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Cultural transition in Southeastern Europe: the creative city - crossing visions and new realities in the region

Svob-Dokic, Nada

Veröffentlichungsversion / Published Version
Monographie / monograph

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Empfohlene Zitierung / Suggested Citation:
Svob-Dokic, N. (2007). *Cultural transition in Southeastern Europe: the creative city - crossing visions and new realities in the region.* (Culturelink Joint Publication Series, 11). Zagreb: Institute for International Relations. https://nbn-resolving.org/urn:nbn:de:0168-ssoar-58559

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CULTURAL TRANSITIONS IN SOUTHEASTERN EUROPE

THE CREATIVE CITY: CROSSING VISIONS AND NEW REALITIES IN THE REGION

Culturelink Joint Publication Series No 11

Series editor
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Printed and bound by
Šolta, Zagreb

Publisher
Institute for International Relations, Lj. F. Vukotinovića 2
10000 Zagreb, Croatia

© Institute for International Relations

A catalogue record for this book is available from the National and University Library, Zagreb, ref. 623021

ISBN 978-953-6096-42-8
Cultural Transitions in Southeastern Europe. The creative city: Crossing visions and new realities in the region : collection of papers from the course, [Dubrovnik, 2006.] / edited by Nada Švob-Đokić
Zagreb : Institute for International Relations, 2007

UDK 008:32>(4-12)(082)
316.733(4-12)(082)
32:008>(4-12)(082)

This Work has been published with the financial support of the UNESCO Office in Venice – UNESCO Regional Bureau for Science and Culture in Europe.

UNESCO-BRESCE

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Cultural Transitions in Southeastern Europe

The Creative City: Crossing Visions and New Realities in the Region

Collection of papers from the course on
"Cultural Transitions in Southeastern Europe.
The Creative City: Crossing Visions and New
Realities in the Region"

Edited by
Nada Švob-Đokić

Institute for International Relations
Zagreb, 2007

Culturelink Joint Publication Series No 11

Course
Cultural Transitions in Southeastern Europe
The Creative City: Crossing Visions and New Realities in the Region

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With the support of
European Cultural Foundation (ECF)

Ministry of Science, Education and Sports of the Republic of Croatia
British Council - Croatia
City of Dubrovnik

Acknowledgements

The organizers of the Dubrovnik course on "The Creative City: Crossing Visions and New Realities in the Region" would especially like to thank our partner in this project, the European Cultural Foundation (ECF) and Ms Isabelle Schwarz, Cultural Policy Development Manager at ECF; the British Council Croatia and Mr Adrian Chadwick, Director, who made possible the participation of Mr Charles Landry of *Comedia* and Mr Justin O'Connor, from the *Manchester Institute for Popular Culture* at *Manchester Metropolitan University*.

The Croatian Ministry of Science, Education and Sports supported the organization of this course, as well as the City of Dubrovnik and its Association of the Friends of Dubrovnik Antiquities.

Our particular thanks go to the UNESCO Venice Office, whose support is invested in the publication of the 2006 collection of papers.

The lecturers and students (who came from Amsterdam, Belgrade, Brasov, Bucharest, Budapest, Budva, Burgas, Cetinje, Dubrovnik, Forli, Ljubljana, Manchester, Sarajevo, Skopje, Zadar, Zagreb and Tirana) supported the project through their active and enthusiastic participation, the ideas expressed, and the analyses and observations that made the course lively and interesting. We warmly thank them all.

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Foreword

Foreword

The interest in cultural transitions and recent developments in post-socialist countries of Southeastern Europe has led us to analyze the position of cities and their cultural role. This encompasses the further progress of cities, the evolution of cultural industries, the growing use and application of new technologies (particularly in the creative arts), the reconstruction and renovation of cities and the impact of these processes on tourist industries and the service sector in general.

The processes of de-industrialization in the Southeast European region have been connected to the fall of socialist systems. The transition periods have involved economic and social decline alongside the initial efforts invested in economic and social restructuring. Quite painful social decline has mainly been caused by the unemployment of large layers of city dwellers, former industrial workers who had been drawn from the rural areas to the cities over only one or two generations. The war over the dissolution of Yugoslavia has also negatively affected the functioning of cities. Break down of city infrastructure has been quite common, either caused by de-industrialization and economic decline or by the war operations. Some cities were damaged and largely de-populated; some fell victim to the heavy inflow of refugees; some became isolated, and this damaged many of their functions, particularly those related to communications, transport, the tourist industry and suchlike. Some were exposed to an overall slow decline reflecting systemic changes heavily linked to value changes and to a kind of de-culturalization experienced all over the region. Indeed, the repositioning of the cities is still strongly linked to their newfound identities.

Now, as the region has stabilized and is approaching integration into the European Union, the issues of city development and restructuring are more present in discussions on development in general, and cultural development and cultural industries in particular. Considerations of city growth and restructuring are also

linked to the rise of decentralization policies and the possible new role of cities as promoters of post-industrial development and as places attracting investment in various well-known productions and activities. The overall development of the new urban zones reflects economic and technological restructuring which has had a heavy impact on all cultural and creative developments and productions.

The concentration of cultural activities and cultural creativity within cities reflects the decline of rural areas that never recovered from previous depopulations during the period of heavy industrialization. Now the focus on cities appears to be in line with the systemic changes linking and harmonizing regional developments with global neo-liberal trends. The change of the role of cities reflects this transition from the city as a kind of self-centralizing system that functionally unites different economic and social functions to a city that offers a choice of possible functions and therefore relates to specific expectations and multiple possibilities that depend on interaction among individuals and possibilities put forward by the geographical and physical characteristics of cities.

This new role may profile and more strictly define a number of city functions. Cities in Southeastern Europe now appear more as places providing possibilities for specific interventions in cultural development and in cultural activities and industries, rather than as places that would influence major changes in societies in the region. They acquire a kind of specific communication and exchange-providing role and serve as channels for investment, trade, tourism, technology and cultural development processes fluctuating in the global arena. This might be the reason why they need to insist on the re-evaluation of their proper cultural histories as well as on creative, knowledge and natural resources that may turn them into multifunctional and multicultural centers able to attract various industries or activities.

Such a new and perhaps not yet fully visible role of the cities of this region is discernible in all case studies assembled in this book: from Ljubljana, that is quickly adapting to new consumerism, to Tirana, that has just superficially intervened in its own appearance, or Dubrovnik that submits itself to tourist exploitation yet is unable to elaborate a form of sustainable cultural policy. At the same time the larger cities and ex-metropolises of the region, such as Budapest or Belgrade, announce substantial inner restructuring that might put them once again on the map of European expansion centers. Zagreb is making an effort to turn itself into an open regional metropolis. Many smaller cities of the region (e.g. Pančevo) are investing serious efforts into reconstructing themselves and turning into places that might become attractive to live in.

The texts assembled in this collection touch upon other pertinent issues representing a kind of intellectual infrastructure that supports contextualization of city changes: culture becoming a resource of city development and the importance of cultural city policies in this respect; the impact of creativity and creative industries on city development, creative cities online and cities in the global market.

The list of possible city/culture interactions and cultural activities within the city or linked to the city is far from being exhausted. They represent just the first steps taken in the region in respect to city restructuring and functional regionalization. However, it is important to note that all these issues are slowly becoming considered and re-considered in the framework of city development and reconstruction as well as within the framework of city cultural policies.

Indeed, the cities of Southeastern Europe have hardly been equipped by either cultural or city development policies. Their restructuring and development is at the moment rather chaotic, submitted to specific short-term projects that depend on voluntary decisions usually not based on serious professional considerations or promoted by the majority of citizens, who might be able to influence democratic procedures in the decision-making processes. Moreover, the relationships between political power and professionalism are not the only ones that have been at stake. There have been and still are many problems and aspects of city development at the mercy of certain dominating interests: trade centers invading the old city cores; traffic systems killing communication between different parts of cities and opening them up to rapid extra-urban content and functions; tourists invading the inherited, long preserved parts of old cities, etc.

All this points to the need to invest efforts in conceptualization of city development and city functioning and to particularly stress the creative and cultural aspect of this problem in the Southeast European region. The texts collected here might serve as a stimulus.

The Editor

Chapter I
Conceptual Frameworks of the Creative City Debate

Our Creative Cities Online

Lidia Varbanova

The city, our city, is the space which gives us a notion of "belongingness" - a space of mixtures of lifestyles, diverse people, creative potentials, community life, neighborhood tastes. One of the many definitions of *creativity* is that this is a process helping us to achieve our cultural dreams. It is certainly the engine of the "new economy".

The concept of "creative city" is a relatively new phenomenon, stressing that the human capital is the core, not the infrastructure or the architecture of the place. This is a dynamic concept, focusing on creativity, community development and culture as main indicators for having a vibrant, lively and comfortable city, sustainable and flourishing for future generations. The important aspect is also the "act of sharing" - of local cultural history and memory, of cultural and artistic resources and achievements, of public spaces. Sharing culture develops a sense of place that is unique and meaningful for all of us living and working in the city, and makes us say "I love my city!". It also makes it attractive for visitors and tourists.

What aspects make our cities creative?

Heritage and collective memory

Our cultural heritage reflects our past relationships, accomplishments, challenges and hopes as citizens, and brings us together. To understand who we are today, we need to know better our past collective memory. Heritage is linked with our sense of identity and our pride of belonging to a place. An important part of our cities are museums - the institutions responsible for cultural sustainability and dedicated to accumulation, documentation, exposing and teaching our heritage and history.

Meeting spaces and public art

In each city, we have physical places where we love to meet, share, communicate, debate, argue, agree and disagree, socialize with our community members - indoors or outdoors. These are recreation centers, parks and public gardens, coffee houses,

public libraries, galleries, cultural centers, etc. A fresh sign of our public engagement or a creative expression is public art - a sculpture, a temporary installation, graffiti, etc., which make our cities lively and animated. The creative city aims to transform the physical environment into a culturally meaningful space where we can connect and share.

"Talented cities"

The talent of people and their creativity is the main asset of the city, and it is extremely important how we help for its flourishing and promotion through cultural projects and activities, funding strategies and collective thinking. Charles Landry talks about a "talent strategy" at the city level, which "supports risk taking, creativity, collaboration and a global outlook particularly targeted at maximizing the potential of young people at a local level".[1]

Culture as an economic engine

There is plenty of evidence that cultural activities are contributing noticeably to the economic development of the city both by increasing the tax base (new businesses, new residents, new visitors) and by improving demand and increasing household spending for culture and leisure. On the other hand, the cultural sector contributes to education, and the well-educated workforce has higher skills, expertise, capacity and creations, which contribute to higher economic welfare. Artists also generate employment for other people who produce various materials for their creative process (instruments, visual arts materials, stage and sound equipment, notes, frames, tools, computers, software, etc.). Another group of professions help for distribution of their creative objects - managers, PR and marketing agents, impresario and producers, especially in the market orientated economies.

Cultural tourism

The term simply means experiencing, participating in and enjoying a wide range of cultural activities outside your home, city, or community. It is obvious that culture has an added economic value in tourism industries - through events, festivals, museums, art galleries, heritage sites, etc. Tourists attracted by a cultural activity spend more money in peripheral services, such as camping, hotel accommodation, restaurants, shopping, and help the local economy. The creativity of a city is inevitably linked with the benefits and packages to cultivate and develop the cultural offering for visitors.

There are growing opportunities through which cultural products and services could be attached to tourism packages and hotel chain offers. Southeastern Europe is in an excellent position to increase the growth of tourists in the coming years.

1 Comedia - http://www.comedia.org.uk/

Cultural citizenship

Culture contributes to the democratic development of a city - a large part of future democracy depends on the existence and usage of public spaces and spheres where citizens can discuss policies and programs. There is a proven strong co-relation between culture, democracy, citizenship, coexistence, participation and creativity. In a "healthy cultural environment" all citizens must have opportunities to participate in the cultural life of their community and feel free to express their cultural identity. Agenda 21[2] is one of the powerful international projects aiming at reinforcing the cultural dimension of our cities and improving our "local cultural strategies" through implementing two crucial concepts: transversality and participation.[3] Lobbying actions and events may be proposed. An eventual working group may collect and present information about cities that have strategic plans for culture and propose lists of indicators for local cultural development.

Community development

The new concept of "sustainable community development" looks at communities as rich gatherings of people from different social and cultural backgrounds, who are constantly adapting to the new environmental, economic, social and cultural realities. It recognizes the need to include culture and creativity in cities' sustainable economic and social plans and strategies. The Government of Canada's New Deal for Cities and Communities is based on the four pillar model of sustainability: environmental responsibility, economic health, social equity and cultural vitality.[4] This model stresses the fact that a community's quality of life is related very closely to the quality of its cultural expression, dialogue and engagement. The social and economic health of our cities depends to a great extent on it?

Personal and social development of youth

Involvement in the arts, culture, entertainment and media activities is one of the important motivating factors for young people to live in a certain city. It builds self-esteem and confidence, develops creativity and motivates thinking. Arts activities also help to develop leadership and decision-making skills, and provide young people with a means of self-expression and self-understanding. The more creative and cultural opportunities we have in our cities, the more chances we provide for young people to live and work in the city.

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2 Agenda 21 for Culture - www.agenda21culture.net

3 Charles Landry - Rethinking the Creative City, 2004; also Creative City Taskforce, Final Report, City of London, Ontario, Canada http://www.comedia.org.uk/pages/pdf/downloads/Rethinking_the_creative_city.pdf

4 New Deal for Canada's communities - http://www.fin.gc.ca/budget05/pamph/pacome.htm

Creative and leadership capacity of the mayor

And finally, the creative city needs a creative leader who has visions and ideas to enhance the city life and cultural infrastructure, to transform the city into a vibrant tourist destination and an attractive meeting place for businesses. The clever entrepreneurial and inspiring mayors remain in the history and memory of the city with all their achievements which transform the cultural landscape, create segregation between culture and business and make the life of citizens more delightful and interactive.

"Googling" the *creative city*: between theoretical concepts and networking

"Googling" the word "creative city" provides examples of networks, papers and books, research work, linked directly or indirectly with this term. The name popping up immediately at Google when searching for *creative city* is the one of Richard Florida, who became popular worldwide with his belief that every human being is creative and our economic growth depends on how much we develop the wide spectrum of our human capabilities.[5] His two books: *The Rise of the Creative Class* and *The Flight of the Creative Class: the New Global Competition for Talent* create controversial debates among academic circles and readers all over the world.

Charles Landry and his company Comedia are also very well known with their curiosity about "how cities communicate their ambition to their citizens and the wider world and how in turn citizens can more actively shape their urban future".[6] The book *The Creative City: a Toolkit for Urban Innovators* was a turning point, and gave a fresh beginning to a new phase of Comedia's development, linked tightly with the notion of creative city research, policies and strategies. The current innovative research areas of Comedia include: city visioning, maximizing capital, distinctiveness and difference, creative economy, cultural literacy and counting creatively.

Networks and organizations containing the name "creative city" are rare. The most popular one is the Creative City Network - an active Canadian organization covering cultural administrators across Canada, working in municipalities in the field of arts, culture and heritage policy, planning, development and support.[7] Their newsletter (both in printed and online version) is worth reading, especially in relation to how

5 Richard Florida - http://www.creativeclass.org/

6 Landry, op. cit.

7 Creative City Network - www.creativecity.ca

Canada approaches diverse issues related to culture and creativity at the municipal level in terms of strategies and actions.

The great domain name www.creativecities.com is taken by an American non-profit organization focusing on urban regeneration and planning, encouraging creativity in all its forms through a variety of services and formats - consulting, conferences, publications, new technologies. Their slogan "Culture is the oxygen of cities" is attractive and appealing. Rather unfortunately, the website seems not to have been updated since 2003.

One of the research results on *creative city* is the Smart City - an American weekly public radio talk show, only one hour long, concentrating on themes like urban life, people, places, ideas and trends which shape cities.[8] Among themes discussed recently are: making healthy cities, the potential of creative cities, the hidden value of universities, encouraging creativity by design, turning to new media and community development.

Eurocities is the network of more than 120 large cities in over 30 European countries.[9] Founded in 1986, the network is active across a wide range of policy areas including: economic development and cohesion policy, provision of public services, environment, transport and mobility, employment and social affairs, culture, education, information and the knowledge society, governance and international cooperation.

There are also online research resources and documentation centers on the theme of "creative cities", mushrooming more and more in the last few years. The Canadian Cultural Observatory maintains a rich website with various topics related to cultural policy, arts management, cultural diversity, culture and technology, citizenship and identity, heritage and history, and much more.[10] It is an interactive hub, disseminating policy and research information from Canada and abroad. One of the "in focus" resources in 2005 was "creative city" and users can find online a variety of resources related to: creativity and the new economy, revitalization and tourism, the social life of cities, policies and plans related to cities' development, cultural tourism, etc.

UNESCO also intends to assist all member states with guidelines and research to reshape their policies, considering stronger relationship between tourism and intercultural dialogue, diversity and development, and in such a way to contribute to the global fight against poverty, protection of environment and understanding of different cultures around the world. The UNESCO Creative Cities Network

8 Smart City - http://www.smartcityradio.com/smartcityradio/

9 Eurocities - www.eurocities.org

10 Canadian Cultural Observatory - http://www.culturescope.ca

"facilitates local capacity building that encourages diversity of cultural products in domestic and international markets, employment generation and social and economic development".[11] The network helps cities to share experiences, know-how, training and skills to become centers of excellence and creative economies. Cities can choose to apply in one of the following fields: literature, cinema, music, folk art, design, media art and gastronomy, to become a UNESCO City of the respective field. There is a comprehensive list of criteria and characteristics online, guiding the applicant through the whole process.

Southeast European capitals online: are our cities' websites creative?

