THE ROLE OF CREATIVE CITIES IN REGIONAL DEVELOPMENT

Marinela Krstinić Nižić¹, Elena Rudan⁸ & Maša Trinajstić⁹

UDC / UDK: 338.48:316.7(497.5-25Rijeka)
JEL classification / JEL klasifikacija: R1, Z32, Q01
DOI: https://doi.org/10.22598/pi-be/2019.13.1.35
Preliminary communication / Prethodno priopćenje
Received / Primljeno: March 20, 2019 / 20. ožujka 2019.
Accepted for publishing / Prihvaćeno za tisak: May 15, 2019 / 15. svibnja 2019.

Summary

According to the European Agenda for Culture, cultural and creative industries can contribute towards the transformation of the economy; they can become a tool for promoting the sustainable development of European Union cities. Many cities and regions possess huge potential for local and regional development due to the spill-over effects on the broader economy. This paper aims to examine the way the analysed European cities design models to manage their cultural and creative resources for the purpose of generating new investment opportunities. The authors identify the potential and opportunities in selected European cities alongside the participation of citizens as representatives of diverse spheres of interest. The paper deals with the issue of how to unlock the potential that the art and culture of cities have. For research purposes, in-depth interviews were conducted with key stakeholders of the cultural and creative sector of Rijeka. Citizens benefit from and participate in creating the local economy, with the aim of building a unique identity of cities based on which targeted investments will be made to ensure development, economic growth and new jobs. As the new economies of the twenty-first century are based on knowledge and “clean industries”, the paper’s authors put forward for Rijeka a series of measures focused on cultural and creative industries. In conclusion, cities are key places for the development of cultural and creative industries and the growth of these industries can be expected to fuel further development in the economic and the tourism sector.

Key words: cultural and creative industries, creative city, tourism, Rijeka.

¹ Marinela Krstinić Nižić, Ph.D., Associate Professor, University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia, E-mail: marikn@fthm.hr
² Elena Rudan, Ph.D., Assistant Professor, University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia, E-mail: elenar@fthm.hr
³ Maša Trinajstić, Assistant, University of Rijeka, Faculty of Tourism and Hospitality Management, Opatija, Croatia, E-mail: masat@fthm.hr
1. INTRODUCTION

In the past ten years or so, cultural and creative industries have become a popular direction for the local development of cities. Many cities employ these industries as tools to drive economic development and to gain greater visibility in the broader environment, particularly in synergy with tourism. The European Agenda for Culture (2018) is based on promoting cultural diversity and intercultural dialogue as well as on increasing competitiveness in the cultural and creative sector, aimed at promoting smart, sustainable and inclusive growth (European Commission, 2019). Many countries, regions and cities have made considerable efforts to accentuate their cultural and creative identities and potential as comparative specific features and distinctiveness within the global competitive context of urban development (Su et al., 2018). Taking into consideration the physical constraints to community and city development in the past several decades, creativity has become a leading powerhouse for the growth and development of cities, regions and nations (Švob-Dokić et al., 2008, 62). The contemporary notion of creativity as an inexhaustible source of fresh ideas for the economic development and growth of entrepreneurship has led to the broad distension of the basic concept, resulting in the planetary popularisation of creativity, but with a growing risk of reaching a level where it could become meaningless (McGuigan, 2004, 9).

Creative industries refer to a wide area of activities which include the cultural industries; they are based on knowledge and skills, and the capacity to transform knowledge into new knowledge and ideas that impact innovativeness and concrete application (for example, through new technologies). Creative industries are defined as industries whose origins are grounded in individual creativity, skills and talent, and that possess potential in generating profit and creating new jobs through building and exploiting intellectual property (Staines and Mercer, 2013). Cultural and creative industries are today considered within the context of development and the effect that culture can have on the development of the economy, tourism, urban planning and society, in general. Because public budgets for culture have been continuously shrinking, market positioning thinking has begun to look upon culture as a resource. Accordingly, in the past decade there has been a certain shift in the perception and understanding of culture. It is no longer seen exclusively as a budgetary burden or as a symbolic trimming of political power. Instead it is increasingly identified through creative achievements in the production of cultural and creative industries (Švob-Dokić et al., 2008, 77). The ability of a community to enable the creative classes to take action and promote their ideas opens up room for cultural and creative industry development. Thus, Tomašević (2015, 47) underscores the importance of creative workers (actors, dancers, musicians, sculptors, painters, writers and others), who are located at the beginning of the value chain of cultural and creative production, provide basic creative material and, with the value transactions taking place among them, represent a key part of economic flows.

Today cultural and creative industries are among the most dynamic sectors of world trade. According to the 2015 Ernst & Young report, the world market value of cultural and creative industries amounts to US$ 2,250 billion per year (3% of the world GDP), with these industries employing about 29.5 million people. Cultural and creative
industries provide employment to 1% of the world’s active workforce. According to the 2017 data of the Department for Digital Culture, Media & Sport (DCMS), the creative and cultural sector accounts for 16.4% of jobs in Great Britain, representing the greatest increase since 2011 (Department for Digital Culture, Media and Sport, 2017).

