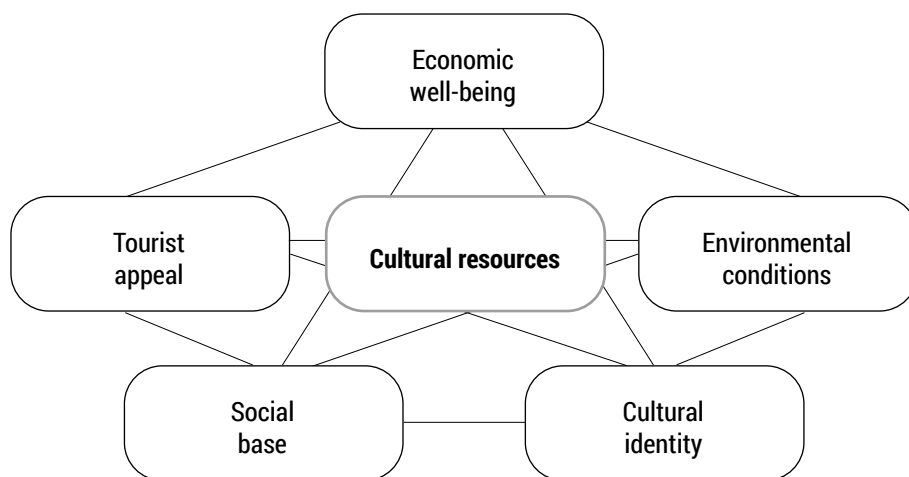


Figure 3. Pentagon of sustainable cultural tourism

Source: author's work based on Müller, 1994.

According to the Croatian Ministry of Culture, old medieval towns (burgs, forts) are particularly at risk, mostly because of their geographical positions, difficult access and lack of documentation in the sense of problematic ownership structures. Built cultural heritage, in general, is exposed to the permanent effects and pressures of modernisation. Valuable built heritage in Croatia is in a bad state due to many factors such as war devastation, neglect and lack of maintenance, lack of funding, unsolved property-legal matters, disregard for legal regulations and lack of penalisation, and insufficient awareness

of the value of heritage. Cultural-historical heritage is often restored by means of construction work done without proper expert verification by conservators. There is no statistical data on how much of the cultural-historical heritage has been restored. Therefore, it is impossible to determine what was achieved to create a cultural tourism offer based on a circular economy. Regardless of this situation, there have been positive examples in Croatia over the recent years, often co-funded through EU projects.

Examples of good practices of applying the concept of circular economy in cultural tourism in Croatia:

a) Revitalization of St. Michael's Fortress – Šibenik

A well-known example proving that cultural-historical heritage can be turned towards sustainable development on the principles of circular economy is St. Michael's Fortress in Šibenik. Restoring the fortress provided the City of Šibenik with a new tourist attraction to create innovative cultural-artistic, educational and other contents. During the revitalisation, attention was paid to all details, and the circular economy and sustainability guided them. As a result, all existing spaces have been given a new, more modern purpose, in line with recommendations to ensure sustainable development. The revitalisation of St. Michael's Fortress involved infrastructural work on an area of 2600 m² which encompassed the construction and design of a summer stage with room for 1077 visitors and refurbishing the subterranean level of the fortress. The project was funded from European sources and national funding (<https://tvrjava-kulture.hr/>).

b) The Routes of the Frankopans – Primorje-Gorski Kotar County

Interpretation centres are being opened in castles and buildings around the Primorje-Gorski Kotar County as part of the Routes of the Frankopans project, which is also funded through European projects and national funding. The castles located along this route were in a dilapidated state, neglected and non-functional. With the renovation of the castles, a new tourist product was designed, resting on sustainable foundations. During the renovation, the castles were renovated in accordance with the requirements of monument protection based on a circular economy, i.e. they were restored with the existing material. The Nova Kraljevica Castle is the first station on a historical and cultural journey that invites visitors to explore the rich material and spiritual heritage of the Frankopans and Zrinskis. The old castle became an interpretation centre for visitors, thus having a new cultural-touristic function (<https://frankopani.eu/>).

c) **Petrapilosa Castle – Buzet**

Another positive example is the Petrapilosa Castle located near the city of Buzet. The first written sources mention this castle in the X. century. The castle served to guard the entire valley of the Mirna River and central Istria. The medieval castle is situated on a high rock dominating the wider surroundings. For centuries it was an excellent military-defensive position from which any movement in the field or road across the valley was controlled. In recent years it has been much neglected and was in a dilapidated state. In 2019 the castle was completely reconstructed, taking care to restore and preserve its original form. Original materials were used, ensuring the application of the concept of a circular economy. Today, the castle has a new function and is used for cultural tourism events (<http://www.buzet.hr/>).