Do we express all or at least part of these creative factors when we present our city online? How do we make sure that the websites of our cities are attractive, easy to navigate and help visitors to make a choice? To what extent does the visual online image reflect the creativity of our cities? Are we convincing enough for tourists that they should not miss our city and our cultural neighborhood when they travel? How do we tell visitors which artistic event, heritage site or cultural event to participate in given the limited time they spend in our city? Here is a brief analysis of some examples of websites of the Southeast European capital cities:

The website of Sofia (http://www.sofia.com/) presents information for tourists in several areas: *medical, fun, sports, history, accommodation, shopping, services, banking, airlines, diplomatic missions, transport, tourist agencies, TV, radio and press, and culture*. The subsection "culture" contains a list of art galleries, cinemas, theatres, main historical buildings, cultural centers, monuments and museums. The lists are not well-maintained and comprehensive, for example "music" is represented by only two music organizations - the Sofia National Opera and the Bulgaria Concert Hall.

The website of Belgrade (http://www.beograd.org.yu) has three main sections and operates in Serbian, German and English:

- *Living in Belgrade* - providing information about the economy, health care, transportation, environment, telecommunications;
- *City administration*;
- *Discover Belgrade* - containing facts, history, sights, tourism, religion, culture and arts. The section on arts and culture contains information about museums,

11 UNESCO Creative City Network - http://portal.unesco.org/culture/en/ev.php-URL_ID=28053&URL_DO=DO_TOPIC&URL_SECTION=201.html

libraries, music, galleries, theatres and cinemas. There is a relatively well-maintained subsection on cultural events (festivals, fairs, competitions, open public events, etc.) where users can find out the event matching their interests.

"Skopje online" is the website, presenting the capital of Macedonia (http://www.skopjeonline.com.mk/). It is divided into: *accommodation, culture, education, entertainment, food and drinks, services, shopping, sport, tourism, transportation, online galleries*. A well maintained news section, visible from the home page, provides information on a daily basis about events and news in Skopje. The cultural section online consists of: cinema, concerts, exhibitions, foreign cultural centers, galleries, libraries, monuments, popular culture, religion, theatres and traditional events. The majority of these sub-sections contain lists with existing institutions and organizations, with a short summary.

The official website of the Municipality of Tirana http://www.tirana.gov.al/ contains sections such as: *services, business, urbanism, projects, municipality*. The section called *the city* deals with history, statistics, the city renaissance, cultural monuments and information for visitors.

"Visit Pristina" is the official web travel and tourist guide - http://www.visit pristina.com/ of the capital of Kosovo. The website is very general, and the cultural part is not elaborated and distinguished.

The website of Sarajevo (http://www.sarajevo.ba/en/) is divided into three main sections: *about Sarajevo, visit to Sarajevo and tourist info* (including tourist attractions). *About Sarajevo* contains information about economic background, climate, demography, education, and has a sub-section devoted to culture. The main groups of institutions present here are: cinemas, culture centers, galleries and film production centers. A separate sub-section describes the cultural and historic heritage of the city.

The main navigation menu of the website of Zagreb (http://www. zagreb-touristinfo.hr) covers: a*ccommodation, culture, science and education, shopping, government, surroundings, events, links, useful information,* and a *welcoming section*. The cultural part consists of lists of: theatres, concert halls, museums, galleries and art collections, cinemas. A separate section emphasizes events and contains an events calendar maintained on a daily basis - exhibition opening times, concerts, theatre shows, etc. The site also has innovative sections - a virtual tour and possibility for buying Zagreb e-cards.

Ljubljana's official website (http://www.ljubljana.si/en/) is the most developed and best set up among all the capitals searched. It contains the following sections:

basic information, accommodation, events, sights, Ljubljana city life, tourist services, information for the media, useful links, online booking worldwide. A separate subsection is devoted to culture and arts, including: museums and galleries, music, theatre and opera, cinemas. The *events* section is split into the following categories: concerts, exhibitions, children's events, theatre, cinema, fairs, congresses, sports and recreation. There is also an interactive city map, giving routes to points of interest, cultural organizations, restaurants, etc.

The overall analysis of the browsing shows several common aspects and problematic areas on how efficiently, vibrantly and visibly we present our cities online in Southeastern Europe.[12]

- Usually, the organization in charge of the website is either the tourist board or the municipality, therefore in some cases most of the content has institutional aspects and internal administrative regulations.
- All websites provide a static list of addresses and telephone numbers of most of the state cultural organizations in the city-museums, galleries, cultural centers, theatres, etc., in some cases even without the individual websites of these organizations. Only two sites contain a list of cultural events, maintained daily. The non-profit independent cultural sector and cultural businesses are less present.
- The thematic scope of interest in arts and culture is missing. A cultural section is present from an institutional point of view, and not from the "subject" point of view. Hot cultural topics and debates of the month or the week are missing.
- Samples of artistic works online are rarely present. Visual aspects of the website are often linked only with heritage sites, rather than with artistic objects, public art, meeting spaces in the city, artistic installations, etc.
- Critical views on cultural and artistic events are missing. The sites do not provide a journalistic angle on cultural events, or opinions and ratings by other viewers.
- In some cases, the internal navigation is quite difficult, and the website visitor is lost in navigating back and forth.
- Most of the websites operate in the respective native language and in English. Rarely the site is tri-lingual, obviously because of the limited human resources for maintenance. In a few cases the English language part of the website is not functional, or not completed for some sections.
- The *search option* exists *as a* potential possibility, but does not function properly, or gives zero results when searching a key word based on thematic coverage, field of art, or other variables.

12 See also Ivana Jašić's text, p. 75

- In general, a feedback option is missing. Users do not have a way by which to express opinions and suggestions on the website content and technical aspects.
- There are no interactive features, debates and forums, blogs and discussion groups where visitors' can share their experiences after being in a city.

What could we do to enhance internal creativity and external visibility of our cities?

We could start by enhancing the visibility of our cities online, implementing creativity in the way we design and present the websites. We could provide a possibility to our visitors and tourists to post their opinions and suggestions, to also view more visual images online, to buy tickets online, to read an interview with an artist or a theatre director or to browse among various media coverage and journalists' opinions on a stage show or a gallery exhibition. It is obvious that one and the same website cannot serve the interests both of professional artists and cultural professionals, and also of tourists and visitors. But an interaction between these two groups online in various virtual meeting spaces would be a great asset. We could try, through a series of testing exercises, to find out the problematic areas of browsing and navigation through the site, and try to technically enhance it, including investing in a better and innovative web design.

One of the many ideas to improve communication between cities' municipalities in the region is to create a South-East Creative City Network, using the positive features and aspects of our Canadian colleagues. A Regional Online Resource Center on the topic of creative cities could also be a step towards our efforts to research how the creativity of a city changes both from a theoretical and practical perspective in the reality of Southeast Europe. We could also encourage cooperation between cultural and tourist associations from the region to share information, develop joint strategies and to investigate the potential of cultural tourism.

Finally, is there something which we could do as individual citizens to stimulate creativity of our city? Among many simple suggestions are: to buy an art object, to volunteer a few hours in an artistic project or organization, to support an arts fundraising event or a charitable concert with a small donation, to join an art group as a supporter, friend, or a donor, to advocate for the arts at all levels. We could also try to convince our neighbors, colleagues and friends to do the same. If we seek ways to express our creativity, even in an amateur form - by subscribing for a singing, dancing, painting, creative writing course, this will also indirectly contribute to the creativity and cultural pulse of our city. We could even make an attempt to actively participate in a festival or an amateur art form competition. Also, every time we buy a ticket for a theatre performance or a concert, we support our city's cultural and artistic life.

These are only a few of the many tips as to how to increase visibility and creativity of our cities, make them attractive for others to visit and comfortable for ourselves to live in. It is our responsibility to create platforms and means for decision-makers at all levels to plan and act to help the flourishing of creative resources at the city level, and to think and respond to our creative demands.

The sustainable creative city, among all other definitions, is this colorful and beautiful city, where we have much fun and pleasure, but also a meaningful and creative life. The space has a common meaning for all of us, and gives us an opportunity to improve our skills, talents and competences and we do not want to leave it. Nor will our kids want to. And let's not forget that their life, knowledge gathering, cultural experiences and creativity are as much online as offline and our responsibility is to somehow respond to this demand.

Other web resources

1. *Travel and information portal for Central and Eastern Europe* - www.inyourpocket.com
2. *Virtual tourist guide* - www.virtourist.com
3. *World travel guide* - http://www.virtourist.com

Forces and Trends Shaping the Contemporary City: The Creative Sector in Creative Cities

žaklina Gligorijević

Introduction: terms and relations

The history of urban design clearly indicates the relationship between urban form and urban development. In the forms of public spaces one can read the internal organization of a society, its political, social and economic development, and its generators over time. A city's shape indicates the character of urban life, the socially developed habits of the community, their ways of spending leisure time in the outdoor spaces, their relations to leaders and authorities as well as to the external world and all the other characteristics making any city unique. Some of the most significant changes in city design were the result of the transformation from pre-industrial to industrial phase of the economy in the late 19th century and then, to post-industrial phase from the late 1980s and 1990s inducing progress in the social sphere and introducing the new phenomenon of the transforming cities - "creative industries".

The sector of "creative industries" and "creative economies", commonly used in Western studies on cultural policies or culture management, is strongly and intensively influencing urban character, processes within the cities and their shape, so that urban designers, historians, sociologists and managers are studying it seriously nowadays. They are trying to understand the transformation process and to adapt cities to accommodate that new social and economic power. How important and valuable this sector became shows the type of institutions and organizations dealing with it, such as UNESCO, national and regional ministries of culture, cities' governments and economists, who first recognized the creative sector as a significant part of the urban population. The need to define and study a new creative sector grew stronger after the important Western post-industrial cities based their urban rehabilitation strategies on individual production, producing not only new facilities and city attractions but the new power "feeding" the city as well.

The notion first appeared as "creative industries in Australia" in the beginning of 1990s, and was accepted as a significant economic factor after the UK Department of National Heritage was renamed the Department of Culture, Media, and Sport (DCMS), and then established the special Creative Industries Unit and the Task Force in 1997. The whole cultural policy of the UK was based on this sector, considered important for the national economy (Gibson, 2001). The official definition of the term was "those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploration of intellectual property" (DCMS, 2005). According to British classification the sectors belonging to this group are: advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer games, television and radio.

Social context of "creative industries"

"Creative industries" and "creative economies" are also significant for what some theorists call "second" modernity (Beck, 1986). The (first) modernity was linked to industrial society and the changes brought to the cities with the process were visible in shape, design of the city, but also in social organization and habits. The changes taking place in post-industrial, second modernity, or in "advanced economies" (Smith) were even more radical, shaping some basic relationships, such as those in the family, between genders, "workplace relations, individual biographies and sense of belonging". The central process is individualization, requestioning all the basics of modernity, relying on personal judgments, without resort to the disappearing traditional, collective, support mechanisms, ranging from the family to the nation state.[1] The economy in the emerging "creative centers" relied on an individualized, highly qualified and highly mobile workforce, turning their individual "cultural capital" into a production resource (Florida, 2002).

This is indicative for the comparisons between Western developed and Eastern, especially SEE transitional countries, in the context of their emerging creative economies. Characteristics of these societies are similar to "first modernity" with still present memories of idealized principles of social organization", such as the "(n)ation state society, collective patterns of life, full employment society, and rapid industrialization with 'unseen' exploitation of nature".[2]

1 Interesting sociologic analyses of the diference given in Tomić-Koludrović, Petrić "Creative Industries in Transition: Towards a Creative Economy?" in Švob-Đokić, ed.: *The Emerging Creative Industries in SEE*, 2005)

2 Beck in the interview taken by Zolo, 1999, from Tomić-Koludrović, Petrić article, op.cit.

Creative cities

Cities rich in cultural resources are lately turning to promotion and involving creative industries in their urban rehabilitation strategies. Although the trend has been noticeable in United States (US) and Western Europe for a decade, the SEE transitional countries paid attention to this sector only lately with some formal help from the British Council (UK SEE Forum, 2004). The number of conferences, workshops and seminars recently organized on creative cities shows the importance and the popularity of the term (e.g., the ISoCaRP Congress in Bilbao, 2005). To define the wide notion of "creative city" it is necessary to link it to creative industries. Creative industries are always appearing in cities and surrounding regions. As Justin O'Connor states: "In the post-industrial period cities are the centers of the global economy with key words 'networks' and 'flows': capital, information, goods and services, people and ideas. Cities are the key points and command centers of global networks", also the sole and only possible place to develop individual intellectual and creative production, finding inspiration, infrastructure and the market there. "Cities provide opportunities and interactions which can solve their own problems by themselves and improve the quality of life of the whole region" (Landry, 2000). Fortunately, there is at least similarity with Serbian cities, which have demonstrated surprising vitality over the last 15 years, managing to survive and improve in spite of the political and economic sanctions in the 1990s and tough beginnings of transition after 2000.

In the definition of a "creative city" for the International Society of City and Regional Planners' ISoCaRP Congress on "Making Spaces for the Creative Economy", Judith Ryser and Waikeen Ng mention some of its important elements: "… culture as urban driver, culture as local economy, diverse offering of culture, advanced/alternative technology, symbolic production; learning environment and knowledge base, fostering human creativity, high quality (urban) design, convivial environments (24/7) and infrastructure fostering clusters; innovative urban organization, branding and marketing, distinctiveness, own urban value system and internationalization". They also recognize institutional prerequisites of creative urban development: "Strong leadership (civil courage, optimism, staying power, diplomacy, firmness), together with a focused approach, realistic goals, and in the medium term self-reliant funding essential in most cases. They also seek for the long-term perspective, endurance and collective enthusiasm to implement innovative urban strategies. Self-knowledge, awareness of their specific strengths and weaknesses …" (Ng, 2005).

Local authorities should have enthusiasm, be flexible and responsive to unforeseen changes and uncertainties, capable of establishing ad hoc multi-agency

organizations, despite the misgivings of some planning departments, and be open for communication and interaction, for there is some doubt that sustained creativity cannot be generated top-down and on a large scale. The last group of preconditions is closely related to planning. Studies of creative cities showed that sometimes planning teams found their role as a springboard for further spin-offs; others resort to framework plans which are able to adjust rapidly to changing circumstances. If plans propose flexible transformation mechanisms within morphological specifications, they are most likely to be implemented, especially if they promote "mental re-mapping" of the urban spaces concerned.

Creative city = creative management

There are a few possible understandings of creative cities. What the crucial conditions are for a city to become creative is not so simple to define: to have creative citizens, organizations, artists, groups, designers or leaders, or all of these? As an urban planner, the author of this study gives priority to management, decision makers and their creativity, since that is the condition *sine qua non* that places and cities ought to implement in order to build creative structures and provide exceptional spaces. One of the main British theoreticians of the creative industries, Mr Charles Landry, claims that the goal of the process of city creativity development is to "identify, harness, promote and sustain the creative, cultural resources that are present in every human settlement". Nevertheless, the most important in this process is to create "preconditions for decision makers at all levels to think, plan, and act with imagination and in an integrated way" (Comedia, 2005).[3] In other words, the creativity of the city relates to managing, planning, the economy, social inclusion, culture and local identity, providing the strategic basics for such an environment.

An outstanding example of the creative development and exceptional achievements of a region and a city under strong management is the Basque capital, Bilbao. The rehabilitation process, from drawing up redevelopment strategy to implementation, was the result of cooperation and partnership of local, regional, and national leaderships.

The old center of the city was built in the year 1300, with a typical city core by the river. Initially a port-city, it later developed to become a huge industrial centre, constantly growing, adding neighborhoods in various shapes, uses and styles, according to time and purpose. The transformation of Bilbao from an industrial into a cultural city has its point of inflection in the creation of the Constitution of 1978. The

3 Even in 1996, in *The Art of Regeneration, Urban Renewal Through Cultural Activity*, Landry claimed that creative and strong management is the most important factor for the creative city.

crises in the iron and naval sectors in the 1970s had sent the citizens into an economic, moral and social crisis, and the city into urban and environmental decline.

The situation required complex and inventive revitalization strategies that could bring hope and enthusiasm to the people of Bilbao. In the mid 1980s, local management, together with invited national and international design teams, proposed several projects for the redevelopment and rehabilitation of the city (Azua and Fundacion Metropoli, 2005).

Fig. 1, 2 - Bilbao: panoramic view and part of the old port down the Nervion river (Z.G.,2005)

Large projects started along the river Nervion, in the heart of the old industrial space. The Abandoibarra district was the first dramatically transformed site, previously brownfields occupied by railway, shipbuilding, and storage and customs infrastructure.

Architecture plays a significant role in the urban renaissance of many cities and can lead the process as well. Bilbao's case is a paradigmatic example, with Frank Gehry's iconic Guggenheim Museum. The building, the sculpture itself, won the international competition for this demanding location, and is attracting people from all over the world since its opening in the late 1990s. The importance of the Guggenheim Museum in this transformation has been primordial, but, above all, it must be seen as "the tip of the iceberg in the entire process". Belén Graves, the Deputy of Culture, highlighted that behind the museum there were numerous successes which were the result of what she called "rethinking the city for the citizens" (Forum Barcelona, 2004).

Fig 3, 4 - Bilbao: Guggenheim Museum Bilbao (Frank Gehry) and Euskalduna Auditorium

A number of important urban transformation projects were also proposed and implemented by famous architects for the central zone of Bilbao: rehabilitation of a historic building to a "culture cube",[4] Abando railway station by James Stirling and Michael Wilford, the Bilbao Metro, by Sir Norman Foster, the relocation and expansion of the Port of Bilbao, Bilbao airport and pedestrian bridge by Santiago Calatrava, the Cesar Pelli plan for the Abandoibarra district, where the Guggenheim Museum and the Euskalduna Auditorium were built, the famous music and congress centre on the former shipyard site, etc. There are still ongoing projects for the old central Abando area, as well as a new Zaha Hadid project for the Zorrozaurre peninsula, considered as a Bilbao "second urban revolution".

Fig. 5, 6. - Rendering project of a new 60 ha Zorrozaurre peninsula, designed by Zaha Hadid, (photo by Steve Double, http://www.pritzkerprize.com/2004/pdf/Bilbao.pdf)

4 Javier Sanz de Oiza and Jorge Oteiza.

The recovered industry went straight on to compete in the international market so strongly that the city became the most important productive and financial centre in the European Atlantic area, also an attractive destination for creative artists, scientists and managers from all around Europe. Local authorities are stimulating the most resourceful and productive research, from technology park projects and universities to the most talented artists and art-centers. All these plans and projects are the result of creative, forward thinking management of the city and the region, following new urban rehabilitation trends and having a contemporary approach to the city economy in the postmodern environment.