The data of the Institute of Economics, Zagreb, show that in 2012 the gross added value of these industries in Croatia amounted to HRK 6.3 billion, accounting for 2.3% of the country’s GDP. According to data from 2014, 3% of the total number of employed persons in Croatia worked in the creative and cultural industries, mostly in publishing, advertising and market communication, electronic media, museums, galleries, libraries, etc. (Rašić Bakarić et al., 2015). Croatia does not have an explicit development policy for the cultural and creative industries and, for the most part, activities (such as music and the performing arts, visual arts, publishing, etc.) largely develop through traditional forms of cultural development, that is, on the basis of a legal framework of culture policy regulating the management and funding of the cultural sector. To be exact, Croatia’s culture policy deals indirectly with the cultural and creative industries (Novotny, 2015). This unequal regard of and support to creative activities on the part of public policy (culture policy, in this case) has brought about large discrepancies within the cultural and creative industries. Hence, the aim of this paper is to investigate whether cultural and creative industries affect the selected towns in Croatia and to take a closer look at Rijeka, the capital of Primorje-Gorski Kotar County. For the purpose of research, in-depth interviews were conducted in January 2019 with stakeholders in the cultural and creative sector of Rijeka. Given the research problem, the authors seek to underline the importance of continuous engagement in creative policies to enable cities and towns in Croatia to become sources of new “creativity”. The paper focuses on analysing creative cities in Croatia, Rijeka in particular.

This paper consists of five sections. The section after the introduction provides the conceptual framework of the analysis. The third section centres on examples of creative cities in Europe (Ljubljana, Katowice, Graz) and the fourth section, on creative cities in Croatia (Zagreb, Rijeka). Section four also proposes for Rijeka a series of measures focused on cultural and creative industries. Concluding remarks are presented in the last section.

2. LITERATURE REVIEW

Although cultural and creative industries have been the focus of intensive research in academic studies of cultural and economic development in the last couple of decades (Hall, 2000; Howkins, 2003; Primorac, 2004; Tomašević, 2008, 2015, Kolb, 2015, Goldstein, 2016), the theoretical identification and interpretation of cultural industries dates back to the first half of the twentieth century and has continued to develop into the present. During that period, at the height of the emerging industrialisation of cultural creativity and the rethinking of the potential and capacity of culture as a powerful development aspect of society, a number of so-called policies were formulated; these
documents are used as theoretical platforms for further research in that area (O’Connor, 2007; European Commission, 2019; Hrvatski klaster konkuretnosti kreativnih i kulturnih industrija, 2013).

Cities and regions have emerged as participants in culture as a result of decentralisation of power on the part of national governments. Cultural cities and regions have appeared in most parts of the world. Another reason for the appearance of cultural cities and regions is the growing demand of citizens for cultural services and facilities. During that time, powerful interrelationships began to form between cities as centres of business, finance, professional services and authority on the one hand and as centres of art, culture and entertainment on the other (Goldstein, 2016). Dragićević Šešić and Stojković (2013) point out that today certain assumptions exist regarding cities based on their history as well as with regard to the culture policies they lead, and the image they wish to present whether through works of art or by delivering art projects (large festivals, conferences, events, etc.). Today cities seek to use their image to become distinctive as a brand of national culture. Furthermore, the presence of culture in spheres of political, economic, technological and legal issues focused on the reality of cities can become a catalyst for change in the overall array of institutional domains and markets (Sassen, 2012, 24). Mišković (2013, 19) states that the cultural sector can contribute to the revitalisation of cities in two ways: first, by affecting short-term spending with regard to tourist visits to a city and, second, through long-term influence on development by becoming a factor of localisation of population and businesses. A city as a whole functions like a creative field – a whole that is open to the rest of the world – in which multiple pieces of information flow with special intensity between different units of economic and social activity located in an urban area (Scott, 2005, 28-29). Charles Landry, one of the founders of the global movement for the creative city as the basis for city management, argues that cities wanting to attract creative people, stimulate innovation development and drive economic progress must have three major characteristics: technology – regionally developed; talent – a large number of highly educated people (bachelor degrees, at least); and tolerance – openness, acceptance of diversity and successful co-existence of different races, ethnic groups, religions, people of different sexual orientation, etc. (Landry and Bianchini, 1995, 18).

The identification and study of creative industries in local economies, as well as in national and regional ones, was first conducted in cities that had experienced considerable decline and competition in traditional branches of production (for example, shipbuilding, metal processing, the automobile industry, etc.). For many cities worldwide, the cultural and creative industries were a new discovery and the best solution for revitalisation and greater distinctiveness and city brand building at the national and international level. Cities are key places for developing creative industries because they are sources of human resources creation, represent technological hubs and have optimal markets for the products of creative industries (Krstinić Nižić and Bareša, 2013). The UNESCO Creative Cities Network (UNESCO, 2019) confirms the importance of cities as creativity-launching centres. Created in 2004, its task is to promote cooperation within and among cities that have identified creativity as a strategic factor for sustainable urban development. The UNESCO Creative Cities Network (UNCCN) includes 180 cities and
covers seven creative fields: crafts and folk arts, design, film, gastronomy, literature, media arts and music. The cities designated as creative cities place great importance on sustainable urban development and, to promote the goals of the 2030 Agenda for Sustainable Development, they are committed to strengthening the role of culture and creativity. According to Tausi (2012, 565-566), the economic concepts at the heart of creative cities are agglomeration economies and the creation of auxiliary products. The point is not that many creative endeavours exist in the same place, but rather that there is synergy among them leading to a creative atmosphere and to room for an economic network that encompasses public goods as well. Tausi further states that economic growth and development are tied to the creative industries and the culture sector because they use diverse concepts of spatial advantage, including creativity epicentres and cultural districts, as well as the creative city concept as platforms for city regeneration.