d) **The City of Rijeka – European Capital of Culture 2020**

Rijeka – European Capital of Culture 2020 is the most recent and most significant example of Croatia's circular economy. Not all of the programme, especially events, has been run because of the pandemic. However, there are active programmes concerning the adaptive reuse and regeneration of buildings to give them a new purpose. Three industrial heritage buildings in the area of the former Rikard Benčić industrial complex are being repurposed for culture. They will include the Rijeka City Museum, Rijeka City Library, and the Children's House intended for developing child creativity, the first of its kind in Croatia, and the Museum of Modern and Contemporary Art.

Additionally, the ship *Galeb* is also being restored and turned into a ship-museum and cultural-tourist attraction in Rijeka. Furthermore, a space called RiHub was refurbished in the city centre, serving as the central hub for information about the European Capital of Culture project and as a place for citizens to gather, educate, coworking and creative development. The City of Rijeka and the Port of Rijeka Authority refurbished the former space of the Exportdrvo company at Delta, a large building where various programmes can be held. Industrial spaces constructed and active during socialisms have not been used since they were closed, and they were consequently left unrecognised in terms of culture and tourism. Reusing these former manufacturing facilities like museums, libraries, and more will benefit the local community and the city's tourist offer. Abandoned industrial spaces hold incredible potential for contemporary urban planners as well as creators of cultural development and a destination's tourism products (<https://rijeka2020.eu/>).

e) **Diffuse Hotels**

When broadly looking at cultural tourism, the new ground can be broken in the sustainability of accommodation capacities by developing diffuse

hotels in historical areas located mainly in Adriatic Croatia. According to the Croatian Ministry of tourism, there were two diffuse hotels in Croatia in 2020, Vela Vrata in Buzet (Istria) and Ražnjevića Dvori in Polača (Dalmatia). Fusco Girard, Nocca and Gravagnuolo (2019) state that a widely spread diffuse hotel is a well-known innovative hospitality concept that can simultaneously generate cultural and ecological benefits. This type of hotel was first mentioned in Croatia in the Regulation about the Classification, Categorization and Special Standards for Hospitality Facilities (2016) as a functional unit comprising three or more buildings and/or parts of buildings integrated into the local community and way of life of a settlement. Each building or part of the building has to have a separate entrance, horizontal and vertical communications. It is a tourist and accommodation facility located in a city's historical centre comprising several nearby buildings that provide hotel services. A diffuse hotel opens up new possibilities within the existing boundaries of small historical cities. Heritage hotels are also counted as hotels in historical buildings, and there is a total of 46 of them. According to the same Regulation, a heritage hotel is a functional unit comprising a part of a building, one or two buildings. These are territory development models that do not further impact the environment as they restore and reuse existing historical buildings without any new construction (Regulation, 2016).

f) **Gastro- and enotourism**

Gastronomy tourism as part of cultural tourism involving traditional values of tourist destinations in Croatia constitutes a significant element of creating recognizability and competitiveness on the tourism market. By using traditional ingredients and recipes and reusing the remains and leftovers in further manufacturing, we create sustainable tourism foundations based on a circular economy. The same can be applied to enotourism, wine production, and wine directly at a tourist destination, for example, by designing wine trails. In addition to wine trails, other agricultural products can impact trails, especially in Istria, Croatia's most famous gastro destination, which includes olive oil trails, Istrian prosciutto trails and trails for other autochthonous foodstuffs. When approaching the creation and promotion of a tourist offer from this angle, it may reduce the length of the supply chain, i.e. food is used at the location where it was produced and frequently so in a traditional manner. Branding and monitoring the production and sales of traditional food ensures recognizability. However, it should be emphasised that the initiative for such an approach to designing and applying the gastro offer needs to stem from the local community. The local community has to head such initiatives. With a rise in global trends towards local food and traditional recipes, such strategies are a welcome addition to every tourist destination attempting to build its specific offer (Moira, Mylonopoulos, Kontoudaki, 2015).