The importance of the museum as a symbol is unquestionable. It gave Bilbao a panorama it had never had. The Guggenheim was the catalyst and the leader in the transformation process, but growth has still been balanced, never to the detriment of any other city, and the entire sector developed and benefited. Martínez Cearra, director of Metrópoli 30, the company responsible for the urban development of Bilbao, highlighted the importance of permanent feedback between the population and the institutions as a guarantee of success. The model of Bilbao can be summarized as an excellent proposal for sustainable, balanced and quality tourism; as an example of the useful commitment and co-operation of institutions and citizens; or, in the words of Juan Ignacio Viarte, director of the Guggenheim "as a response to the globalization that is born from the desire to project one's own identity onto the world".

Creative sector = creative city

The second concept of the creative city is the one focusing on creative elements within the city as the crucial condition, rather than the creative management. Richard Florida, from his practical and academic experience devoted to "creative industries" in North America, claims that there is a correlation between the economic development of the city and its population, on the one hand, as well as the general characteristics of the place on the other (Florida, 2002). Cities with a larger proportion of workers engaged in creative occupations, especially those capable of harnessing the "multidimensional aspects of creativity" for economic benefits, are going to prosper in the contemporary economy. These aspects are: technological (innovation), economic (entrepreneurship), cultural and artistic. One of the preconditions for economic growth is the ability of a city to attract people capable of producing and motivating creativity in all its aspects. Florida is not studying urban policies and strategies; he does not focus on "a city" but rather on "a place", naming the healthy creative environment a "creative center". That might be just a city block, a neighborhood, or maybe a technology park within the region.

These characteristics belong to the One-North science hub initiative designed and in construction in the Buona Vista area of the famous city-state of Singapore. The city has grown from a small port depending on British military bases, into a thriving world

centre of commerce and industry. In 2004 it was ranked as a third best place for doing business and the fourth-largest foreign exchange trading centre in the world (World Bank's "Doing Business Reports", 2005). In such a contemporary, technology and business oriented society, it was natural to expect inventive projects like One-North, which was initiated in 1996. The city authority decided to shift from an industrial to a knowledge-based economy, to activities known as research and development (R&D), aiming to design and develop a focal hub to stimulate a "technopreneurial" culture and environment (Technopreneurial 21 (T21) Initiative, see Aw, 2005). This was to become not only a science park, but also a magnet for international and local talents to pursue contemporary technology based activities within a physically and socially diverse community of innovators, technopreneurs, venture capitalists, corporate lawyers, investment bankers, business consultants, media stars and artists living together, working, interacting and exchanging ideas, striking deals or just having fun. It was envisioned as a place where creativity thrives and new ideas grow. The site was a 200 hectare urban area in the western part of Singapore, alongside existing institutions such as the National University of Singapore, Insead Business School, Singapore Polytechnic, the National University Hospital and Singapore Science Park. With an existing infrastructure, public transport system, some housing in former military barracks and some in low rise apartments, the area was suitable enough to host new structures. The idea was to combine existing structures keeping the identity of the place with new buildings, aiming to create a unique place where the old meets the new.

Fig. 7, 8 - Master plan One-North, Singapore, Fusionopolis district in construction, and the famous Kisho Kurokawa two towers project[5]
(from http://www.one-north.com/pages/centralXchange/location.asp)

5 Fusionopolis Phase 1 will be the choice location for world-class infocomms and media enterprises to work, live, play, learn and experiment. It will be a playground for the creative, innovative and visionary. Phase I of Fusionopolis will comprise a two-tower cum podium development designed by the renowned architect, Dr Kisho Kurokawa. Target - to be completed by spring 2007.

The urban design competition was launched in 1998 and brought together 20 (st)architects and creative teams from all over the world.[6] The winning master plan was created by world known Zaha Hadid and the 20-year planned process of implementation is in progress. The aim of the project is to redefine spatial relationships between research, business and urban life. For planning purposes, the complex is divided into seven districts. The major ones are represented by a "new economy eXchange" and are designed to be high-tech structured, environmentally friendly and functionally compatible. All the other districts are representing some form of exchange: Life eXchange (biomedical research campus), VistaeXchange (corporate and business services center), Economy eXchange (financial centre), Central eXchange (ICT and media industries), etc.[7]

The master plan meets the challenge of reconciling land intensification with high quality open space. The Buona Vista Park is a contiguous, multi-purpose spine of landscaped space running the length of the site. It should give One-North a distinctive urban quality, and with its terraces can be the venue for informal gatherings and events. Together with contemporary designed, hi-tech buildings all around, it should create a dynamic but lively urban space. In the early stage of One-North planning, the adopted master plan was criticized because of its unusual design pattern, a bent grid model of streets aiming to respect the landscape and topography, and (for western urban planning) unusual mixed uses in the whole area. This out-of-the-ordinary concept, creative beyond any doubt, would create a unique and distinctive character of the area.

Another example of the creative city for its creative population is the world's most attractive capital - New York City. According to Florida, economic growth will occur only in places having highly educated people, and furthermore, the creative class will look for "high quality amenities and experiences, an openness to diversity of all kinds, and above all, the opportunity to validate their identities as creative people" (Florida, 2002). The precondition for the place to host a creative sector (and therefore to be economically successful) is to have three complementary attributes, the three Ts: technology, talent and tolerance. While talent and technology might be obvious necessities, tolerance engenders talent and innovation, which is, assisted by technology, going to produce the most desired outcome in late capitalist societies: prosperity (Wright, 2005).

New York City is obviously one of the most tolerant cities ever and it is also, for various reasons, one of the fastest growing cities in the world. The local administration response to the addition of 685 000 residents between 1990 and 2000 was to promote vibrant waterfronts and the reuse of abandoned industrial complexes

6 SOM, OMA, Richard Rogers, NBBJ, Kenzo Tange, Nikken Sekkei, etc.

7 http://www.one-north.com/pages/singapore/index.asp

to facilitate housing production as one of the guiding principles for its development plan. There were several good arguments for the authorities, citizens and community boards to choose rehabilitation, successive urban transformation and support to the creative sector, rather then widely criticized renewal. First, urban sociologists like Gerald Frug or Richard Sennett claim that in contemporary culture, community places bring together people differing in nationality, religion and culture, still identifying more with the space they live in together than with what they have in common. That wasn't at all the case with the urban renewal process. The second argument is that the reasoning leading to a change in land use to housing (residential) in Manhattan would instantly give developers the idea and the right to argue for high-rises, increase densities, rents and property values and, in the next stage, produce gentrification, loss of character and changes to the social, ethnic and economic population structure in neighborhoods.

Fig. 9, 10 - DUMBO, Brooklyn, warehouse under the Brooklyn Bridge and prestige galleries that old storage sites are being transformed into (photo G.€., 2005)

Positive social, economic and urban examples of urban transformation in Manhattan are Soho and West Village. Previously poor, neglected neighborhoods, inhabited by the creative sector - artists, musicians, bar tenders - able to pay rent for the working or living space in converted warehouses or derelict residential areas, were transformed into artistic, bohemian quarters, attractive not only to artists and the creative class but also to the higher, fashionable classes who follow the trends. Over time the buildings were renovated, the population changed to a wealthier one, and the average area rent increased, sending artists further towards the river, or to the other

neighborhoods outside Manhattan. Areas like West Chelsea, TriBeCA, the Meat Packing District in Manhattan, DUMBO and Williamsburg in Brooklyn, Queens in Long Island City are neighborhoods that change daily, previously industrial, warehouse or poor residential areas, today artistic, creative and hopeful for new residents and activities.[8]

Besides keeping the existing zoning ordinances in these areas and leaving the transformation to happen by natural rhythm and shape, there are also national, regional, and city incentives and tax deduction programs for artists and other creative productions, established to help provide work/living space and materials for this kind of work, or just NGO and not-for-profit organizations helping artists to promote themselves and solve existential problems, or supporting their projects.[9]

A typical neighborhood in transformation and one of the most popular sites in NYC nowadays is the Meat Packing District, on the western edge of Greenwich Village, one of the last undiscovered neighborhoods in Manhattan in late 1990s.

Fig. 11, 12 - Meat Packing District: Meat storage and the famous restaurants and brands in the same street (photo G.€., 2005)

8 "...And now, with building conversions happening as quickly as possible, the warehouse district has become a residential bonanza. Supply cannot keep up with the demand." http:// www.southbrooklyn.net/dumbo.html

9 E.g. NYFA - New York Foundation for the Arts; LMCC - Lower Manhattan Cultural Council; PS1 International Studio Program; LIC, Queens; Materials for the Arts, Long Island, Queens; Galapagos Art Space, Williamsburg, Brooklyn; DUMBO, Brooklyn.

It has been known as a trading area for over 150 years: first a farmers' market, then a produce market and for the last century the place where meat was brought by boats to the Hudson river port, arranged, packed and sold. Some of the buildings are still in use for these purposes, and the whole ambiance is of an authentic, working neighborhood.

Next to the meat business, the district started a quiet transformation into an artistic, bohemian and art-related production center, staying vibrant and busy 24 hours a day and keeping the exotic mixture of warehouses and fancy shops, restaurants and galleries. An outstanding example of the place's success is the "Industrial Superstudio" of the fashion Italian photographer Fabrizio Ferry, created in adapted old garage, with excellent access, large and flexible space, and affordable rents. It has become the anchor of the neighborhood. The line of cafés and restaurants was opened near the studio to provide food, drink and entertainment for models and photographers. This became so-called "liminal space" neither public, nor private any more, nevertheless vibrant, active, and attractive. In 2004, the restaurant on the ground floor was nominated for the best new Italian restaurant by New York Magazine. As the door of the garage is wide open, there is no strict border between public sidewalk and garage-restaurant private interior. This imperfect environment seems to be even more attractive to New Yorkers than fashionable areas of downtown Manhattan. The interest of the site is shown by the fact that the price for the single property in this neighborhood varies from $1 million to $250 million (Wright, 2005).

Similarly, neighboring West Chelsea district was once forced to become a residential area and thanks to its Community Board 4 (CB4) and their strategic plan for the neighborhood rehabilitation and transformation remained one of the preferred locations for galleries and museums and residential use.[10] This legal body representing citizens is the equivalent to the Lower Manhattan Planning Commission, when decisions about urban development of the area are being discussed. Educated and respectable members of society in the CB4 area were strongly opposed to the idea of building the "Jets" stadium for the Olympics 2012 in the west part of Manhattan and saved the identity of the site, although the investor proposed great urban change in the area in compensation for the possibly lost neighborhoods and promised that their ownerships would cost more otherwise. They also proposed to keep the zoning rules for the area and the present population and to bring young, creative and talented people to former industrial and storage areas towards the river. The NYC Manhattan Community Board No. 4, for a population of around 100 000, has a "Statement of District Needs" (June 2005 to June 2006) with the aim of: preventing displacement, maintaining neighborhood character, attracting

10 As a part of SAIT (Social Actors in Transformation) New York workshop, under CHOROS International Project, the SAIT Belgrade team visited creative neighborhoods of New York and CB4 in West Chelsea and spoke with its members in January 2005.

development that enhances diversity and positive neighborhood relations among disparate groups. The area is today one of the most sought after sites, together with the famous "high line" museums and galleries, and is one of the most distinctive parts of the Manhattan.[11]

It is impossible not to mention the case of the creative sector of Providence, capital of Rhode Island, US and its most successful urban rehabilitation project of Waterfire. The success and renaissance was the result of the strong will of the local government to move railroad tracks, parking lots and industrial buildings from downtown and revitalize three rivers previously covered with streets and railroads. On the other hand, it was the success of the local creative soul, the artist Barnaby Evans and his world-known and city-wide Waterfire Festival, for 12 years bringing thousands of visitors to Providence. Arranged around the award-winning sculptures installed on the three rivers of downtown Providence, the public event has been praised by Rhode Island residents and international visitors equally as a powerful work of art and a moving symbol of Providence's renaissance. It's much more the symbol of the city then any other artifact, historic or modern building, institution or the river.

Fig. 13, 14 - The main revitalized basin, the mouth of three Providence rivers, that became the main social and urban scene and the social space for the "Waterfire" festival (photo €.G., 2004.)

11 http://www.thehighline.org/press/articles/092503_nycdcp/; and Draft Scoping Document for the Proposed West Chelsea Special District Rezoning (CEQR NO. 03DCP069M).

European and SEE context of the creative city

The understanding and the role of this sector in European cities varies in different countries. The United Kingdom is the cradle of "creative industries" in Europe, and the British Ministry of Culture, Media and Sport gave legitimacy to the term. The German name for a similar sector is "*kulturwirtschaft*" with the accent on individual entrepreneurship and ownership, while in UK creativity and intellectual properties are the key, defining elements. Accepting the opinion that only significant public investments in culture can provide sustainable and concurrent creative industries, London is therefore investing 50 million pounds in their development and expects a profit of 32 billion pounds from creative industries and 200 000 new jobs in that sector.[12] There were 1.9 million employees in the creative sector in the UK in 2002, from which 0.8 were in supporting fields such as architecture, design, etc. Commenting on economic results in 2004, the *Financial Times* published that in London creative industries were more important than financial services and the sector was also recognized as a priority economic element in the whole UK.[13]

Justin O'Connor, director of the Institute for Popular Culture and one of the promoters of creative industries in Europe analyses the reasons for the creative sector's growth in urban areas in the post-industrial period, where the key words are "networks and flows" of capital, information, goods, people, services and ideas. It is only possible to develop inspired, individual, intellectual and creative productions, providing there is infrastructure and a market. Manchester is the key study for urban transformation and remaking of the *genus loci*. It was done not by the planners and management but from bottom-up, by micro-transformations of destroyed parts of the city or of the whole city based on a culture vision and individual projects. In this case the city character and the cityscape have been changed from an industrial impoverished town in the economic, political and cultural shadow of the ever-glowing London to the centre of British creative industries. Promoters of Manchester were the creative "Sex Pistols" in the 1970s, or "The Smiths" in the 1980s, pretty much the same as the industrial revolution in 19th century. Also after the town was on the brink of collapse the painful decision was made to abandon industrial production in the 1980s, and to encourage management-oriented investments in culture. Since 1995, the city has put 561 million euros into cultural infrastructure, 22 000 people have found jobs in the creative sector and 4.5 million overnights were counted in 1999, in the same year bringing 500 million euros income to the city.

12 http://creativelondon.org.yu

13 UK - SEE Forum Building Partnership for the future, British Council.

The British Council is especially active in the promotion of creative industries in SEE, and therefore established a "Central and Eastern European Pilot Project" in Latvia, Lithuania and Estonia in 2003, and broadened the project area to transitional markets and SEE in 2004. Although the British example is not fully applicable to this region, there is cultural entrepreneurship and the large space for creative production left in our economic environment. In this region creative and cultural industries have so far been mostly the topic for theoreticians of culture, but an independent production sector has appeared and is seeking its place in funding and in the national economy.

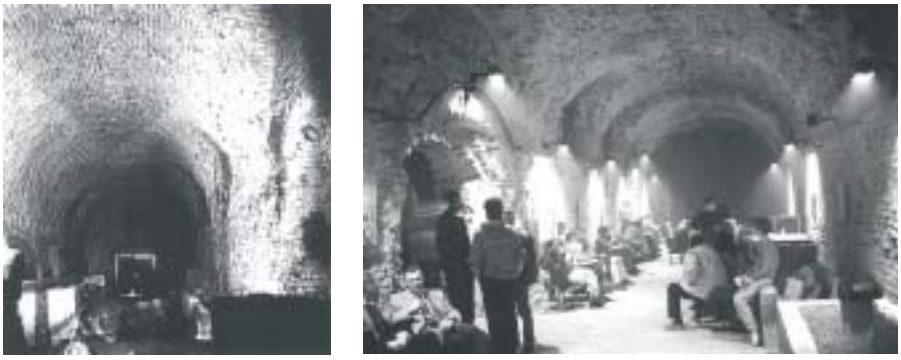
There have been several events, workshops and attempts in former Yugoslavian space to raise the city governments' awareness of the creative sector at the end of the Millennium. Alternative, individual production and cultural projects were the reaction to official culture and politics at that time. One such case was the European overview of national culture policies, the "MOSAIK" project. A workshop in Ljubljana in 2001 presented projects like "Metelkova", the conversion of the former military complex to an alternative squatter/culture centre, or Belgrade Urban recycling project, the reuse and revitalization of neglected, deserted or misused urban heritage, or the cultural movement in "Tvornica" in Zagreb. All of the projects were considered "alternative" in their cities, although in fact these were typical creative economies in rather creative SEE cities.

Belgrade creative projects

All the projects started in Belgrade during the period 1990 to 2006 were the result of an unofficial, creative opposition movement and the need for the individualization of (cultural) and new intellectual production. At the same time, recognized as distinctive and profitable in Western economies, the urban recycling strategy included the whole creative sector. The goal of this strategy was to simultaneously solve two city problems: firstly how to find the working and living space for the creative sector, by establishing individual production within a collapsed economy under sanctions, and secondly, to save, maintain and creatively improve the urban, historic and built heritage of the cities.[14]

14 Urban recycling is a strategy for physical, economic and social maintenance and revitalization of destroyed, abandoned or inappropriately used city space (including landmarks, urban brands, specific sites and identity).

Fig. 15, 16 - The main underground powder storage, Belgrade Fortress, 1772 and 1994 (from “Visionary Belgrade” art project)



The notion was used for the first time at the urban design conference “Komunikacije”, in Belgrade, in 1996. Over 70 professionals, artists, theoreticians, scientists, and over 30 case studies from Serbia and Montenegro and several international projects were presented at the conference. It inspired professional and scientific efforts to establish the legal framework for implementation of this creative strategy. Unfortunately, the creative sector still hasn’t become a significant social, economic or cultural element of urban society and is still considered as an alternative culture. Therefore no official acts, strategies or policies have been drawn up or adopted in Serbian cities up till now. The urban design for the “Škaljari” area on a soap factory site, the urban design for Perast historic city, both in Kotor, Montenegro, the master study “Urban recycling, method and implementation in urban planning” 1999, the Project MOSAIK, Ljubljana, CHOROS international projects, SAIT Belgrade, 2004 and the Architectural Regional Congress “Urban Recycling”, Belgrade University, 2006, are some of the studies, events and projects in favor of the idea and the process, but without the national or city strategies adopted.