Varying approaches to cultural and creative industries and differing support systems are a reflection of different development stages of cities focused on creative thinking. Approaches to cultural and creative industries hinge on the issues that cities need to deal with and the capabilities they possess. Generally speaking, the goals in support of cultural and creative industries are as follows (Haselbach et al., 2010, 5):

- Organising and providing space – appropriate in situations when a city does not have enough suitable and affordable office space in which creative workers could present their work;
- Employment – when unemployment is an issue, cities see cultural and creative industries as a source of employment, regardless of whether it is self-employment or working for others;
- City visibility – cultural and creative industries have the potential to shape cities, and priority is given to those initiatives or businesses that are visible and interesting to the general public;
- City development – cultural and creative industries have been proven to be pioneers, frequently revitalising city neighbourhoods that were in poor condition.

Della Lucia and Segre (2017) point out that synergy between value chains in the cultural and creative industries and in the tourism industry of cities can result in faster and better regional economic development; developed cultural and creative industries are the basis for forging new lines of tourism development in city centres. Stipanović, Rudan and Zadel (2018) see residents as the basis of city development; they are a generator of entrepreneurship in the innovative concept of presenting their own culture and indigenous offerings (especially within the framework of cultural and creative industries) in opposition to a universal, uniform global offering. The global economy presents a challenge to regions, counties, cities and all other local entities but also an opportunity for them to shape their own economic destinies (Green Leigh and Blakely, 2013). Čavrak (2012) conducted a shift-share analysis of 20 counties and the City of Zagreb in Croatia, the results of which point to differences in the overall local competitiveness of counties as well as to differences in sectoral competitiveness. The strategic management of culture policy development based on the synergistic action of entrepreneurs in cultural and
creative industries and in tourism, on a culture of collaboration, and on horizontal and vertical integration is becoming a necessity of modern cities.

3. EXAMPLES OF CREATIVE CITIES IN EUROPE

The European Union recognises the importance of cultural and creative industries in its development and, accordingly, EU cities are striving to develop and support these industries. According to the 2017 report of the European Commission (2017), the potential of cultural and creative sectors (CCS) is best realised and demonstrated at the city level, for three main reasons. First, while cities have historically been at the centre of innovation and change, in recent decades they have acquired an even greater role in socio-economic development due to the high concentration of people and economic activity they favour (European Commission, 2017). Second, local autonomy has increased over time enabling cities to better address specific opportunities and challenges. Last, but not least, geographical clustering, a prominent feature of the cultural and creative sectors, often generates positive externalities in the areas where they are located, ranging from improved image and reputation and increased numbers of tourists to greater social pride and revitalised local economies. According to the annual report of the European Commission on Europe’s cultural and creative cities (European Commission, 2017), in 2017 the cultural and creative sector accounted for as much as 4.4% of the GDP and 3.8% of the total number of jobs in the EU. The Cultural and Creative Cities Monitor analyses 168 selected cities in 30 European countries (EU-28 plus Norway and Switzerland) based on 29 indicators that reflect three key aspects of a city’s cultural, social and economic vigour. These key aspects are Cultural Vibrancy, measuring the cultural “pulse” of a city with regard to cultural infrastructure and involvement in culture; Creative Economy, indicating how the cultural and creative sectors contribute towards employment, job creation and innovation capacity; and Enabling Environment, highlighting the tangible and intangible assets of cities that help to attract creative talent and encourage involvement in culture (Table 1).

| Table 1. Potential of cultural and creative sectors in selected cities |
|-----------------|----------------|----------------|----------------|
|                 | CM Index | Cultural Vibrancy | Creative Economy | Enabling Environment |
| Rijeka          | 20.2     | 21.7             | 14.4            | 28.9               |
| Zagreb          | 25.9     | 23.2             | 28.3            | 26.3               |
| Ljubljana       | 32.7     | 35.1             | 33.3            | 26.9               |
| Katowice        | 20.3     | 16.2             | 21.4            | 26.9               |
| Graz            | 31.8     | 30.3             | 29              | 40.2               |

Source: Compiled by the authors, after the European Commission, The Cultural and Creative Cities Monitor, [Accessed 20 January 2019]
Rijeka has been singled out for further analysis because the data of the Cultural and Creative Cities Monitor (European Commission) show that most of its indicators have the lowest values among the selected cities.

3.1. Creative Ljubljana, Slovenia

Ljubljana, the capital of Slovenia with a population of 280,000 people, is a well-known prolific centre of literature where on average 850 books are published annually. With its strong public library network comprising more than 500,000 members, Ljubljana was named the World Book Capital and became the first city to host the World Book Summit, during which the Ljubljana Resolution was adopted. The resolution focuses on the importance of books as a crucial driver of sustainable development and cultural diversity (Mapiranje lokalnih kreativnih biznisov v Sloveniji, 2014).