Discussion

Sustainable cultural tourism is based on the principles of the circular economy. Thus, Croatia needs to become faster at adjusting the administrative and regulatory frameworks that shape the base of the initiatives and innovations that entrepreneurs in tourism and hospitality are willing to undertake. Local partnerships are very important for local communities as they enable faster and better access to circular economy concepts focused on sustainable development. The most prominent role here – angry, is played by local (self) governments. They should be the ones who determine whether the area possesses the resource base to reuse resources in accordance with sustainable development and the principles of circular economy (e.g. old medieval towns, forts). A common problem is the complex ownership of particular objects that prevents reconstruction. Regardless, models should be developed through which local governments and self-governments could encourage and facilitate new types of cultural-tourist offers based on reusing cultural-historical heritage.

Furthermore, an important matter to improve is communication with the Ministry departments that have jurisdiction over protecting target objects of cultural-historical heritage. Restored historical heritage opens up new possibilities for the local population as stakeholders of the tourist offer. In addition to cultural tourism being connected to local values and pride of one's traditions in all its subtypes (heritage, gastronomy, creative, rural), it increases employment and the local population's life satisfaction at the destination. It is paramount that all stakeholders involved in developing sustainable cultural tourism act in synergy to achieve sustainable cultural-tourism products. Authors Rodriguez, Florido and Jacob (2020) state that governments, businesses in tourism and individuals need to participate actively and that information campaigns could increase the degree of social awareness among stakeholders in the sector for the transition to a circular economy model.

Tourists are also significant stakeholders in maintaining a tourist destination's sustainability. They have to be aware of the impact they can have on the location, their environmental footprint. They also need to respect the local values of the destination they are staying. They should use local products and services and local creative industries, which enables successful local economic growth.

Conclusions

The circular economy concept aims to achieve sustainability and is becoming more prominent in contemporary destinations worldwide. The goal of all destinations planning future growth is to achieve sustainability in all tourism types they are developing. Cultural tourism, which has become more significant over the last few decades, is no exception. Achieving sustainable cultural tourism based on circular economy principles requires that all stakeholders involved in fulfilling this task act in synergy. The goal is to both empower a destination's values and to preserve them for future generations. Cultural-historical heritage with elements of circular economy has the potential to become a new tourist attraction (adaptive reuse and regeneration), with all stakeholders (local population and tourists) being satisfied with the changes made. Contemporary tourists are explorers searching for a destination's identity, and it is thus necessary to shift destination development towards a circular economy. The authors propose that circular economy becomes as connected as possible to cultural tourism and sustainable development because tourism is an all-encompassing activity with numerous possible approaches and relationships between stakeholders. Optimal use of a destination's resource base, preservation, and revitalisation also ensure the destination's economic sustainability – economic success, employment, local economic development, and more. This paper has some flaws as there was no primary research piece. However, the contribution is based on the analysed examples in Croatia, emphasising Rijeka – European Capital of Culture 2020.

Based on the research and reflection carried out on the development of sustainable cultural tourism on the principles of the circular economy, i.e. the realisation of new cultural tourism that respects the principles of the circular economy, it is necessary to follow the following guidelines:

- research of the cultural and historical heritage that the tourist destination possesses, because only based on a sufficiently researched heritage can an enhancement of the tourist product be created – this process must involve the local administration (municipalities, cities), nature conservation departments, the Ministry of Culture; in this part of Croatia there is a problem of ownership structure, which is often an obstacle in initiating such project ideas,
- if the value of cultural and historical heritage is known, it is necessary to educate, i.e. make known, the destination management, local population and entrepreneurs about the values that exist in the destination,
- cultural and historical heritage must be adequately protected and adequately restored in accordance with the principles of the profession concerned with the protection of cultural and historical heritage,

- a substantially new way of using the restored heritage should be considered by all tourism destination stakeholders (local people, businesses, local governments, tourist boards, associations, etc.); this step will establish the principles of the circular economy, which must involve all destination stakeholders, improve the quality of life in a tourism destination.

Moreover, the authors propose that further research be conducted on stakeholder attitudes, stakeholders including destination managers, local governments and self-government, and the local population, on the importance of implementing circular economy principles in contemporary cultural tourism. Research should be conducted through guided focus groups that include people who have their interests and their views about the future functionality of a particular cultural and historical heritage in a tourist destination. The conclusion is that it is only through joint action by all stakeholders that sustainable tourism can be achieved and, consequently, increase the quality of life in cities and tourist destinations.

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The contribution of the authors

All authors participated equally in conception, development, literature review, data acquisition, analysis and interpretation of data.

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