Fig 17 and 18 - Beton hala, in Belgrade Sava Passenger Port, was a candidate for a public project of recycling, but after a decade, it was decently adapted through a private project for retail space, galleries, a jazz club and design office. It can be and is used publicly, the great world-known designers exhibit in this space under "Belgrade Design Week"

The second significant Belgrade project related to creative industries was initiated by CHOROS International Projects named Social Actors in Transformation (SAIT) Belgrade. It was established as a set of comparative case studies in Minneapolis, New York, Amsterdam and Belgrade and its first phase lasted for three years. The aim of the Belgrade study was to identify the existence, needs and potentials of the Belgrade creative sector, the capability of the Belgrade institutional and financial system to support it and the resources within physical urban heritage to temporarily or permanently host this sector. There were three sites analysed in the feasibility study for Belgrade: Beton Hala, in the Sava Passenger Port, the old fairground, one of the most interesting and neglected historic sites in Belgrade, and the old power plant, an industrial archeology site on the city bank of the Danube. The findings of the study were that all three sites were, for various unsolved ownership and structural problems, too problematic to be used to host Belgrade creative industries. The project is in progress, trying to find other solutions and sites in New Belgrade.

During the research, it was interesting to find that one of the still active printing offices in the important architectural building "BIGZ" is hosting and renting the space for several creative groups of architects, musicians, graphic designers, and students of architecture, and the independent creative centre was already working on site without any institutional support.[15]

15 BIGZ, Beogradski izdavacki graficki zavod, Mihajla Pupina Street in Belgrade.

Ten years after the first studies, there were no instructional acts, legal documents or strategies, nor efficient mechanisms to solve the needs of the creative sector. At the same time there was no match between this sector and Belgrade economics or marketing needs and branding policies. The city lacks strategies for urban rehabilitation based on local cultural, intellectual and individual resources; the recycling process was never officially established, and all the reconstructed old buildings were adapted on a market basis. The absence of identity-oriented urban rehabilitation projects says a lot about the transitional economy and its attitude towards resources - human, intellectual, architectural and historic. There are several causes for such inertia, from constant political and economic changes with no time for studies and experiments, to typically transitional ownership, responsibility, legal or management labyrinths, as everywhere else in transitional Europe.

The creative sector is forced to adapt to the market economy and to search for support from strong investors, international funds and industrial production where the creativity is related to agriculture, IT Technology, or services. In the cultural sector, at least in the Belgrade case, the architects and designers show huge vitality, since their work is not connected to special conditions, the market is global via the Internet and the results are easily visible and compatible with similar products in or outside the country without serious investments. “Belgrade Design Week”, congresses, exhibitions and concerts, as well as independent productions are reaching high standards and international acceptance but there are no integral studies, projects and public investment in city cultural, urban rehabilitation, development or marketing strategies.

Chances for the SEE region creative cities

Although differing in their wealth and development level, all the cities in SEE are seeking to be recognized as distinctive and unique, and to find an identity promotion model through the creative sector. This model, brought from the developed Western world, is accepted in our region as a possible and useful way to incorporate the informal sector and creative individuals into part of production, especially cultural, and to add their effects to official cultural, economic and strategic results. From the urban development point of view, it is necessary and important to force both the official and the informal sector to study and analyse the authentic identity of the city and the nation, specific but still convergent cultures based on tradition and a rich history. The promotion and support of the creative segment of urban culture can significantly help promotion of “small and new” nations and their cities on the edge of, or inside the European cities network. They are all willing to be noticed, promoted and advertised as creative and promising investment space within the European continent.

The advantages of our cities are their authentic cultural, historic, and ethnic variety and the potentials of the new markets, much more than high technology standards, global trends and fashion. How successfully that specificity is going to be used and promoted by urban planners, designers and especially by city managers depends only on their openness and readiness to join the creative cities competition, through strategic development projects in partnership with a new, viable, competent and capable creative sector, respecting it equally alongside the wishes of important developers. The experiences and strategies of successful world cities, in spite of all the differences and institutional, structural and administrative obstacles in the SEE region, can be helpful for our cities to try with innovative, intelligent management to join the network of distinctive creative cities, where creative industries bloom.

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Culture as a Resource of City Development

Milena Dragičević Šešić

The city is always a space already constituted
and structured by symbolic mechanisms.
James Donald, Imagining the Modern City

In this paper I would like to explore the cultural meaning of the city - the city identity and its symbolical value (intangible as well as tangible heritage), as a resource for development in the contemporary world. The text will be an attempt to position culture in the heart of city strategic development within the scope of different public policies. At the same time, the question of cultural literacy (Brecknock, 2006) as the capacity to understand, to appropriate and to develop the meaning of the city structures, city icons and city elements, such as neighborhoods and public spaces, seems to be an important part of contemporary city cultural capital.

The main research question is how to link urban development strategy and cultural development strategy in a time of rapid change, when the intensification of global cultural influences on value changes and local cultural traditions is raising the importance of services and abandoning the logic of production and manufacturing.

A service-based economy can impose its demands concerning re-design of urban space on specifically public spaces within it, but cultural policy and a strategy of city cultural development might enter with specific demands and interactions. This paper offers one possibility to understand the new logic of interaction within public policies.

Basing our thesis on the statement that culture is a permanent, but also a changeable asset in the creation of a city's identity, research has identified multiple dichotomies in contemporary processes of urban cultural change. Although identity is usually conceived through "constant" elements (tangible heritage, institutions, stable traditional patterns of human behavior), at the same time new cultural policies

have to take into account the most valuable contemporary cultural assets - those which are in constant transformation, making the city a vivid and live organism, interesting to live in or to visit often. City memories, different significant practices embedded in its "image" are part of those dialectical life practices, strategies of ritualization of public spaces, the politics of memory vs. the needs of the real-estate industry, but also the practice of individualization vs. the practice of standardization (Sonnabend, 2003), the traditional need for spatial (urban) practices vs. the new needs of virtual platforms, blurring differences of concept of the urban center as a symbol of public life vs. suburbia as a symbol of private life, as both spaces are becoming more and more the concept of "social space", offering identity construction to both the individual and the group, representing hybrid and overlapping identities: global identity, the sense of belonging to larger community - both national and international, global within the city center, and offering a sense of security through belonging to a relatively firm community through a social life developed in suburban public and private (civil social networking) space.

This study was carried out based on action research in Serbia, Armenia, Macedonia and Bulgaria (interviewing and debating in focus groups with city cultural administrators trying to develop the most successful city cultural policies and strategies), as well on experiences of the Policies for Culture Program of the Ecumest foundation and the European Cultural Foundation. It also used desk research and case studies of many cities in France and England. That is the reason that its results are mainly represented in the form of a position paper - more a tool guiding the future implementation of urban public policy development projects than a classical analytical research paper.

City identity - a starting point for developmental strategy

In contemporary cultural life, myths and stories, memories developed throughout centuries in the European cities, are used not only as part of cultural policy programs for the sake of preserving the cultural heritage or in different forms of "cultural tourism", but even more in the "branding" processes developed to inaugurate the city as a product.

The second part of the 20th century brought us this new type of action: setting up town marketing teams, aiming to renew an idea about the town, its impression on the inhabitants, but also to improve the image of the town in the country and in Europe, for economic prosperity reasons.

Even the programs created with the aim of stimulating the development of a "European identity", such as the European Cultural Capital, became mostly used as a tool for promotion and marketing, as a tool of identity "renewal". Each cultural

capital had precise marketing goals, so evident in the case of Dublin and especially Glasgow (at the moment of its celebration in 1990 one of the ugliest European towns, and for sure, not one of the European cultural centers - but afterwards, a vivid cultural scene emerged and Glasgow became a completely new brand of modern, dynamic, "open-for-investment" city).

City marketing today (*stadtinszenierung*) creates new or revives old myths. An old myth also needs *support*, but what is more important is the creation of a "positive" town image and of new town myths, in order to propagate new town economic and cultural policy leading to prosperity. The possibilities for towns to develop such cultural policy, which will redefine the possible meanings and cultural importance of the towns, are enormous, even in cases of extremely small or completely new cities. For example Dunaújváros in Hungary, a socialist city from the 1950s, or, similarly, Nowa Huta in Poland, are not "lost cases". They need imagination and entrepreneurialism to restore the utopian myth of their creation.

The possibilities for cultural managers and animators to lead actions towards the "image and myth creating" city cultural policy, within city marketing practices, are enormous. However, they need to know how to use political and economic interest for building a synergetic approach towards policy-making. Collective memories and collective consciousness should be stimulated through art in public places, in order to make contemporary living more open, dynamic, even pleasant, more modern, linking everyday life-style to a prosperous economy, tourism, etc. The modern city and regional economic policy should involve cultural policy in order to bring important results.

The reasons why the attempt should be made to create an active city cultural policy are numerous - although the cultural sector as well as the city administration would sometimes prefer the "status quo", wanting to avoid risk and turbulence. This inertia very often brings routine, sclerotization of the institutional system, the reduction of audiences and high social discrepancies in cultural practices. That is why it is sometimes necessary that the stimuli for city authorities as regards policy-making and strategic planning in culture at the local level should come from above - like in Great Britain, from the Ministry of Culture or from the Arts Council (new inspection regimes in Great Britain: best value, comprehensive performance assessment, etc.). And the impact of the policy, due to the government's requirement for regional cultural consortia and local authorities to develop regional and local cultural strategies, has made possible not only the creation of different, specific local communities and city cultural developmental plans, but also "probably for the first time, the mechanisms for the government's broader cultural agenda to be met". (Compendium, EricArts, accessed on 5th May 2006, chapter 7.3) This may be a

model for achieving real effects, if all levels of public authorities are conducting a cultural policy in a coordinated way, sharing responsibilities and tasks.

City cultural policies

One of the main tasks of city public policies is to (re)define *city identity*, based on the *collective memories* of people, cultural *heritage* (built and intangible) and a *vision of the future* which succeeds in gathering consensus among the main political agents, but also among public opinion makers (intellectuals, educators, media practitioners, etc.).

In the countries of transition, as the history and identities of each city have been deliberately "forgotten", it is crucial to try to find some principal resources for city cultural development, and main images as well as possible pillars of future action. Of course, the socialist period promoted an idea of "socialist industrial cities" as motors of regional development, as well as of "educational-scientific" cities - where new socialist intelligentsia were brought to develop powerful universities and research centers in the service of the main ideology (Akademgorodok, near Novosibirsk). Other capacities and elements of traditional identities in many cities were neglected, sometimes even destroyed, considered as "taboo", and became part of oral transmission among generations. At the same time, it was not only socialism, but also the wars which many times changed inner European borders, that influenced the different approaches to cultural heritage of different nations within the same city in Western Europe. Now, we are once again in a situation where new "attributes" have to be given, and the heritage of the city revalorized. And as the history of Koenigsberg-Kaliningrad shows, erasing the traces of history is always disastrous for the city. Like denying the presence of German culture since 1945, it would be the same to deny the traces and achievements of Soviet culture in its former territory today. But - what should the new identity of such a city be? At the same time, is the attribute of being a "historical city" enough for many Italian cities, i.e. should their identity be developed around a newly designed product of traditional goods?

Each city, throughout its history, as well as today, has to develop not one, but a multiple and multifold identity, trying to use the best elements of its history, geographical position and human resources. To develop a certain cultural policy and its adequate programs, the city should be able to describe and define its own acquired or aspired for identity.

In this respect, it can be said that the main types or profiles of the city identity might be:

a. capital city (presence of national institutions, media, foreign representatives)
b. administrative (regional) centers (according to the decentralization structure)
c. university city (traditional: Krakow, Vilnius, or new one: Orleans, Novosibirsk)
d. commercial city (Hanseatic cities like Hamburg, or fair/trade cities like Frankfurt)
e. crossroad city (important for traffic of goods and passengers)
f. industrial city (around a certain type of industrial production: Turin, Leeds)
g. postindustrial city (industry in crisis - new service development: Gdansk)
h. mining city (Roubaix, Labin, Majdanpek)
i. tourist city (spa, holiday resort: Vrnjacka banja)
j. sport resort city (Innsbruck)
k. historical city (symbolically important as ex-capital etc.)
l. cultural capital (national, outside of the capital) - art city (Krakow)
m. sacral city (Lourdes, Santiago da Campostela, Echimiadzin)
n. frontier/border city (Dimitrovgrad)
o. multicultural city (the main "identity mark" is its multiculturalism: Leicester, Marseille)
p. post-multicultural city - divided city (Mostar, Mitrovica)
r. military city - with military port, caserns, etc. (Toulon)
s. secret city (in Soviet Union, city of secret nuclear or military production)

The list could be much longer, and according to different resources, more profiling could and should be done when the city wants to start with the creation of a new policy and a new strategy of integrated development, where culture is a sense-giving base to new visions and horizons. So, although we are often tempted to find some key names - artistic or historical figures born in the city or relevant to it,[1] and "use" few historical buildings and main tourist points of attraction as pillars of a traditionally based notion of identity - in fact profiling of the city should be done also according to contemporary values and resources.

1 There are many cities in Europe whose name brings to mind immediately an artist, scientist or politician who was born or raised in it; those cities developed quite substantially, basing many strategies on that fact (Goethe in Weimer, Joyce in Dublin, Mozart in Salzburg etc.).

Local cultural resources necessary for developmental policies

There are many ways to analyse and enumerate the list of cultural resources important in defining the city identity, and even more, the future of the city, its aims and aspirations.

Analysis should start with numerical figures relevant to the level of education of human resources, GDP per capita and part of the GDP created by creative industries, etc. Integrated development demands that both aspects be taken into consideration: immaterial (image, position, values) and material, concrete achievements and practices.

In this sense it can be concluded that cultural resources consist of both built heritage and immaterial heritage: myths, rites and rituals, language (specific local dialect, story telling, and humor), as well as cultural representations (images and narratives of the city in the arts and media - poems, movies, visual arts etc.), even personalities linked to the city in history, and personal narratives.

But, in a wider sense cultural resources will also consist of traditional habits and values: cuisine, behavior, ways of socializing, gatherings, weddings etc., as well as the quality and specificity of artifacts produced: food, drinks, objects, furniture, costumes, fashion, and crafts, even souvenirs (as artifacts of lowest development potential).

One of the key elements is the urban quality of the city which can be analysed through the quality of public spaces, the quality of the cultural and entertainment infrastructure, sport infrastructure, tourist infrastructure (roads, parking, hotels, restaurants, public toilets) and of other service facilities. On the other hand, the natural environment - walks, parks, forests, rivers and lakes, the seaside and exceptional flora and fauna - at the same time witness both public and private care.

But the city is recognized and experienced through its people and their spirit, where “human resources” demand a high level of educated professionals in different fields with entrepreneurial spirit, different skills and knowledge, a wide range of hobbies, and associations of citizens - in short, a developed private sphere and an active civil society.

The knowledge society today demands the development of new types of educational institutions and services (city of science, university city, etc.) and that is the reason why within new city images (in the branding process) the respect and reputation of existing educational infrastructure is usually emphasized, the diversity of professors and students praised, as well as variety, openness and specificity of

educational services (teaching in foreign languages, specific courses for professionals, summer courses for specific audiences, etc.).

All of these resources can be measured as achieved *cultural capital* within the community, capital whose multipurpose function will open up many more opportunities than the mere ownership of financial capital or even natural resources.

At the same time, policies of linkage of those different resources will have multiplying effects, such as basing new production on local economic heritage (specific artifacts etc.), or re-animating built heritage for new, lively purposes, not necessarily of an artistic nature (sometimes adapting an old historical building as a hotel or a center for the business community might be more appropriate than a new concert hall).

Strategies of integrated cultural development

Culture usually used to be seen as part of public expenditure, and not as part of a growing economy. Fortunately, during the 1980s and 1990s numerous cultural economists have shown how each euro invested in culture brings eight euros in revenue to the local community. The festival economy has become one of the highly popular fields of investigation, and cultural research has shown at least four crucial reasons why cultural practices are important for the general success of a city policy.

The first important factor relates to a feeling of well-being in a city, in an environment where we are spending our lives. To *feel well* means to have respect for the city, its past (however short), and its main pillars of identity. It gives a feeling of security and satisfaction. It means that for major cultural events at least, all the inhabitants feel involved and participate as part of the "audience". Secondly, the quality of cultural life is an important motive for higher managerial executives and entrepreneurs who have already achieved business results - as it makes them feel that they have succeeded in providing themselves, their families and their employees with the high standard of living which is not only measurable through salary level, but also through quality of education, leisure activities, etc.

Thirdly, the importance of creative industries as such - for employment, for the diversification of the economy (complementary services, etc.), for the raising of the quality of the economy, and so forth, is obviously crucial in the contemporary world.

The fourth reason is to do with improving the external image, making the city known for investment and cooperation with other businesses, but also for its products and what it offers to tourists or in a cultural sense. Nobody wants to buy expensive goods from an "unknown" city, nobody wants to spend their vacation in unknown

destinations, and also nobody wants to move into a city without an image, however attractive an employment offer might be.

These are the reasons why cultural policy should not be an activity "apart" from other activities of local administration. It has to be conceptualized as part of a long-term strategy of city positioning and development.

Inclusive cultural policy should give space for debate among all actors within the public, private and civil sector, and at the same time link not only culture, education and tourism but ALL the public policies within local government - from employment and the economy to the environment and ecology.

Cultural policy should be a SHARED concern/creation of all three sectors (Dragičević Šešić, 2005), where responsible local businesses would see their interest in supporting cultural development not only through sponsorship and donations, but through multilevel contracts with educational and cultural organizations regarding research, new curriculum development and suchlike. Civil society should contribute with elements relevant to wide circles of population, mediating in difficult neighborhoods or among socially distant groups. Three key words of the process should be: *vision*, *responsibility*, *action* (energy). If all three exist, then positive synergy will result in the creation of a city developmental chart with a cultural policy document, strategic plan and action plan.