Ljubljana has a lively creative scene and is host to a variety of large international events. As part of the main programme of the Fabula Festival, the city annually plays host to more than 60 artists, including writers of international renown such as Mueller, Franzen, Kureishi, Houellebecq and Galloway. Committed to promoting reading for everyone, Ljubljana’s literary life animates public spaces through various initiatives, such as the open-air Library under the Treetops and literary walks. The Ljubljana Reads Project also focuses on encouraging the broad participation of young people by providing them with equal opportunities to enjoy literature (Mapiranje lokalnih kreativnih biznisov v Sloveniji, 2014). Being a member of the International Cities of Refuge Network (International Cities of Refuges Network, 2019), Ljubljana is committed to supporting freedom of expression and to ensuring creative environments for writers. To this end, the city provides free-of-charge space for cultural activities through public tenders. In the Šiška district, 36 offices in a former administrative building have been let to artists, emphasising the city’s dynamic forces in encouraging cultural activities and supporting the development of creative industries.

As a Creative City of Literature, Ljubljana intends to (UNESCO Creative cities network, 2019): continue to promote a culture of reading and accessibility of books for everyone, young people in particular, through the Children’s Book Festival and the Youth Library; create new job opportunities for young creative entrepreneurs in the book industry; organise a Festival to fill public areas with literary activities and improve access to and participation in cultural life; provide residency programmes for visiting artists at the Swisshouse Creative Centre to strengthen ties between Creative Cities of Literature through six-month exchanges; set up a Palace of Literature, focused on the history of Slovenia’s literature. The Palace is also to host a literary salon dedicated to UNESCO Creative Cities, where major writers and literary trends within the UNESCO Creative Cities Network will be presented (UNESCO Creative cities network, 2019).

3.2. Creative Katowice, Poland

Katowice is located in the south-western part of Poland. Heavily marked by the industrial era, Katowice is now investing in culture and creativity to revitalise and regenerate the city. Its motto is “From heavy industry to creative industries” (UNESCO Creative cities network, 2019). This city of 310,000 inhabitants annually allocates EUR 45
million in the form of support in fostering a creative economy. Emphasis is primarily placed on the reconstruction of cultural areas, mostly dedicated to the music sector, which today does indeed drive the city’s social and economic development.

With a long tradition of amateur choirs and orchestras, music in Katowice is witness to a wealth of diverse genres, from classical music to jazz, from baroque to electronic music and rap. Of the 27 music festivals that drive the city’s cultural life, three major, world-renowned events – OFF, Tauron and Rawa – annually bring in about EUR 2.7 million to the city’s local economy (UNESCO Creative cities network, 2019). Throughout the country, Katowice is recognised as a centre of comprehensive music education. The Karol Szymanowski Academy, where the first Department of Jazz in Poland was established, is located in the city.

The city is committed to ensuring the further development of cultural and creative industries as leverage for urban regeneration and sustainability, especially through a five-year Cultural Zone programme, the largest investment in cultural infrastructure in Poland up to date. The programme’s main achievements are the construction of the new seat of the Polish National Radio Symphony Orchestra and the establishment of the Silesian Museum on a former coal-mine site.

As a Creative City of Music, Katowice plans to (UNESCO Creative cities network, 2019): establish a MusicHUB, an incubator for native new talents and creative entrepreneurs, aimed at building capacities and creating more job opportunities in the music industry, with special focus on young people, women and people belonging to disadvantaged groups; set up a baroque factory, through the support of public-private partnerships and targeting the development of a broader audience; support interdisciplinary research of the SoundLab Innovation Centre, designed to improve and sustain the quality of urban life by resolving practical public issues; set up a Pop Music Development Lab, an international educational platform based on a network of residencies and students; enhance cooperation among Creative Cities of Music and Creative Cities of Literature through the Col-LAB-orate Project, providing a number of workshops about the spoken word and slam poetry to young people from vulnerable groups; involve other Creative Cities of Music in the upcoming World Music Expo, aimed at presenting the Network’s talented musicians, exchanging experiences and best practices, and further expanding the UCCN, particularly to the global South.

3.3. Creative Graz, Austria

With some 300,000 inhabitants, Graz is the second largest city in Austria and the home of two UNESCO World Heritage Sites. These are the old town in the city centre and Eggenberg Castle. In 2003, Graz was a European Capital of Culture and in March 2011 it was designated a UNESCO City of Design (UNESCO Creative cities network, 2019). The city is renowned for its vibrant creative scene and internationally recognised educational and research institutions. Many innovative companies, which see design and creativity as unique opportunities for innovation, have their headquarters in Graz.

After the city’s designation as a UNESCO City of Design, great advancements are expected in the economic and tourism sector of the Graz city area and the neighbouring region of Styria. To this end, a network association Creative Industries
Styria (CIS) was established to contribute to promoting international cooperation and strengthening ties with the private sector (Creative Industries Styria, 2019).

Having recognised design as an attitude in urban culture, Graz acknowledges the key role of intelligent design in the human environment and values the aesthetic component of design as well as its ability to make daily life more tolerable. As a Creative City of Design, Graz plans to (Creative Industries Styria, 2019): reinforce cooperation with other UCCN cities, especially during the Month of Design in Graz, to help further develop the Network’s international components; enhance the visibility of Cities of Design; strengthen communication with the Network to foster creative communities in a globalised economic context; boost the exchange of knowledge.

The above examples can serve as a sound platform for planning similar activities in the territory of Croatia to help cities and towns reinforce their economic and tourism positions.

4. CREATIVE CITIES OF CROATIA

Creative Cities of Croatia is an innovative network that brings together the representatives of local self-government and communities as well as experts in the creative and cultural industries for the purpose of jointly designing models to manage the cultural and creative resources of cities to help drive local economies and create new investment opportunities. (Kreativni gradovi Hrvatske, 2019). The design of a management model involves identifying a city’s strengths and opportunities and relies on the participation of its citizens as representatives of different interest spheres that benefit from and contribute to creating the local economy. The aim of the model is to create the unique identity of a city, based on which targeted investments will be made to ensure development and jobs.

Cities are agents of development in counties and regions, with development planning unfolding in increasingly complex economic and social conditions (Krstinić Nižić and Arnautović, 2015). New economies of the twenty-first century are based on knowledge and “clean industries” that can ensure the sustainable development of cities (Kreativni gradovi gradovi Hrvatske, 2019). Equally so, sustainable development is based on locally available resources and on the development of a model for their management through the creation of conditions that will encourage a spill-over effect from cultural and creative industries to other sectors of the economy to help generate local jobs with added value in tourism and in manufacturing and service industries (Ricl, 2014).

The identification, mobilisation and communication of a city’s resources is an exceptionally important process that evolves through the development and implementation of policies. It is necessary for stakeholders in the private, public and civic sectors to find common ground that will heighten their awareness and enable them to identify what makes a specific destination – the town of Rijeka, in this paper – unique and appealing in order to ensure that institutions, firms, associations as well as residents live for their city.
To ensure the growth of their cities, developed countries see it as a priority to mobilise creative potential, develop creative and cultural industries, tap into the potential provided by the culture and art of each city and country, attract creative people to cities, and create an environment geared to their activities. In this respect, the Creative Cities of Croatia network is mapping the country’s creative and cultural potential, educating local stakeholders and cooperating with them to uncover the essential identity of each city and town based on which a city brand will be designed that will later serve as a starting point for each city to plan its future development (Ekonomski institut Zagreb, 2019).

4.1. Programme of Creative Cities of Croatia

The programme, in which the cities-signatories of the charter are engaged, consists of three modules. Each module is carried out in collaboration with the local self-government and partners involved in the project. To characterise the identity of cities, the Creative Cities of Croatia network applies a comprehensive, bottom-up approach through the three modules. In Module One, existing services/facilities in the creative and cultural industries are mapped and used as a basis for developing ideas through workshops with the representatives of local self-government and all relevant stakeholders. The potential in creative and cultural industries is also identified and ideas regarding a city’s identity are generated. The purpose of Module Two is to develop action plans to manage the identified potential and encourage local economic development with a focus on developing cultural tourism. City brands and implementation strategies are developed through Module Three. A city’s brand is the primary communication medium through which a city is presented to its residents, to tourists and potential investors, and to the national and international community. A brand encompasses not only what a city is but also what it wants to become through its development.

4.2. Creative Zagreb

According to all indicators, Zagreb is the cultural hub of Croatia (Vlada Republike Hrvatske, 2017). The city has the largest local market (largest potential audiences, that is, largest number of consumers), the largest culture-sector infrastructure and a relatively high number of people working in the culture sector. When compared with other Croatian cities, Zagreb has the largest budget for culture, in absolute amounts (although in relative amounts it is smaller than the budgets of Dubrovnik or Rijeka, for example).

Zagreb also holds a central position with regard to Croatia’s regions and cultural and creative industries. Namely, according to the data of the Croatian Chamber of Economy and based on professional assessment, fully 98% of Croatia’s cultural and creative industries are indeed located in Zagreb (Hrvatska gospodarska komora, 2019). Zagreb has the most recording companies, film companies and publishing companies. Many artists from all parts of Croatia come to Zagreb because the city provides the infrastructure needed to engage in various types of art. In this sense, Zagreb is already the largest centre of cultural and creative industries not only in Croatia but also in South-eastern Europe. It should be pointed out, however, that Zagreb did not become appealing to creative persons as the result of a planned development cycle but rather as the result of
the inert inflow of creative people coming to Zagreb looking for work because that is where most of the cultural life and business opportunities are concentrated (Braičić and Lončar, 2018).

Many foreign, and some Croatian, cities have managed to establish and explore, by consensus, the well-foundedness of certain elements of their cultural identification; in practice, this has resulted in a platform for international promotion through city distinctiveness. Zagreb has made several attempts to find powerful elements for a brand, none of which have resulted in enhancing the city’s distinctiveness to any significant extent. The outcome is poor distinctiveness of typical cultural as well as cultural-tourism products. Despite Zagreb being the most visited continental destination in Croatia in terms of tourism, that fact does not always make it competitive relative to other tourism markets that rely on cultural products. This is because “cultural development is becoming dependent on market operations. Almost all cultures are making significant efforts to market their cultural assets and products in the marketplace, either directly or through other industries, such as tourism, for example” (Švob Đokić et al., 2008, 26).