It has to be recognized to what extent city cultural policy and cultural life should contribute to the understanding of diversities and the necessities of social inclusion. Although it might be dangerous to regard culture only as a tool for social or economic development, these important aspects should not be neglected.

Planning integral city development through public policies demands that cities create a city developmental chart, policy documents (inter-sectoral or separate for all sectors: cultural policy document, education policy etc.), a strategic plan (for each policy document) and an action plan. To do this, it is obvious that the main task for the city administration is to build a knowledge base, to stimulate and implement different kinds of research, among which cultural research should be considered as very important, trying to understand culture in the context of identity and citizenship (evidence-based policy: Mercer, 1994). It demands the use of a large number of indicators - relevant for all the phases of socio-cultural cycles: from production, through dissemination and conservation, to education and different forms of mediation. These indicators for analysis of the environment, conditions and possibilities, will be used later for the evaluation of the achieved aims and outcomes of the policy and strategy. They demand use of different research methods as research should be conducted prior to the processes of conceptualization and planning: mapping (of cultural infrastructure, offer, resources, etc), impact studies (of cultural

investments, festivals, creative industries, etc.), feasibility studies (for interesting new "institutional" ideas like re-use of industrial heritage) and life-styles and habits of the population (leisure and participation studies). Research could be conducted through surveys and empirical data collection, but also as desk analysis, using already existing statistical and other data. (In many university cities students for diploma and MA thesis are gathering a large amount of data known only within a department - those papers could be an excellent resource for further analysis.)

Policy-making must be the process where all different interests - public and private - meet, and the role of public administration is more in conducting and coordinating the process than in drawing up the policy paper. Local government is a key factor for organizing it so as to achieve an "integrated" and inclusive cultural policy paper and to develop a strategy from it. The policy paper should be the result of a complex process of expert research, focus group debates, consultations and idea development through negotiation. All operators should be included in policy-making: for instance cultural administrators and elected officials, representatives of cultural institutions, cultural organizations and associations, freelance artists (NGO sector), representatives of cultural industries and the media, journalists and art educators.

In addition, representatives from the sectors of education, urbanism, territorial planning, environment, tourism, sports, economy etc., should also be included in the process - all those who want to participate in a visionary process of development of a local community.

At the same time, local cultural policy should be observed in the larger context of regional and national cultural policy, and where a city may have more international ambitions, such as Belgrade, it should be debated within the context of European macro-regions such as the Balkans or Central Europe (Danube), as in many cases, the regional identities overlap (Mediterranean and Central European for Croatian cities, Baltic and Central European for Polish cities, etc.).

Cultural policy has to be developed from three standpoints: as a part of the integral development policy of the city; as an effort to improve management of the cultural system (from production to participation), and as an attempt to change the image of the city (city marketing).

There are at least six phases in the policy planning process, which, if neglected, make the use of culture in the process of urban regeneration or re-branding ineffective.

In *the first phase*, the most important issue is to raise public awareness about the necessity of the new concept of cultural policy and strategic planning, but also to

confirm the decision in the municipal council and then to create the organizational committee to finalize the project idea (timing, team selection, budget, etc.).

The main task of *the second phase* should be to diagnose the cultural situation within the municipality through empirical and desk research (information gathering), analysis of data and creation of development indicators, identification of the problems and potentials and final diagnosis of the situation.

In *the third phase*, the city authorities come up with a policy paper - developmental chart - developed through public debate, consultation, but also through joint identification of needs and challenges. Public debates should raise developmental issues (dilemmas) such as center-periphery, urban-rural, cultural-artistic; cultural-economic. At the same time, through public debates (participative policy-making: Graz, 1989) consensus should be reached about the creation of a policy platform with possible policy alternatives (development and analysis of options), defined policy priorities with desired/anticipated outcomes and selective basic strategies. The final stage of this phase should be the adoption of the policy paper by the City Council.

The fourth phase - elaboration of the strategic plan - includes identification of key development strategies at the global level with precise timing; sectoral action plans; identification of key operators (with defined responsibilities); creation of a draft version of the strategic plan (communication to decision makers, media, wider public, etc.). This is followed by public debate after which the definitive text of the document is drawn up and finally, the strategic plan is adopted by the City Council.

In *the fifth phase*, monitoring of implementation should be established, with mid-process evaluation and public debate, so that all potential mistakes can be removed (revision).

The sixth phase - evaluation of the first strategic period - is the beginning of the new planning cycle. The process is in fact starting all over again, but experiences have now been monitored enabling lessons to be learnt from practice.

City cultural policy strategies

To be able to find the most appropriate strategy to achieve the desired outcomes and goals, possible strategies have been classified in three groups.

a. Competitive profiling strategies

The first group consists of competitive strategies, usually used in municipalities which have already achieved certain economic and cultural capital, and are aspiring towards a better position in comparison to other cities of similar size and importance.

These strategies are usually sufficient for pragmatically oriented municipalities wishing for relatively immediate results.

1. positioning of cultural policy and development of recognizability - public visibility
2. diversification of programs and actions
3. intersectoral strategy - use of diversified resources
4. increasing the volume of production and services - economic growth (market expansion)
5. support for private entrepreneurship
6. social inclusion through participation and audience development.

b. Quality achievement strategies

The second group of strategies is applicable only to those extremely resourceful municipalities whose level of human capital, cultural capital and know-how is already high and acknowledged, and the chosen strategies should motivate the population towards new growth and development - with an extremely high ambition: in search of excellence. Usually those cities rely on highly appreciated historical and artistic heritage. In their cultural policy not only do they want their institutional system to acquire the highest international standards, but they also want to become a leader in transfer of know-how and skills. (*Exempli gratia*: Florence is not only a city-museum, but it also concentrates its expertise in museology, conservation and restoration of monuments - achieving knowledge production and knowledge transfer within the cultural sector).

1. support for quality development - achievement of excellence in certain branches of art
2. strategy of harmonization with professional standards of operation
3. education and knowledge transfer

c. Linkage strategies

The third group of strategies is strategies of linkage - relationships. It means that the city tries to find the best solution for development by relying on other cities as strategic partners. It might be a regional network of cities, or a network of cities according to profile (mining cities), twin cities, etc., but usually it is a strategy selected by cities in countries in transition, who feel too weak to compete and develop alone (who also do not receive enough support from central government).

1. orientation towards partnership/co-productions
2. networking
3. internationalization

4. decentralization of activities - urban, rural, peripheries

Of course, every policy demands different combinations of strategies with different tactical solutions expressed in the long-term strategic plan. It would be most suitable to develop strategic plans for 4 or 5 years, so that the beginning of implementation should be in the mid-electoral period. It means that the new local authorities should start working on inclusive and integrated cultural policy immediately, but taking into account the time necessary for research, and the development of the policy document and strategic plan. Implementation might therefore start after two years. That would also contribute to a reduction of the direct influence of elected authorities in the cultural field, bearing in mind that they will inherit at least two years of implementation of the plan from the previous elected authorities.

Conclusion

The fact that a city had mobilized its best human resources from different domains for the creation of a city developmental plan would already be a huge achievement. It is very rare that platforms and forums are created to enable people coming from different fields and sectors of operation to exchange their opinions and create joint projects.

A cultural policy paper and city developmental plan might be a good occasion to link and to attune visions of the cultural and the business sector with civil society, to create a new, desirable city identity and image, making the city “attractive” to its own inhabitants, and then for investment and tourism.

Professionalization and further enhancement of the city administration and city cultural sector capacities gained through a process of policy and strategy making will enormously help the cultural sector to change, to accept new ways and methods of acting and to be open to new entrepreneurial ideas and risks. Also, this exchange will help the business sector to become more sensitive to a community and its needs, and to develop socially responsible company programs crucial for both its inner and outer image and further PR.

So, not only will a city benefit by having an inclusive cultural policy and strategy, but each of the fields and actors will have enough stimuli for its own development and achievements. The main task here is to optimize the cultural, individual and socio-economic benefits of implementation of the cultural policy strategy within the urban developmental plan.

The question of the city as an intercultural space, as an interactive crossroads of all aspects of individual and social life, private and public interest, personal and social

agendas and individual and community pride, might be discussed during the planning process, enabling the wide participation of citizens, not usually involved in cultural policy debates (mostly reserved to cultural professionals). That makes urban cultural policies and strategies a privileged platform for the democratization of cultural policies as such, and an important element in bringing innovation and creative solutions in cultural management and cultural policy theory and practice.

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Attitudes of Cultural Workers towards Creative Industries Development and the City in Southeastern Europe[1]

Jaka Primorac

Introduction

Since the creation of the Creative Industries Unit and Task Force as part of the Department for Culture, Media and Sport (DCMS)[2] in 1997, the creative industries concept is taken as an incentive for city development not only in the United Kingdom, but in cities throughout the world. Creative industries have become the key axis of the creative economy; they are said to be the fastest growing industries in the world (according to the 2004 UNCTAD data), and in Europe as well. They are promoted as a platform for solutions for city regeneration, economic development, city identity formation and the like.

The development of the field of creative industries is especially interesting in Southeastern Europe[3], a region of swift changes[4] where knowledge of the field is

1 This paper is based on the data gathered through Cultural Policy Research Award 2005 www.cpraward.org. The research was focused on interviews with cultural workers in creative industries in SEE with the aim to investigate the position and experiences of culture workers in creative industries, in the context of research on the current position of creative industries in Southeastern Europe. I would like to thank again the European Cultural Foundation and the Bank of Sweden Tercentary Foundation for granting me this award.

2 This much cited definition of creative industries defines them as 'those industries which have their origin in individual creativity, skill and talent and which have a potential for wealth and job creation through the generation and exploitation of intellectual property'. More information on: http://www.culture.gov.uk/what_we_do/Creative_industries/

3 The author opted for the definition of the region as Southeastern Europe (SEE) as it is more adequate for the present situation in the light of EU integration processes and 'it seems to represent a more open and more general option' as noted by Švob-Đokić (2001: 41). In this way the term 'Balkans' is not disregarded - these terms are seen as complementary.

4 By Southeastern Europe in this research the following countries are included: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Moldova, Romania, Serbia and Former Yugoslav Republic of Macedonia. The author tried to include all of these countries in the interview part of the research; however it was not possible to undertake interviews in all countries defined above as SEE. Twenty-nine interviews covered Croatia, Montenegro, Romania and Serbia.

rather limited. The situation in this region in the last fifteen years has been one of turbulent events of the transition period and the overall insecurity that accompanies them. The shifting of borders and changing of regimes resulted in a constant task of redefinition and reassessment of the situation in the region as well as of the situation in the countries themselves. Bearing in mind the different historical and political contexts, there are several levels of change in transitional countries that have to be accounted for; democratization, globalization, the war and its consequences in some of the countries of SEE (former Yugoslav region), and the impact of EU integration processes.

Taking all this into account, one has to note that using creative industries as a platform for research in SEE has to be taken cautiously. As Tomić-Koludrović and Petrić (2005:18) stress "transitional societies are at best *mixed societies*, simultaneously undergoing modernization processes engendering both first and (to a significantly lesser extent) *second* modernity phenomena. What is more, even this extent of second modernity configuration can be said to be present only in selected locations, and certainly not universally across the region". Thus the changes in the cultural field also started to appear, but unevenly: the attitude towards culture was perceived from the stance of expenditure on culture, focusing on public subsidies. Nevertheless, the changes have occurred in the last fifteen years or so. Bearing in mind the problems of uneven development, using the concept of creative industries gives us an opportunity for a different perception of culture and creativity in SEE. In other words, usage of this concept stresses already present changes of economic reality, i.e. that these sectors now exist also in the market, not only through public subsidies as mainly occurred in state-centered systems of socialism and communism.

Therefore, the creative industries concept is taken here to provide more space for the repositioning of the creative and cultural sector. Notwithstanding the label "industry", as already noted, creative industries include sectors that are not "industrial" in their type of production. They are more small-scale in the SEE region, as Švob-Đokić (2002:126) notes: "Cultural diversification still prevails on the local level, not because it is less exposed to global influences, but because the type of cultural production remains artistic and artisan, which is particularly evident on the local, domestic level." This has to be taken into account while creating advocacy arguments for this sector. The closeness of creative industries and the cultural sector, the intertwining of some areas and positioning of some culture workers as multiple job holders in both of these sectors in new economic and political situations are arguments for reviewing creative rather than cultural industries in SEE.

Creative industries encompass several fields of production of symbolic goods: the book industry, film industry, multimedia and electronic publishing, design and advertising, architecture, visual arts, photography and the music industry.[5] On the other hand, cultural workers are defined as agents involved in the field of creative industries on some of the following levels: primary cultural production/output, the distribution and interpretation of cultural and creative works, and cultural management. This differs from the definition provided by Yúdice (2003: 331) who makes a distinction between artists and culture workers, where the labor of the latter is "patterned on the creative, innovative practices of the artist". The definition of culture workers in this paper includes not only artists,[6] but also other agents who are involved in the work of creative industries, as all of them are participating in the development of creative industries, each following their own agenda however diverse they may be. Taking this into consideration, the following agents as cultural workers have been included: film directors, film producers, film distributors, designers, visual artists, photographers, managers in creative marketing and advertising, directors of (and editors in) multimedia, music, book and electronic publishing houses, book and music distributors and producers, writers, singers, architects, and cultural managers.

As noted previously, this article is based on the data from research based on interviews with cultural workers about their position in creative industries in Southeastern Europe. It will focus on three dimensions that are important for the development of creative industries: firstly, a short overview of the terminological usage of the "creative industries" discourse in SEE shall be given; secondly, we shall take a look at the attitudes of cultural workers towards the general development of creative industries; and thirdly, we shall investigate their views on the importance of the city as a loci of creative industries. These dimensions shall be used to outline their general attitudes/perceptions towards creative industries and their development.

Defining creative industries

The interviews started with an introductory question concerning the topic of the research as such. The research subjects were asked if they had ever heard of the term itself; did they know what it means; and did they feel themselves to be part of the creative industries sector. Most of the respondents had never heard of the term, and

5 This is also the definition that was given to interviewees if they were not familiar with the term "creative industries". The research concentrated on the businesses rather than cultural agents working for NGOs, academia or for public institutions, which are sometimes included in the definition of the creative industries sector. See Ratzenböck et al. (2004).

6 The author agrees that "whilst the hypothesis can be accepted that artists behave rationally in an economic sense, analysis of their labor supply decisions, and hence of their earnings, requires a somewhat more specific model than that used for other workers" (Throsby, 1992:201). But the specificity of artists "work shall not be examined in detail here. All in all, the author agrees that "whatever model is used, the categorization of workers by industry brings together both creative and non-creative occupations" (Throsby, 2003: 177).

were doubtful that a new terminology or concept could solve problems in their sector. Those who were acquainted with the term are divided into those who consider themselves a part of it, and thought that the overall strategy would be good for their work, and those who do not like the connotations of the term "industry" in the concept. One part of those who know about the concept are those actors working with film and media, or who were involved in (or had heard of) the creative industries strand of the British Council SEE Creative Industries Forum.[7] So once again in the question of promotion of creative industries, it is British involvement that is responsible for the propagation of the term.

Therefore, the concept of creative industries is not well known in Southeastern Europe, and culture workers are prone to think of their work from a more sector-specific approach. In this line the potential public policies in the area of creative industries development could be created under the sector-based approach.

Creative industries development - which way to go?

Let us take a look at the general attitudes that cultural workers are employing regarding their activities in the fields they are working in. First of all, one can note that there are three basic orientations with which cultural workers position themselves in the work of creative industries, which illustrate the transitional contexts of the societies in question.

Culture workers can be divided firstly into those who ask for a radical change of the system (all residuals of the former state-centered system should change) - this could be defined as the *"invisible hand" of the market approach*; those who think that the changes should be made but that some good features of the former system that are still in action should stay (*"third way" approach*); and those who are oriented outside of national borders towards the global market (*globalist approach*).

Respondents that ask for a radical change of the system claim that the current system is too slow and obsolete, has too many residuals from the "old state-centered system", and does not correspond with the current needs of their sectors.

7 The United Kingdom is a big propagator of this concept, as it spreads its creative industries initiative in the region with its UK South East European (UK SEE) Creative Industries Strand during 2005-2006, whose attempt is to stress the importance of the creative industries for city development. Several cities in the region are included in this project: Iaşi, Romania; Plovdiv, Bulgaria; Podgorica, Montenegro; Belgrade, Serbia; Priština (Kosovo); Split, Croatia; and Tuzla, Bosnia and Herzegovina (http://www.uksee.net/index.php). Some of the teams have already published mapping reports such as 'Creative Iaşi', published by British Council Romania (2006), Jovičić and Mikić (2006); Ljumović (2005), and a short Plovdiv mapping study, British Council Bulgaria.

"What has to happen is an overall change of consciousness. One needs a bourgeois revolution so to say…." (Music producer, Split)

"One could say that it is a system that came to the end of its volume. It ends now, when it is just before its termination - I think that this would be the most clever thing to do - to come to the end of this system." (Film producer, Zagreb, Croatia)

What are striking are the energy and the clarity of the requests, given the lack of precise goals of cultural policy, which they do not see as clear enough. Their responses underline their everyday problems with the remnants of the former system, that are not adequate for the current situation, and which are stopping further developments in the sector.

Another group of respondents are cultural workers who think that the changes should be made but that some good features of the system should stay. These are the cultural workers who are satisfied with their position, and who think that some of the good features of the "old" system should be left as they are, for example social security for artists, and subsidies for publishing.

"I think there should be a certain balance between these financial activities of the state and of the market because I do not think that it is good to turn the culture totally towards the market and to apply the market model as in other sectors. On the other hand, I think that the cultural sector is too much oriented towards state subsidies. What should be done is that everybody has a right to a subsidy but specific reasons should be given why some subsidies have been granted and what is to be achieved by them." (Manager of a creative marketing house, Zagreb, Croatia)

"That is a very big amount of money (or maybe I'm wrong) that is given to cultural products in Croatia, but very little is given in return. So, for example, a model of credits to SMEs in culture is not necessary when, for example, there is money that is already being given in contests." (Director of multimedia publishing company, Zagreb, Croatia)

Their attitudes underline the necessity for reform of the current system, oriented towards a detailed analysis of the current instruments and their improvement. The combination of the good features of the "old" system with adjustments oriented towards the market would be beneficial for future creative industries development.