4.3. Development opportunities of Creative Rijeka

Rijeka is a Mediterranean town and port and the centre of Primorje-Gorski Kotar County in Croatia. Its favourable geographical position has fostered the town’s intensive economic development in the past. According to the 2011 census, Rijeka has 128,624 inhabitants (Državni zavod za statistiku, 2011). Though being a strong centre of industry in the past, Rijeka has in recent years increasingly focused its activities on cultural development. To support these efforts, a number of documents have been developed, in particular the 2013–2020 Cultural Development Strategy of the Town of Rijeka (2013) and the 2015–2020 Cultural Tourism Development Strategy of the Town of Rijeka (IRMO, 2015). According to the Cultural Development Strategy (2013), Rijeka’s cultural and creative sector clearly possesses economic potential that could be tapped into more efficiently. A fundamental starting point is intersectoral collaboration that should result from a strategic approach rather than from uncoordinated action. To achieve this, an action plan needs to be developed, bringing together key stakeholders in the fields of culture, information and technology, the economy and science. According to the Cultural Development Strategy, the strategic priorities of Rijeka to 2020 include the following cultural projects:

- reconstruction of the former Rikard Benčić Factory complex,
- reorganisation of the “Ivan Zajc” Croatian National Theatre,
- setting up the Palach Club, Filodrammatica and Marganovo as new centres of independent and student culture,
- establishing a new cultural-information centre, the Creativity Festival Republic,
- the Fenice Theatre as a performance and concert hall and conference centre,
- reorganisation of the Department of Culture.

Revitalised assets that will in the future represent Rijeka’s brand are the town’s industrial and technical heritages. These include:

- the launching ramp of the former Torpedo Factory,
- the former industrial complex “Rikard Benčić”,

45
- the Hartera complex,
- port warehouses,
- the former “Rade Končar” Factory,
- parts of the former oil refinery at Mlaka, the abattoir building, dock cranes on
  the jetty, paper processing machinery, torpedoes, and
- M/V Galeb, which at present is not being properly maintained or used.

In 2016, Rijeka was designated the 2020 European Capital of Culture based on its
programme “Port of Diversity” (Rijeka 2020, 2019). Alongside Rijeka, the Irish town of
Galway will also be a 2020 European Capital of Culture. The aim of Rijeka’s programme
is to create a city of culture and creativity for Europe and the future, to improve the reach
and diversity of the town’s cultural offering, broaden the approach to and participation in
culture, build capacities in the cultural sector and reinforce its ties to other sectors, and
enhance the international visibility and profile of the town and region. Such strategic
guidelines can be realised by fostering the development of cultural and creative industries,
in particular those industries in which residents can participate and from which they can
benefit, as well as those focused on developing tourism.

Only in recent years has Rijeka witnessed more-intensive tourism development as a
result of focusing on developing forms of special-interest tourism such as cultural
tourism, youth tourism and business tourism. According to the data of the Rijeka Tourist
Board, the total number of available beds in the territory of Rijeka amounted to 6739.
There were four hotels with 555 beds, two boarding houses with 396 beds, 15 hostels with
an average of 419 beds, student and pupil halls with 1472 beds (operating during school
holidays) and private accommodation with 963 accommodation units and 3,897 beds
(Rijeka Tourist Board, 2019). Table 2 shows the number of tourist arrivals and overnights
of domestic and foreign tourists in 2017 and 2018.

Table 2. Arrivals and overnights of domestic and foreign tourists from 1 Jan. to 31 Dec.
2018, in comparison with the same period in the previous year

<table>
<thead>
<tr>
<th></th>
<th>Arrivals</th>
<th></th>
<th></th>
<th>Overnights</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign</td>
<td>Domestic</td>
<td>Total</td>
<td>Foreign</td>
<td>Domestic</td>
<td>Total</td>
</tr>
<tr>
<td>2017</td>
<td>110,190</td>
<td>24,309</td>
<td>134,499</td>
<td>283,944</td>
<td>49,662</td>
<td>333,611</td>
</tr>
<tr>
<td>2018</td>
<td>128,045</td>
<td>27,351</td>
<td>155,396</td>
<td>344,944</td>
<td>62,958</td>
<td>407,902</td>
</tr>
<tr>
<td>Index</td>
<td>116</td>
<td>113</td>
<td>116</td>
<td>121</td>
<td>127</td>
<td>122</td>
</tr>
</tbody>
</table>


It is evident in Table 2 that there were 155,396 arrivals in 2018, 16% more than
in the same period in 2017. Foreign tourists accounted for 128,045 arrivals. There were
407,902 overnights in 2018, 22% more than in the same period in 2017 (Rijeka Tourist
Board, 2019).
### Table 3. Percentage share of type of accommodation in total arrivals and overnights from 1 Jan. to 31 Dec. 2018