Research subjects who stressed their orientation towards a global market come from companies which are oriented towards the usage and development of the new technologies, and whose products have a wider market reach (that do not depend on translation, on intangibility and similar issues).

"We became recognized by a marketing campaign for Google, for example, or advertising. We worked with TV, radio, flyer, freight companies. Our name is out there. But our projects are not based only in Romania, we also work in Switzerland, in Japan, Algeria, Belgium, the United States." (General Manager of a media agency, Bucharest, Romania)

"We have not started it too aggressively, but we are being sold on all continents - in America (USA and Canada), through the Internet, in Australia, South America, Argentina…." (Director of a multimedia publishing house, Zagreb, Croatia)

"After some time, throughout the years, I have passed on my idea to a wider group of people in the region, and then in the world as well. I have been on the Billboard on several occasions, but with one different type of music, with something totally different than the music that I made here." (Music producer, Split)

In their struggle with the fragile local creative industries sector the respondents tried to overcome the obstacles by orienting themselves towards the global market based on the new technologies. Nevertheless, some of the obstacles, such as infringements of intellectual property rights, difficulties with registration, cash flow and non-regulated legislature, are still present and need to be amended, respondents note.

These orientations represent the overall framework from which cultural workers are dealing with development in their sector. This general summary of their views of their position in the creative industries of SEE gives us the first insight into the changing nature of societies in transition. Cultural workers attitudes are oriented towards immediate change in their respective sectors - either through radical repositioning of culture and creativity towards the (global) market, or moderate adjustments of the fields. When considering the development of creative industries, the city as the focal point of the creative industries is another, key dimension of their development, and that is why a special focus has been put towards this issue. How much have the urban surroundings of your location influenced your work and in what way? Why have you decided to situate your business here? These were the key questions that cultural workers were asked to answer.

Cultural workers views on creative industries and the city

Creative industries are city-centered industries - numerous studies have been done on their impact, and on the importance of the authenticity and identity of some cities for successful creative industries. That is why special questions were posed to the respondents concerning the influence of urban surroundings (either as inspiration or

as an infrastructural background) for their work in the creative industries sector. These questions seemed important for the background of the study as the transformation of the cities in the SEE region has seen many new developments in the last few years, and rapid economic growth centralized mainly in capital cities resulted in uneven development that is just now starting to become more decentralized. These changes towards decentralization are still in their initial stages, and additional changes at state level need to be fulfilled. What is of interest to us here is how culture workers experience the cities that they work in, and what is the importance and specificity of their urban surroundings for the development of creative industries. This should be interesting in the context of the "creative city", Kulturstadt, and the argument for urban development through cultural regeneration.

Therefore, in the context of the creative industries as a city-based activity, the interviewees were also asked what were the specificities of the city that they were working in, how they decided to be situated there, and how much the city that they were working in was/is influencing their work. The responses varied; as for the question of urban surroundings - they are perceived as a necessity for the work they are doing, but people choose where they are situated depending on the type of work done. It is generally understood among participants that the buzz and the connections of a city are important for a successful creative business, especially in countries where you can find the necessary (cultural) infrastructure only in capital cities.

"The (urban surroundings) are influencing our work a lot, because if you work in advertising, you have to know about all the events in business, art, politics, with everything that is happening in the world. So it is always better to be in the center of happenings. In that way, it is easier to know the urban trends, to incorporate them in some of your campaigns. Besides that, Belgrade is a very active and vivacious town, there is always something happening 24-7. You can get out at three o'clock in the morning and go around ten bars - great fun! There is always something happening, non-stop, which creates an atmosphere that stimulates new ideas all the time." (Planning director, advertising agency, Belgrade, Serbia)

"In Belgrade you can talk about a certain market, there are a lot of agencies, competition. In Podgorica, everybody knows each other - it is a really small market. The worst that happens in Podgorica is that in Montenegro everybody employs people from Belgrade rather than people from Podgorica that could do the job even better. (...) But I am more of a nature-type guy. I like nature, and to be so near nature in Podgorica is very easy." (Designer, Podgorica, Montenegro)

"...but there are very important houses in the market which are not in Bucharest, but it's more difficult for them. It is not necessary to be in the center,

but as the constructions are developing, like Internet networks and communications, everything is developing. I think in the near future, there will be no problem for other cities." (Director of a publishing house, Bucharest, Romania).

These answers remind us of what Sennett mentioned as "narrative sociality" (1998), or Lash and Urry (1994) as "network sociality"[8] as the basic necessities for a successful cultural economy. Some of the cultural workers, though, are not fond of this type of urban surroundings and prefer a more relaxed atmosphere of smaller size for easier creative work, but with the backlash from the lack of cultural and business infrastructure.

"Split is an extremely good surrounding for creation. But not for action." (Musician, Split)

"I don't know, but I feel comfortable here. Here you have a certain mockery towards things and some rigidity towards accepting trends. (...) Split is still not overwhelmed by the corporative civilization and the world of brands and team building and cooperativeness... I like it here; it is more relaxed to live here. I tried to live in Zagreb, but I didn't like it. Everything is near here, ten minutes' walk away, and during the day I do not go out of this circle. In Zagreb, wherever you go, you need half an hour's walk, or a drive. After three days, I hate it in Zagreb." (Writer, Split)

The decision on the city surroundings also depends on the type of sector that cultural workers are involved in and also on which market they are driving at. Some of them do not see the decision to be situated in smaller cities to be counterproductive for the development of their business, as the new technologies are helping them to make it in the global market, and give them an opportunity to disregard the (small) local market, but this also depends on the sector they are working in.

"The concept of the whole story is a mass product - and if people like it, they will buy it, and otherwise we are closing our shop! So we have thought out the whole concept that our market is the world, not only Split or Zagreb. In this regard, we don't mind being in Split." (Manager of a multimedia agency, Split, Croatia)

One notion that kept recurring was a lack of understanding of the city government in the cultural sector, and of the importance of the improvement of the cultural infrastructure in the cities. The situation that only property investors' interests are taken into account, and the stress of these problems kept recurring especially in the field of architecture where this problem is not only the context of the work, but its

8 In McRobbie (2002).

core. The interests of the real-estate investors are destroying the public space, while the interests of the community are not taken into account.

> *"There's no place for negotiation, with someone who works with money, they are looking for best profit. No return in something for the public, which is really dangerous. There are very high building offices, and you don't design enough parking places for your own building, not taking into account the other participants in the traffic, not very fair. This is an initial fault. Too much power and money, too much stuff, and architects are not so involved with it."* (Architect 2, Bucharest, Romania)

> *"In unplanned suburbs there cannot be a consensus about making a park or a children's playground. I think that the bigger problems are planned suburbs that have the same characteristics as the 'wild', unplanned ones. I think that our sector should give an answer to this question."* (Architect, Split, Croatia)

All in all, one can see that the urban surroundings are influencing the cultural workers. Depending on the type of the work they are doing they make choices as to where to situate themselves, depending on the personality of the respondents and on their market orientation as well. The capital cities of SEE have the entire necessary infrastructure for the serious business, while other cities are lacking it. In the short term, this can be amended by their "charms", but for the serious creative industries agenda, public policies should be amended so as to include instruments for the development of creative industries in the functioning of the legal system, and the development of business infrastructure. In this way one can work further on the identity formation of a city and consequently on city creative industries policies.

Conclusion

SEE is a highly dynamic region where cultural production is still by and large concentrated in the public budget. Local creative industries are struggling to find their place in the local market, and to position themselves in the regional, European and global market. The creative industries are not a well-known concept in the SEE region, and cultural workers are not keen to employ it as a model - they are more oriented towards sector-specific policies. It should be added that a lot of them are reluctant to use the term "industry" in the context of culture and creativity. This could come from the fact that one can talk more about small-scale production in these countries, and that culture still has a high position in the value system - not to be taken lightly as just another product.

There is not a uniform attitude towards the development of creative industries - there are three basic orientations with which cultural workers position themselves in the work of creative industries and that show the transitional context of creative

industries in Southeastern Europe; those who are for radical change towards the market system, those who are advocating that some instruments of the former system should stay, and those who are oriented towards the global market. This outlines the complexity which future creative industries policies need to deal with, i.e. promotion and development of small-scale local creative industries, but also opportunities for these to enter global markets, and the influence of the global industries on the local market.

Cities are an important background for the creative industries, with their specificities that could be used as city identity formation. The capital cities of the region are the major places of the creative industries, and most of the businesses are situated there, due to the existing necessary infrastructure. For the development of creative industries in other cities in the region, one should work on the building of the necessary infrastructure for their development, so that the "network sociality" (Lash and Urry, 1994) can flourish, and become a basis for further development of creative industries. The creative industries can be approached from a sector-based view or as an umbrella policy field, but either way they can be viewed as a tool for a different view of culture and creativity in Southeastern Europe, one that needs sustainable creative industries policies that include the public budget as well as commercial investments.

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Cities on the Global Market: Territorial Marketing Planning Strategies

Ivana Jašić

Within the larger context of this year's postgraduate course title "The Creative City: Crossing Visions and New Realities in the Region" the aim of this article is to remind the readers that cities *do* exist on the market primarily as territories, that is, the aggregations of resources; both tangible and intangible.

How are these territories managed, are there some meta-management[1] policies for cities? Who sets it? What is territorial marketing and is there a set of marketing tools for the territory? These are the questions which the article tends to answer using the postulates of this marketing discipline as well as case studies from both within and outside of EU borders, in the region itself.

Resisting the work of American economists on "place marketing"[2] as offering place products, services and infrastructure to "consumers", that is, prospective future citizens and businesses, the article adopts the European cultural context based on city-networks and communication of values made possible by extensive mapping of territorial assets. This "cognitive approach" to territory (in contrast the "consumer-oriented" approach) is to be examined further within the context of "districtual theories" and their recent development, easily adopted or rejected by the cities in question.

Territorial marketing is seen here as a process of understanding the potentials and relationships within the territory, aimed at increasing the value of the territory and its visibility on the global market. It is advocated as a cultural and knowledge-oriented approach, enabling the cities to incorporate new strategies of the global economy.

1 The notion of "meta-management" is still to be discussed within the larger aggregation of resources such as districts, clusters and poles similar to the notion of "strategic management" linking production with the social environment and creation of the so-called "business culture". The fact is that cities in the new, global environment are no longer managed from one particular source of power, named as "political" and tend towards socio-economic wholeness in their development, including more actors in the process.

2 American economists such as Phillip Kotler et al. (1993), use the term "place marketing".

Globalized market

Globalization is the main force driving the cities to enter the market place and to target their audience far beyond their geographical designations. It is not as easy for cities to develop "niche marketing" or any other successful device that firms are using because cities are more complex in status, different in size and number of population, varied in ownership and many other issues. As reported in "European Cities and Capitals of Culture", a study prepared for the European Commission, in terms of visibility on the market, large, metropolitan cities have problems with poor attendance, not being perceived as cultural capitals, while small cities have problems in attracting financial resources and transportation systems (Palmer/Rae, 2004:44).

The European Cities and Capitals of Culture initiative (referred to as ECOC in later text) is one of those programs in which "capitals, non-capitals, large and small cities, historic/cultural centers, industrial and port cities all seem to share, more or less equally, successes and failures" (Palmer/Rae, 2004:44) as the natural precursors of a competition process. It is the decentralization - political as well as financial - that has enabled the European cities to compete in the first place, along with a new system of allocation of resources within the EU integrated states. It is not an anecdote to quote that around the year 2000 many cities themselves have changed their designation from "cities" into "capitals of culture" in relation to the foreseen financial contribution coming from the "Culture 2000" program referring to cities as "capitals" (Palmer/Rae 2004:40). If we try to pin down financial resources to enable competition, in the SEE region the situation will show as even more complex, since financial and legislative power is lagging behind the politically proclaimed decentralization of resources.

Globalization, understood here as the removal of barriers to mobility of people, goods and services, enables territories to outsource what they lack, either from a local or a distant source (Porter 1998:78). This new mobility of resources is basically linked to digital technologies that increase the value of the territory by showing its synergies, through hyperlinks, hypernetworks and multimedia.[3] Globalization thus makes the market "knowledgeable", changing perception of the territory through its effective communication.

From a political perspective, globalization of world politics makes the state no longer a key player, attributing management of territories to international organizations and agencies for development. This is how new political dimensions breed new cultural realities. Among others, UNESCO's Creative Cities Network

3 For provoking thoughts on globalization and how it affects both market and communications I thank Katia Premazzi's article (2003/4: 323-376).

created within the Global Alliance for Cultural Diversity defines "Creative Cities" as "cities that *share* experiences, know-how, training in business skills and technology" (emphasis in original), namely, "cities that support other cities".[4] In such a scenario, the elements of sharing, communication and networking are becoming important in the consumption of businesses, experiences or knowledge. It seems that, in the globalized market, cities become both good market places and skilful marketers, taking risks to follow different scenarios, no matter whether they are placed in virtual or physical reality.

Districtual organization and city marketing

Territories are today in charge not only of the free flow of people, goods and services but also information. Information is the main marketing tool in attracting new resources and their consumers to the territory but it is also the main service that the territory can produce, in the process of attracting and diffusing knowledge.[5] If the firms have organized and protected their individual knowledge, how can the territories manage the collection of experiences, information and skills that has been produced and market it successfully?

The grouping together of firms on the territory gave rise to districtual thinking, starting with the notion of the industrial district as an "active presence of a community of people and a population of firms in one naturally and historically bounded area" (Becattini, 1990:3). Defining an industrial district as a "socio-territorial" entity enabled the widening of the definition outside of economic science in order to incorporate not only firms and the potential working population but also "local associations and banks; infrastructure, workers, financial resources; moreover, various intangible assets such as technical and commercial know-how; culture and shared values, such as work and entrepreneurship" (Minoja and Borroi, 2003/4).[6]

According to quoted authors, knowledge within the district varies from simple information about the market to a codified set of rules known as the "business culture" not forgetting "tacit knowledge" of the productive process, either. It is no wonder, in this context, that firms are establishing their PR agencies (as the Benetton

4 http://www.unesco.org/culture/alliance at which site the application for UNESCO's Creative City can be downloaded as well.

5 The process of attraction and diffusion of knowledge in the territory has traditionally been assigned to the triangle university-local institutions-productive industry but is much more complex and wider, as is shown later in this article.

6 For insights on the concept and structure of knowledge in the industrial district I thank Mario Minoja, Bocconi University, and Mario Borroi, University of Trento, and their paper "Knowledge Protection Mechanisms in Industrial District".

Group has established Fabbrica) in order to control their marketing process, protecting knowledge as their most valuable asset.

What can cities do to market their assets more effectively? We have been used to the fact that districtual organization affects only one usually institutional or historical part of the city, and rarely in a productive way. A cultural district is more a result of an inherited urban organization and rarely a matter of a conceived and planned metropolitan area. Figures showing the impact of strategic design from 1995 to 2004 - a ten-year program on 21 nominated European Cities and Capitals of Culture - show that only one quarter of them either re-generated historical or developed new cultural districts, a prominent place belonging to the City of Graz.[7] Lighting, construction, transportation and even sanitary works preceded districtual organization of the city space. The study on ECOC shows that in achieving visibility in both international and European markets the cities were giving prominence to cultural programming (63%) while only 7-24% was spent on communication and marketing, special events and merchandising. City branding was assured by the name of ECOC, but only a few cities in recent years (for example Graz, Lille and Genoa) have had prominent, aggressive branding and sold branded merchandise (from wine to T-shirts).[8]

The study on ECOC shows us that the simple rules of organization management and marketing may not apply to cities/territories since cities require a longer time of preparation, consumption and evaluation of their services, programs and information. In reality, management teams are dissolved after the event has ended, documentation is difficult to trace, the jobs and skills of the population are not improved by mere physical urban revitalization and new urban facilities are difficult to maintain. Territorial marketing is not about short-term improvements to the city but about the creation of networks for better communication of the city's values.

What kind of information have the ECOC offered to the global market? Official rankings were not used; each city had to find its own relevance to the nomination and express it in its own wording. The European dimension was not spread uniformly; only one quarter of cities used it as a selection criterion for their programs. But the surprising fact was that all the ECOC reported having a strong opportunity for European networking (Palmer/Rae Associates, 2004:17).[9] This and respondents'

7 Discussants on the 2006 postgraduate course have shown some inhibitions towards creation of cultural districts through a mere architectural intervention with no regard to the local consumer market (Petrić) with the suggestion that, instead, a combination of assets should be provided (Landry).

8 Figures and findings on various aspects of ECOC marketing strategies are presented directly in the study prepared for the European Commission, Part I (Palmer/Rae Associates, 2004).

9 Networking was done through co-productions, collaborations and exchange of European artists, institutions and city-partners.

comments that "better transfer of *knowledge* between ECOC has to be ensured" (Palmer/Rae Associates, 2004:20, emphasis in original) points towards future policy-making, in which the complexity of information that cities produce, their ambivalence and diversity should be communicated as one of the main assets of the ECOC network.

Local institutions and organizations

By taking a closer look at the managerial boards of such an initiative which puts European cities "on a map", a lot can be concluded about the setting of policies for territorial marketing as well as their effective communication. It has been reported that whether belonging to a public or private source (municipality board or trust/foundation) the body was operational in "taking financial decisions, developing policies and strategies, taking decisions about cultural projects and raising funds and sponsorship"(Palmer/Rae Associates, 2004:13). Further analysis of the structure of the ECOC boards shows that they were chaired only once by a private entrepreneur and three times by women, exceptions which could reveal the reasons for low (only 13%) financial participation of private sponsorship in the program. These figures show how important for cities is the "clustering" of local institutions in the planning and organization of such initiatives and how closely imminent strategic decisions are related to future policy-making.

Local institutions and organizations, usually grouped within the public and private sector, set the rules for management and marketing of the territories through internal negotiations and approve them by political decision (in the EU reinforced by provincial and regional legislation, as well as by different forms of private and public funding).