<table>
<thead>
<tr>
<th>Category</th>
<th>Domestic</th>
<th>Foreign</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hotels</td>
<td>42.96%</td>
<td>32.67%</td>
<td>35.09%</td>
</tr>
<tr>
<td>Private accommodations</td>
<td>31.46%</td>
<td>44.15%</td>
<td>43.75%</td>
</tr>
<tr>
<td>Boarding houses</td>
<td>3.74%</td>
<td>4.86%</td>
<td>0.43%</td>
</tr>
<tr>
<td>Hostels</td>
<td>21.79%</td>
<td>17.85%</td>
<td>18.35%</td>
</tr>
<tr>
<td>Non-commercial accommodation</td>
<td>0.05%</td>
<td>0.47%</td>
<td>2.38%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Source: Rijeka Tourist Board, 2019, [Accessed 20 January 2019]

It can be concluded from Table 3 that private accommodation accounts for the largest number of overnights (209,341 overnights or 51.32%), followed by hotels (96,183 overnights or 23.58%), hostels (55,816 overnights or 13.68%), facilities with non-commercial accommodation (41,628 overnights or 10.21%) and boarding houses (4,934 overnights or 1.21%) (Rijeka Tourist Board, 2019).

### Figure 1. Tourist structure in % by age groups for the period from 1 Jan. 2018 to 31 Dec. 2018

Source: data from the eVisitor information system, January 2019

With regard to age structure, tourists in the 19 to 30 age group (25.44%) accounted for the highest number of overnights. This fact could be a stimulus to key stakeholders in the cultural and creative industries to promote their objectives through the
development of Rijeka. Next are the 31 to 40 age group with a share of 17.96% and the 41 to 50 age group (16.96%), indicating that the younger populations of tourists find Rijeka to be an interesting city.

According to Rudan and Šogolj (2018), Rijeka’s long-lasting and dominant development as an industrial town, notwithstanding its valuable cultural and historical heritage (industrial heritage included), did not contribute to making Rijeka a distinctive tourist destination. The town’s most recent development plans, however, have intensified efforts to develop various forms of special-interest tourism. The planned 2020 European Capital of Culture programmes speak in support of such efforts. Rijeka is striving to develop city cultural tourism. According to the Cultural Tourism Development Strategy of the Town of Rijeka (IRMO, 2015), the primary issues of cultural tourism development refer to infrastructure; insufficient capacities (accommodation, in particular) for the needs and plans of cultural tourism development; low entrepreneurial spirit in the creative industries, tourism and culture; and the lack of a brand that would present Rijeka as a centre of urban tourism. The town’s CM Index of 20.2 (Graz has an index of 31.8) is an indication of the low level of development of creative industries in Rijeka.

In the future, a developed cultural sector and incentives to developing cultural and creative industries should result in making Rijeka a creative city, and this will help to ensure well-conceived and sustainable regional development. Developed creative industries and a developed creative sector will make Rijeka not only an attractive place to live with a higher quality of life but also a distinctive centre of modern tourism flows. This type of development, however, can only be ensured through the integrated action of all stakeholders involved in the business activities of a town that is focused both on the modern needs of its inhabitants and on the demands of tourists. (Stipanović and Rudan, 2014) Notably, it is important to take into consideration the attitudes and thinking of stakeholders concerning intersectoral action and the creation of a cultural value chain not only for residents but for tourist consumption as well.

In-depth interviews conducted in January 2019 with stakeholders in the cultural and creative sector confirm the need for the further development of cultural and creative industries and their intersectoral collaboration, which will, ultimately, help to reinforce regional development, based on the following:

- Rijeka possesses cultural resources for developing cultural and creative industries (museums, theatres, industrial heritage, cinemas, Trsat as a medieval town)
- education-related potential (secondary schools, higher education programmes focused on cultural and creative industries)
- distinctive events that drive the town’s creative economy
- the 2020 European Capital of Culture programme, and
- a culture policy focused on fostering cultural and creative industries.

For the purposes of research in the scientific project “Cultural and creative industries in value chain innovation of tourism destinations”, supported by the University of Rijeka, in-depth interviews were conducted with stakeholders in Rijeka’s cultural and creative sector. The interviews focused on analysing the obstacles stakeholders are up against and on looking at the stakeholders’ proposals for improvement.
From the totality of cultural assets it is necessary to single out those that are the basis not only for developing the creative economy but also for fostering overall regional development that includes tourism and hospitality. Further considerations regarding the development of Rijeka as a creative city need to focus on driving the development of cultural and creative industries through diverse stimulative measures, in particular if the people of Rijeka are the actors in these industries, and on ensuring the culture policy supports synergistic action with sectors such as tourism, education and science, because the desired objectives can only be achieved through joint action. Rijeka needs to lay down the groundwork for becoming a creative space. The cultural and creative industries are involved in all segments of the economy. Hence through creative personnel and by advocating the influence of all stakeholders, this would advance Rijeka as a creative city, a human-scale city, a city of life and a city of satisfied visitors and tourists.