The "third" or the "civil" sector that the SEE region heavily relies upon in the processes of planning and funding of major cultural projects, adding value to cities/territories, has already been practically transformed by Commission regulation into the private sector.[10] So, it is difficult, if not impossible to copy territorial marketing strategies of the ECOC model into SEE local systems due to the obvious gaps in the private/public sector outline as well as the fundamental lack of Florida's

10 Form 2005 for "Culture 2000" Framework Programme in Support of Culture: "A public body is considered as any body, any part of whose costs are financed from the state budget as of right, either by central, regional or local government. That is, these costs are financed from public sector funds raised through taxation or fines or fees regulated by law, without going through an application process which might result in their being unsuccessful in obtaining funds. Organizations that depend on the state funding for their existence and receive grants year after year, but for which there exists at least the theoretical possibility that they may fail to receive money one year are not public bodies but are considered by the Commission as private bodies."

3Ts, introduced not only as a precondition of Creative City development but also as an important link in organizational development.[11] Let us not forget here that organizations and institutions developed by the local community are an asset themselves and that they too enter the process of cognitive mapping of the territory.

Within its public sector (broadly defined as local authorities plus local/regional chambers, associations, schools and universities) the SEE context lacks capacity in sectoral management for fundraising for city projects. Within the private sector (firms, banking system, not-for-profit organizations, consultancies and agencies) there is practically no rational stimulus for territorial development; either due to the absence of bank basic operational money[12] or to the lack of cooperation of firms in joint research for new markets. Consultancies and services in territorial planning and development are even rarer to find.

What cities of SEE do find applicable is the use of financial tools in marketing and management of their territorial assets. It is partly because the boundaries between private and political entrepreneurship become permeable[13] and partly because of successful benchmarking, that is, of "copy and paste" marketing strategies. What worked for Western European, industrially developed cities now seems to work for its Southeast European counterparts in use of public-private partnerships, city twinning[14] and creation of municipal bonds[15] to finance capital city projects. Cities are building their portfolios and these do not need to be expressed in figures - the City of Split has its assets portrayed visually on an official city website.[16]

Use of financial marketing tools without any previously set system of values or rules of conduct in the territorial marketing process might, according to Becattini's original definition of the industrial district, become dangerous for the reproduction of the community itself. Local institutions should have a "homogeneous system of

11 For further discussion on Richard Florida's "3Ts of economic development: Technology, Talent and Tolerance" and its applicability to the SEE context see: Petrić and Tomić-Koludrović (2005).

12 *"The Monte dei Paschi di Siena Foundation, in order to pursue aims of utility to society, working closely with the territory and the local institutions, financially sustains its own initiatives or projects proposed by third parties."*www.fondazionemps.it/eng/attivita.asp, visited July 18 2006, as an example of a bank grant-making foundation.

13 As suggested by Mirko Petric's interventions in the 2006 postgraduate course discussions.

14 Dubrovnik City Council has used a city twinning strategy in approaching the City of Monterey and its capital investors, using an "ad hoc" method instead of strategic mapping.

15 Municipal bonds, created and presented as a form of investment for private citizens as well as firms in the financing of capital city projects have so far been activated by the City of Split, which has opened its "Investment Book" for nine capital city projects ("Jutarnji List", 30 June 2006). The City of Rijeka has followed suit in cooperation with the Privredna Banka Zagreb ("Jutarnji List", 7 July 2006).

16 http://www.split.hr/Portfolio.htm

values and views" in order to represent the district. Since all the systems are developed over time and affected by change, the local institutions and organizations are to mediate and co-ordinate these adjustments (Becattini, 1990:39). Definitions of communities as "chronic battlegrounds of competing agendas and strategies" (Kotler, 1993:80) are inherent to the system and experienced as such.

In order to incorporate the internal as well as the external challenges and remain open to the socio-economic environment, territories stopped being closed productive units and evolved to hypernetworks of productive systems and institutions. Such a cognitive system or system-territory is characterized by autonomy, self-organization and capacity to innovate.[17] The territory, in this view, not only accumulates but also generates and creates resources. Through a process of internal as well as external exchange of information and knowledge, new products, infrastructure and services are created, adding new value to cities/territories/districts.

Cognitive mapping: distribution of resources

According to Minoja and Borroi (2003/4), the knowledge accumulated in the territory is incorporated into the services offered and new infrastructure built, a combination of both tangible (physical) and intangible (productive consciousness) resources.

Since cities are much more unstable than any of the productive systems, due to their internal dynamics and liability for change (even in market terms), their organization of knowledge and its production and distribution is particular, more random and easily influenced by political, social and economic tensions. Therefore, any territorial marketing plan needs extensive cognitive mapping, that is, extensive evaluation and positioning of cities' assets in their present state, in order to plan their successful distribution in the future.

All of the instruments for territorial market planning are based on cognitive mapping, that is, on finding out what the capital assets of the city are, how well they are distributed and what the "blind spots" or "holes"[18] in the city system are. Cognitive maps are simulating learning devices that, at a later stage, can also be seen as products of the territory, contributing to its intrinsic value.

Classical marketing instruments for measurement of product performance in the market are to some extent applied to the mappings of *cultural capital* in a matrix that shows us how well the present variables correspond with different assets of cultural capital (natural, physical, human, social and symbolic).[19]

17 For this new interpretation of the Becattinian definition of the industrial district, see Miccoli (2003/4).

18 The word "holes" is borrowed from marketing audit of Cincinnati, quoted in Kotler (1993:83).

19 The table-matrix for mapping of *cultural capital* within the cultural project/city/district designed by Pier Luigi Sacco, Dept. of Cultural Economy, Università IUAV, Venice, Italy, EU, was graphically presented on the 2006 postgraduate course.

A SWOT analysis is also a mapping exercise in strengths, weaknesses, opportunities and threats to the product-territory. The *brainmapping* method uses comparative analysis so as to indicate an "empty position" in the market, that is, a "free niche" in which the product-territory can be successfully placed. It is a precondition for a successful niche marketing of the territory.[20] *Benchmarking* is especially useful in successful brand-development, mapping the competitive strategies and copying them with the aim of creating new brands in the market/territory.

As a result, the value of the active cultural capital of the city is represented as its brand-value. Within product marketing, brand represents the quality of research, design and promotion invested in the product while city/territorial brands have more of a symbolic value: they incorporate aims and wishes, past memories but also the present quality of local life and its potential for reproduction. Territorial branding works hand in hand with new trends in tourist/services industry focusing upon experiences of local life and, on the other hand, on the rise of creative industries and their impact on the territory.[21]

Cognitive mapping is an attempt to measure the overall performance of the city in the market, acting as an important instrument for successful market planning. It also shows us the extent of the local system's dependence on the global context. No matter how many strategic holes we have filled, there is always a lurking possibility that the context is going to change overnight. Therefore, it is not easy to measure or predict the success of the city in the global market, since it depends on a particular form of marketing and supply, making distribution channels as important as services delivered.

New realities: cities in the SEE region

Marketing of a city should make its goals visible to the market, as part of its branding process. Why do cities undertake such efforts? Generally, cities want to take part in shared knowledge, they want to increase social awareness of the market, provide good opportunities for economic competition, excel in cultural industries and secure

20 In his periodization of development of strategic marketing planning for the territories Kotler defines *competitive niche thinking* as the third and final stage (started in the 1990s) characterized by "developing those niche products and services that create value for target customers" (Kotler, 1993:78).

21 The "medieval walled city" or "borgo" would be one such territorial brand in the tourist industry, while book festivals (Hay-on-Wye, UK) and independent production film festivals (Sundance, US) would exemplify the impact of creative industries on otherwise unknown territories.

environmental protection, etc. All in all, they want to partake in the new global economy.

As we have seen from the ECOC initiative, all of this is done through cultural programming. This means that marketing of cities goes through cultural channels and that the brand outcome is a cultural value. For designated European cities cultural programming was an exercise in branding followed by benefits such as an increase in cultural tourism over the years. The recent landmarks in city branding for the ECOC were Glasgow (1990) which was the first to set economic and social goals alongside cultural ones; Graz (2003) in re-branding the shopping Mecca into a "cultural alien"; and Genoa (2004) proving that port, industry and cultural life can co-exist.

Such cultural distribution of newly created infrastructure, knowledge and services rarely coincides with the new reality of the cities in the region. The SEE cities, as we have seen, boast of newly acquired financial tools for achieving their goals without the parallel creation of cultural channels for marketing their services, information and knowledge. Cultural and political processes in the SEE region are definitely out of sync and this becomes evident from a look at the cities' urban landscapes. Culture is not viewed as a "tool for regeneration" and is weakly related to developing economies, developmental strategies still contributing to its sectoral rather than instrumental qualities.[22]

What type of information are cities of the SEE region placing in the global market? This information is from various origins and should be classified according to the type of network that is creating them. However, they are still poorly distributed, due to the deficiency of cultural distribution channels, as already stated. Basically, this information can be divided into three groups: city level, regional level and European Community level.

On the city level the information is created through not-for-profit networks of operating organizations and their funding partners.[23] Strategies for development of the city's cultural resources are invoked in terms of guides, manuals, proposals and contributions to already existing or yet-to-be-adopted strategic documents. Under umbrella initiatives, such as KulturaAktiva, urban cultural policies are being developed for a number of Croatian cities on a series of issues, from youth cultural centers to overall cultural strategies.[24] These documents mostly contemplate the ratio

22 For further discussion on a notion of culture in the Creative City's development and its regional applicability see: Petrić and Tomić-Koludrović (2005).

23 The main strategic partner for the facilitation and development of SEE cultural policies is the ECF (European Cultural Foundation) with its Policies for Culture regional framework program.

24 For more detailed information see:http://www.clubture.org/KulturAAktivA/DecentralizacijaLokalneInicijative

of cities' financial investments into traditional cultural institutions at the expense of cultural programming and independent cultural initiatives.[25] The suggestions given by these strategic proposals are usually approved by the city councils with no safeguards for their further implementation.

On the regional level (cities included) information about the territory is strategically evaluated within ROPs (Regional Operative Programs) linked to Croatia's regions and their potential in national pre-accession strategy to the EU. The ROP is regarded as a key instrument in accession to EU funding schemes, to be carried out through the establishment of a public development agency. Consortia of professionals and centers of knowledge[26] are included in the process as well as many public and private bodies cooperating on a document within working groups, with the external consultants hired for strategic analysis.

In its attempt to manage social, economic and information flow on its external borders with eastern and southern neighbors, the EU has devised the European Neighbourhood Programme and its financial instruments, such as PHARE, Tacis and INTERREG. Nine member states and nine neighboring countries are invited to cooperate on urban, spatial and rural development at the level of organizations, public authorities and entrepreneurs, safeguarding cultural heritage, the environment and resource management, among other issues. The program is an exercise in sustainable territorial management that should successfully coincide with the process of EU enlargement.[27]

According to information presented here, marketing for SEE cities is developing as a fundraising market, ensuring cities' strategic aims through participation in fundraising networks, no matter the level implied. In comparison to this, it must be stated that the ECOC program was financed through a total public sector contribution of almost 77.5% from city, regional and EU sources, out of the total income generated (Palmer/Rae Associates, 2004:18) while cities of SEE still lack this operational money.

At this stage, new realities in the region may be primarily viewed as new information channels distributing knowledge about the city's more effective organization and marketing. It is a politically made reality, construed as part of national EU pre-accession strategies and developed under significant constraints in time. Therefore, we may regard it as "uniform" - still looking to become organized

25 "Contributions to Cultural Strategy of Rijeka", 2004, exemplifies this ratio as 83:17%.

26 The Dubrovnik Centre for Entrepreneurship is a partner in implementation of the Dubrovnik-Neretva County Regional Operative Program, setting the priorities for development through consultancy and education in entrepreneurial culture.

27 More about the program can be found on www.cadses.net, the official site of INTERREG III B CADSES program for spatial development.

around cultural channels for distribution - so that it may qualify for each city/territory of the region as authentic and marketable, instead of the "copy and paste" approach that we are witnessing at the moment.[28]

The marketing strategies for the SEE cities should acknowledge the fact that they are both market and transition driven and embrace it as a shared value.

Conclusion: cities in the global market

Insights into the major, yet still fragmented, studies of city networks and their positioning in the market have led us to the conclusion that cities' complexity and ambivalence, even their double nature (as in the case of the SEE cities), however contradictory it may seem, increases the value of the cities in the market place, acting as an added value. By taking the cognitive approach to the marketing planning process, local institutions and organizations form creative networks and relationships that position otherwise tacit knowledge in the market place. This cognitive system not only produces knowledge and new information but also interprets it and distributes it through various channels. Within the new global economy, this advantage is seen as an advantage in the market place. Therefore, the products and services that cities produce are viewed as a whole range of cultural events but also as the launching of municipal bonds, city portfolios, territorial brands, marketing plans, new boards, new public agencies and professional consortia, alongside new research and new curricula. These products are both of cognitive and cultural origin since they are the result of extensive cultural marketing planning, using the tools devised by cultural economists. But, they are also creative, using the resources in a way they have never been used before.

For cities to protect their equilibrium and succeed in the market place it is essential to maintain both internal as well as external networking in distribution of their knowledge, products and services, instead of the development of a one-sided, sectoral approach in an ever-changing, global economy.

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28 The 2006 postgraduate course presented one such network of the SEE Cities, the British Council UKSEE Forum Creative Industries, where each city concentrated on cultural channels that best suit its promotion (Split has excelled in measuring the potential for cultural tourism and Podgorica in creative industries mapping).

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Chapter II
Case Studies from the Region

The Role of Culture in the Strategies of "City Regeneration"

Maja Breznik

The issue of "city regeneration" has become relevant to all kinds of problems related to culture and society, ever since it inaugurated, as its peculiar distinctive feature, the third period in the historical sequence of cultural policies after the Second World War. After the policies of decentralization (the cultural policy of French minister André Malraux in the 1950s with the goal to bring cultural institutions to people across the country) and democratization (the question of participation in the 1960s with the goal to bring people to cultural institutions), "city regeneration" has now become the prevailing doctrine among activists, experts and politicians. Policies of decentralization and democratization were implemented and controlled by national governments and covered entire states, while city regeneration policies are the responsibility of municipal authorities and are meant to cover urban spaces only.[1] The question of urbanity has grown in importance because of the transfer of political power from nation state to the local levels. While national authorities mostly limit themselves to assist the "invisible hand" of the free market and to expand its reach, cities remain alone in combating poverty, economic decline and social conflicts within their domain. They have to assume heterogeneous roles; they protect and encourage local economies, while at the same time they have to guarantee social peace and assume responsibility for all kinds of public services. Cities got the unrewarding task of managing contradicting interests.

The function bestowed upon "culture" in the strategies of "city regeneration" is to make these contradictions non-contradictory. According to the "studies of the economic impact of culture", culture could be the generator of economic wealth and the shock absorber of social tensions in the cities. This suggestion, promoted by the

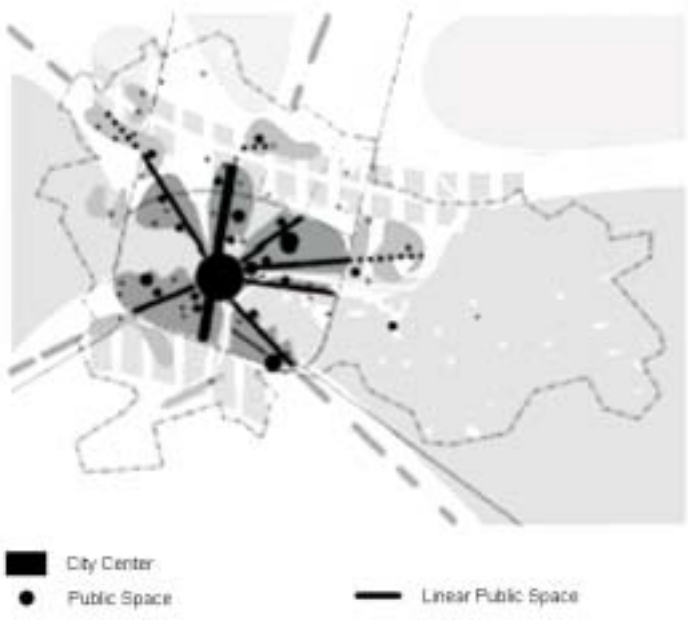
1 More than half of the global population now lives in cities and their percentage is still growing. The idea of city regeneration is also a response to the present growth of cities and to the increase in the number of their inhabitants. It is estimated that in 2015 there will be 23 cities with more than 10 million inhabitants, 19 of which will be in developing countries (cf. Petrillo, 2006:59).

economic impact studies of culture, established cultural practices as a useful tool to cure city wounds inflicted by unemployment, poverty, pollution and the lack of public services. Within the strategies of "city regeneration", culture became a magic wand which should solve all these problems, make the majority of people richer and happier, creative and independent, sympathetic and cooperative.

Culture as gas-station consumerism

Since culture is closely related to the concept of public space if not directly dependent on it, we will first approach the question of public space as the key question for culture. The picture below shows the city plan of Ljubljana. Black lines and spots on it mark what the local city planners consider "public space". The long lines are the principal roads that lead into the city, spots along these roads are mostly shopping centers, and the big spot at the crossing of all roads is the historical city center. From the point of view of city planners this picture is supposed to present a dynamic contemporary approach that conceives the city as a blood circuit.

Picture 1: The urban plan, city of Ljubljana, 2002



This picture suggests that people do not actually live in the city, but rather constantly travel through it. Traveling through the city is supposed to be, in a certain way, an aim in itself: it is living in the city experienced as living on the roads. The urban plan explicitly suggests that the roads themselves are central public spaces: "[..T]he highway should become the generator of the development along its trace and thereby transform its functional nature into an experiential, programmatic differentiated and colorful environment" (Urban Plan, 2002: 46). Along highways and city roads, the public buildings and spaces should be placed (the orange spots on the plan). The Urban Plan does not mention cultural institutions as individualized architectural units in connection to these "public spaces". It refers only to multifunctional commercial, business and entertainment centers where cultural activities like multi-cinemas, bookshops, and arts and craft shops are planned. The main role of cultural activities in such places is to carry out commercial and entertainment activities, partly also to attract customers into shopping centers.