5. CONCLUDING REMARKS

By putting into action the 2013 – 2020 Rijeka Development Strategy, Rijeka seeks to become a city pleasant to live in, a city focused on the well-being of all its citizens, a city of smart, sustainable and inclusive growth (Grad Rijeka, 2013). This is a city with a unique perspective; we need to be open to the opportunities Rijeka offers and find ways of capitalising on them. Local self-government units require professional, competent and creative personnel, who will, in collaboration with citizens, be able to achieve exceptional results concerning the development and planning of urban spaces.

Cities and regions are potential locations for creative industries because they possess dense networks of interacting people as well as markets and activities. The integration of these local network junctions is closely tied to and is driven by the integration of the world economy, as a place of cultural design, production, distribution and consumption. Increasingly, individual urban centres are constituted as systems of internal transactions embedded in a broader system of global transactions, in a network of relationships that are concurrently complementary and competitive.

A bourgeoning local creative economy contributes towards enhancing the “buzz” factor that helps to increase the attractiveness of a specific place. Culture has become not only an essential part of national identity and recognition but also a sign of local distinctiveness and a tool for international projection. This development is a key element of the growing economies of metropolises, cities and regions that have the role of autonomous actors in the world economy. To understand the local creative field as a driver of development, an analytical perspective is needed that differs somewhat from the one based on the perspective of the nation-state. Specific factors shape challenges and promote capabilities at the local level. Local level policies are regularly located within wider national frameworks, particularly with regard to legislation and the regulatory environment. Many critical policy areas may be outside the competency of local authorities. Hence, it is difficult to make clear-cut distinctions between the local and the national level because successful policies emerge from the synergy between these two
levels of authority, as well as from their interactions and collaboration with the private sector and civil society.

Cultural and creative industries represent a new type of capital that society invests in the development of its cities. Creative cities provide opportunities for progress in social as well as economic terms. In Croatia, the innovative network “Creative Cities of Croatia” brings together the representatives of local self-governments and communities, and experts in the creative and cultural professions. The level of development of this movement in Croatia, however, is still not high enough.

The strategic development of cities needs to shift away from exclusively traditional forms of cultural creativity and public resources in culture and focus more on diversified categories of culture, with special emphasis on cultural and creative industries, entrepreneurship in culture, and the cultural economy. European examples prove that cultural industries are indeed a highly effective means of bridging the gap between two extremes: public-funding-based public culture and art, and a commercial market offering new opportunities as well as new rules of operation. Zagreb’s distinctiveness and its development based on cultural and creative industries can contribute to better positioning Croatia on the international scene. In addition to the capital city, other cities in Croatia also have great potential. Rijeka has opportunities to develop and communicate a cultural identity that will highlight its specific elements.

ACKNOWLEDGEMENTS
This research has been financially supported by the University of Rijeka, for the project ZP UNIRI 1/17.

REFERENCES:


ULOGA KREATIVNIH GRADOVA U REGIONALNOM RAZVOJU

Marinela Krstinić Nižić, Elena Rudan & Maša Trinajstić

Sažetak

Prema Europskom programu za kulturu, kulturne i kreativne industrije mogu doprinijeti transformaciji gospodarstva, odnosno postati alat za promoviranje održivog razvoja gradova Europske unije. Mnogi gradovi i regije posjeduju izniman potencijal za lokalni i regionalni razvoj uslijed spill-over efekta na širu ekonomiju. Cilj rada je istražiti na koji način analizirani europski gradovi osmišljavaju modele upravljanja kulturnim i kreativnim resursima gradova, radi stvaranja novih prilika za ulaganja. Autorice identificiraju potencijale i prilike u odabranim gradovima Europe, uz participaciju građana kao predstavnika različitih interesnih sfera. Rad se bavi pitanjima kako iskoristiti potencijal koji nudi kultura i umjetnost svakog grada te je za potrebe istraživanja vođen dubinski intervju sa ključnim dionicima kulturnog i kreativnog sektora grada Rijeke. Građani imaju koristi i sudjeluju u stvaranju lokalne ekonomije, a u cilju kreiranja jedinstvenog identiteta grada na temelju kojeg će se vršiti fokusirana ulaganja u razvoj, za ekonomski rast i radna mjesta. Nove ekonomije 21. stoljeća temelje se na znanju i „čistim industrijama“, te autorice predlažu niz mjera za grad Rijeku u smjeru kulturnih i kreativnih industrija. Zaključuje se da su gradovi ključna mjesta za razvoj kulturnih i kreativnih industrija te se uslijed njihova razvoja očekuje daljnji razvoj u gospodarskom odnosno turističkom sektoru.

Ključne riječi: kulturne i kreativne industrije, kreativni grad, turizam, Rijeka.

JEL klasifikacija: R1, Z32, Q01

---

10 Izv.prof.dr.sc. Marinela Krstinić Nižić, Sveučilište u Rijeci, Fakultet za menadžment u turizmu i ugostiteljstvu, Opatija, Hrvatska, E-mail: marikn@fthm.hr
11 Doc.dr.sc. Elena Rudan, Sveučilište u Rijeci, Fakultet za menadžment u turizmu i ugostiteljstvu, Opatija, Hrvatska, E-mail: elenar@fthm.hr
12 Maša Trinajstić, asistent, Sveučilište u Rijeci, Fakultet za menadžment u turizmu i ugostiteljstvu, Opatija, Hrvatska, E-mail: masat@fthm.hr