If we consider the already existing multifunctional centers which the Urban Plan gives as examples of good practice (the commercial center BTC and buildings along the inroads to the city), we can see that they function like "claustrophobic space colonies" in the suburbs.[2] They are "little cities", "self-sustainable" in the sense that visitors can find there everything they need to fulfill their free time needs - shops, restaurants, entertainment, fitness, saunas, sports, etc. Moreover, these centers do not attempt to interact with their environment. Their glass facades reflect back the image of the city - much like a person wearing sun-glasses who is reflecting the image of the person with whom s/he supposedly communicates. These constructions pretend to be out of their context, they present themselves as extraterritorial. In the same way as they present themselves towards their surroundings, they also determine their contents. It is impossible to deny that these places are public - but it is equally impossible to claim that they are "public places" in the usual sense of the expression. After all, they are not intended to operate as places of socializing since any real social interaction would disrupt consumerism. In these centers, customers use their facilities in the same way as customers use gas-stations: they arrive, take the gasoline and run away into the traffic circuit.

2 Cf. Jameson (2002), "The Cultural Logic of Late Capitalism" and his analysis of Westin Banaventure Hotel.

Commercial centres and inroads to the city

The only place for socializing, according to the Urban Plan, is the center of the city, the big orange spot on the picture. This is the place where the traffic stops. Having crossed the border between the city and the center, drivers have to transform themselves into walkers, strollers, even *flaneurs*, enjoying themselves in the gentrified environment abounding with a rich offer of cultural events within high-class designed urban space. But this place is sterile, because commercial and political activities which would make this place vivid are gone. Of the 200 grocery shops located in the center of Ljubljana in 1996, only 24 remained in 2000. The rest were replaced by expensive shops offering international brands which most of the by-passers look at as pieces of art, not perceiving them as articles for sale.

Critical points of cultural policy in Ljubljana

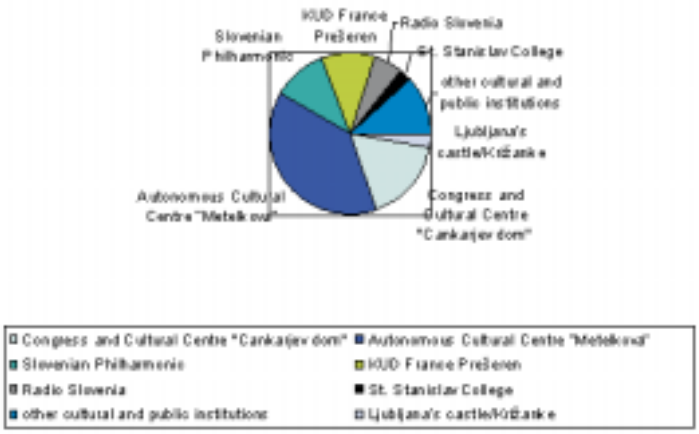
On the one hand, urban city planners enjoy the full support and trust of the entrepreneurial city administration that prefers to listen to the interests of investors rather than to the demands of its voters. On the other hand, the city *cultural* agents are considered as mere wasters of public money. Any proposal directed towards cultural growth and development is accepted with hostility as a request for more public spending. The city's cultural office is therefore pushed into a defensive position. It is commonly considered to be successful as long as it manages to maintain the *status quo* from the socialist past. Not that the cultural department should be ashamed of the

cultural production and opportunities that exist in the city of Ljubljana - they are actually quite excellent. However, the excellence of the cultural production mostly depends upon past achievements during the times of socialism. Under the present conditions, city cultural policy agents do not have much space for further development of cultural activities. As a consequence, the city cultural department cannot efficiently confront the old problems left over from the socialist past, and is unable to handle the new problems that emerge in the business dominated society.

One of the old problems from the socialist past refers to youth cultural centers and centers of alternative cultures. They were the core of anti-one-party-system opposition, so, at that time, youth activists constantly met with the politics of repression when the issue of youth cultural centers came up on the political agenda. During the socialist period, the authorities rarely went into direct confrontation with the young people; instead, the neighboring communities complaining about night disturbances served the purpose. Along with other cultural institutions and programs in general, the *status quo* is also maintained here. Neighbors raging against alternative cultural and youth centers, regular criminalization of youth activities, and indifferent tolerance on the part of the city administration are already a folkloric companion to the youth culture. The largest cultural center *Metelkova* came into being in 1993 as a squat when an unknown commissioner ordered the demolition of buildings which were promised to alternative and youth organizations. Since then the center is still on the edge of legitimacy and tolerance, a plaything of various groups' interests. For example, one office of the municipal administration subsidized the construction of a little summer lodge ("Mala šola"), while another office reported it to the state inspectors demanding its demolition. Besides the amusing rivalry of various groups' interests, the conflict also has some very serious points, such as encroachment upon young people's rights to free assembly and to freedom of expression (Bibič, 2003).

Despite the bad treatment by the city and the state authorities, the Autonomous Cultural Zone *Metelkova mesto* contributes an incredibly important number of cultural events to the cultural offer in the city. It contributed, for example, 40% of all music events in November, 2004. Picture 2 shows this:

Picture 2: Music concerts, November, 2004 (public institutions only)



At the location itself, the visitor does not get the impression that this is such an important cultural institution. Pictures below look more like a report from a war zone than views of a cultural center. Or perhaps we should conclude that culture has become a war zone in Ljubljana.

Metelkova mesto, February, 2006

Besides the old problems, new ones are arising under the pressure of entrepreneurship. In the past, the local community was recognized as a self-managed decision-making body within the system of public management. It had the right to possess its own facilities. After the fall of the political regime in the early 1990s, public management was centralized and the local communities' property transferred to the municipality. From then on, the local communities suffered the loss of their common facilities. People complain that, together with the physical space, they have lost social contacts with their neighbors and access to all kinds of information. After the transfer of local communities' property to the entrepreneurial city administration, the city authorities decided to use these facilities economically, so they put them at the disposal of businesses. In places where local communities held meetings, festivities, and cultural events, fitness clubs, business offices and the like have emerged (Dragoš and Leskošek, 2003). The drain of local resources into the hands of an entrepreneurial administration along with the loss of influence on decision-making processes has put the culture under the control of a few entrepreneurs. An elite based on money, they establish conditions where only two kinds of culture can blossom. The first type is the subsidized high culture which, in the eyes of the business classes, forms part of European folklore and figures as an integral part of European "identity". Although this culture drains financial resources, it obliges everyone to treat it with respect and generosity. The second type of culture that is promoted by entrepreneurs is entertaining culture or, fashionably speaking, "cultural industry". This is a recent contribution to culture which brings leisure time entertainment to consumers and profits to its producers and investors. The first type - the elitist culture - is suspicious to the eyes of business classes as unreasonable expenditure, but is usually tolerated. The second type, "cultural industry", is a big issue in the business world and is considered to be an important niche where foreign investors could be attracted. These great expectations helped to give birth to the idea of city regeneration policies.

City regeneration

According to analysts and experts, "cultural industry" brings its investors profits that other industrial sectors can only dream about. The profits are supposed to be higher than in any other sector. As a consequence, the experts and policy makers have drawn a conclusion that cultural industry is one of the most promising Western industries in world competition. Although the Western economy is undergoing important and often painful structural changes, contend experts and policy makers, it is the service sector and entertainment industries that will secure the hegemony of the Western world even during globalization. It is presumed that within the circuit of the globalized economy, unequal exchange of commodities is taking place: cheap labor-intensive products travel in one direction, expensive "knowledge-intensive"

products in the opposite direction. The argument obviously speaks in flattering terms for the Western economy.

Cultural products figure among "knowledge-intensive" products. Therefore cultural production must be industrialized in order to be exported in great quantity. This is the perspective of investors, so we can understand that they promote commodification of the sectors that bring them money. It is not easy to understand why all the others have adopted the same position. As a matter of fact, "cultural industry" is not a completely new phenomenon. Adorno and Horkheimer's critical social theory already mercilessly confronted it immediately after the Second World War and analysed its negative social impact.

Although Adorno and Horkheimer still find sympathetic readers among art critics and art historians, their objections have no value for economists and policy makers. We will not attempt to make them change their minds, but will try to show that this radical re-orientation towards service industry and cultural industry in the West can also have negative long-term effects.

We can present the situation with two analogies known from the classical political economy. Under the first analogy, present processes can be conceived as the reverse of the classic worry regarding the relation between demographic growth and its consequence, the necessary increase in agricultural production. With the increase of population the cultivation of land will also expand. According to the classical Ricardo argument, people first cultivate the most fertile land, then, if the population grows, they pass to less and less fertile land. Prices of food then increase and under the double pressure of decreasing profits and increasing wages (to meet the growing cost of reproduction of the labor force) the economy finally crumbles. Globalization offers an inverted picture: instead of farming more and more expensive distant fields, capital started farming cheaper and cheaper distant labor markets. Profits went up - but capital deserted the rich core countries with their expensive labor force. Having become unattractive for capital investment, the expensive core Western countries had to invent niches where the investment could still be profitable. Cultural industries were one of the newly invented niches.

The other analogy would be Marxian: when the barriers of national economies had been torn down, huge "reserve armies" of labor force emerged beyond the horizon of the Western world. Capital was swift to get hold of them - only to face a double threat: that of an eventual impossibility of realizing the product on the impoverished Western markets; and that of depreciation of the capital itself if the low value of the newly recruited labor were to determine the value of the product. As soon as the barriers between economies have been torn down, the necessity arose to establish them anew. Together with the Schengen system, migration policies, the rise of the

new rich elites in poor countries, "cultural industries" have been part of the solution to the crisis.

Generally speaking, it was the greater participation of the peripheral Third World in the world economy that caused the crisis. The consequent drain of various industries (textile, metal industries, and so on) from the West and the relocation of these industries in Asia and South America pushed the countries in the West to re-orient investors toward service industries and the entertainment business. The interests of investors coincide with the interests of national economies - both try to save the supremacy of the Western economy by nurturing its new economic niches. The service sector, such as finance, security, banking, health, education and so on, entertainment industries, and military industry … are their niches in the time of globalization. The sudden resonance of entertainment industries (i.e., "cultural", "creative" or even "symbolic" industries) in the 1980s is a sign of the impoverishment of the West, not the opposite. It is not a sign of the transition from the industrial to the post-industrial era, since the industrial sector has not disappeared. The industry has been only relocated somewhere else and the Western world, having lost its industries, has lost its dominance in the world economy. The loss of real economy has then been compensated for by investment into the service sector and the entertainment business. Consequently, the Western economy is being re-oriented towards "immaterial" production which will not be of much help when Western countries have to face questions of survival and food supply one day.

Moreover, the service sector and entertainment has prospered during the 1980s due to the privatization of the public services (Hesmondhalgh, 2002). Privatization of public television channels, the media, recognition of authors' and related rights helped these industries to blossom but dismantled more general and more important rights to knowledge, culture, and information. Nowadays the entertainment business promises to contribute to economic growth, only if more public rights will be dismantled and more rights will be recognized as "business" rights. As a consequence, social cohesion and social equality in Western countries, their great comparative advantages that could, until the present, alleviate negative economic trends, are likely to be progressively dismantled. It is quite possible that Western countries will have to face two grave perils in the forthcoming period: the loss of their past economic power and the disintegration of social relations.

How does the city regeneration fit into this context? Along with the process of globalization, national authorities had to transfer some of their tasks to supranational bodies - the World Trade Organization (WTO), the World Bank, the European Union (EU), and so on. Having given away some of their power to international bodies, they gave away also their capacity of control over economic crises and their instruments to balance the negative effects of profit-driven economy upon society. Cities have been

facing the economic crisis in the most direct way (unemployment, homeless people, dirtiness, shortage of lodgings, crime, violence, demolition of public services - public transport, waste disposal, water supply, and so on), but could not count upon the support of national authorities any more. Consequently, municipal authorities had to take over the responsibilities for their economy and well-being by themselves. They had to start to behave as entrepreneurs, as we saw in the example of Ljubljana - and this city only imitates the practices of the others. "City regeneration" therefore refers to a new economic and political situation that cities have to confront by themselves. It is not a historic challenge which would lead to a new Renaissance, but a historic distress of cities hit by economic depression. But policies of city regeneration at local levels, no matter how ingenious they are, cannot resolve the global economic contradictions which have taken hold of them.

Business control

In the frame of "city regeneration" theories, we often hear that new economies liberate the workforce from artisan and industrial constraints. According to these theories, "cultural industries" enabled the so-called "rise of the creative class". This class of new workforce presumably supplants the "domesticated gorilla" of the assembly line and the obsequious apprentice of the artisan shop. In contrast to these two groups of working force, according to Richard Florida, the creative worker is liberated because he has his means of production in his head and is less dependent on his employer than ever before (Florida, 2002).

But did not Aristotle use for these people the expression "speaking instruments"? However, if we look at the term "creative worker", we see that it is an extension of the term "artistic worker". It was coined to embrace occupations which have nothing to do with art, such as advertising, applied arts, design, and even financial business, law, and so on. With this extension of the term "artistic creation", the Romantic comprehension of art becomes banal because everything can be artistic and creative nowadays.

Florida could proclaim "creative workers" to be a new "class" under the condition that they represent a new production mode as well. According to him, it is a work out of nothing, but to this definition it is difficult to append the idea of productivity. Nonetheless, the labor market reflects it. This kind of labor is the avant-garde in the reorganization of the work process - it was the first to introduce flexible work, underpaid working agreements, extension of working time, temporary and partial jobs, and so on. First of all, the "creative class" distinguished itself from other working groups by dismantling the rights of the workforce achieved through history and protected by social-democratic national economies. This new organization of the

working process was then exported to other domains of old-fashioned organization of work: industry, agriculture, and crafts.

"Creative industries" predominantly recruit well-educated people and employ a highly skilled labor force, the product of good public education system in the 1960s and 1970s. A well-educated social stratum represents the intellectual power of a society and is its vital part. If creative industry seizes these people and forces unfavorable working agreements upon them, it puts this social group under strong dependence on commercial enterprises. Its intellectual power is going to serve the mere interests of profit. Consequently, the side effect of such a process is that this social group is put under "business control" and becomes intellectually impotent. The sacrifice of intellectuals for the benefit of economic growth can provide only temporary gains, while in the long-term perspective societies are going to lose a great deal. The waste of intellectuals for the benefit of business is, to put it simply, irresponsible management of "human resources".

Unfavorable working agreements in the framework of "cultural industries" (extension of working time, outsourcing, flexible jobs, temporary jobs, etc.) are also one of the ways for these industries to reduce their production costs. It was a tactic that enabled "investors" to pull extra profits and one of the reasons why this economic sector became so attractive for investors. But the strategy economically and intellectually to pressurize creative people and intellectuals is devastating for any society in the long term.

What "culture" does when it "regenerates" the city

In the introduction of the paper we said that the "city regeneration" theories are the dominant cultural policy approach nowadays. By their extension, the "city regeneration" theories are similar to Malraux's "general access" cultural policy in the 1950s and the 1960s or to "participation in culture" issues in the 1970s and 1980s. It is therefore the model according to which funding systems (*Urban Pilot Projects*, *Structural and Cohesion Funds*, for example) and cultural policy documents are formed. It is not a mere idea any more, since it is already very much interwoven with social institutions and materialized in a certain way. When speaking about what "culture" does when it "regenerates" the city, we are addressing real social phenomena.

1. De-politicization of societies

First of all, culture in the strategies of city regeneration depoliticizes society. It means that political problems, such as class conflict, immigrant issues, poverty and unemployment assume the form of cultural problems. In practice, the issue of immigrants and their role in local labor markets (where employers use immigrants in

the fight against the domestic workforce to reduce the cost of labor and to dismantle the power of trade unions) (Breznik, 2005:131-148) is presented as an issue of "multiculturalism". Very political questions of working class rights are therefore transformed into cultural questions and put on the political agenda as a question of cultural tolerance. Consequently, the workers dislike of immigrants is presented as racism which politicians try to cure with catholic ethics (Love your neighbor!).

Similar displacement of problems from the original situation to culture is happening in the example of the alternative cultural center Metelkova. If we go back over the case of Metelkova we can speculate why Metelkova suffers such obstinate resistance on the part of the authorities. Metelkova is far from being a cultural center only; it is a practical solution to the question of political freedom and the right of young people to assemble and to participate in social and cultural life. In the public debate Metelkova is, on the contrary, presented as an issue of "cultural diversity". If cultural diversity is a criterion that deserves a certain priority in the determination of local cultural policies all around Europe, in this particular case, it is used as an argument against "diverging" cultural practices. The diversity of Metelkova, the noise, graffiti and counter cultural practices that disturb neighbors, are arguments to profile Metelkova as a non-cultural phenomenon. With the awakening of the old aesthetic questions (high culture against counter culture in the case of Metelkova) the political dimension of the problem is trivialized and the way is opened for the suppression of youth along with the liquidation of the political resistance these groups represent.

2. Gentrification vs. pauperism

Secondly, culture in the "city regeneration" policies divides city spaces into gentrified and impoverished areas. It is usually stated that such an effect could be avoided if local cultural policies do not give precedence only to flagship projects, i.e., the pretentious investments into elitist cultural institutions (Bianchini et al., 1995). If cultural policies are more cautious about the needs of local communities and neighborhoods (such as the need for minor local centers and educational programs), the division into gentrified and impoverished city areas would be importantly reduced. The issue is much more complicated as Sharon Zukin showed in her book *The Cultures of Cities* (Zukin, 1995). The author analyses the issue of gentrification and culture in the broader perspective of city economics. We would expect that the advocates of "city regeneration theories" would be interested in economic questions because economic recovery is one of their prevailing arguments. In reality they rarely come up with serious analysis in these terms (for example, Landry, 2000). That is the reason why Sharon Zukin's book is so inspiring. Taking a broader economic perspective she was able to assess that the effect of gentrification is produced, if culture and art are taken as mere bait to attract more capital and more investments into

the city. Culture and art then necessarily produce all kinds of exclusions. Projects of city embellishment drive away homeless people and low rent residents such as, for example, in the "regeneration" of Soho district and Bryant Park in New York. Cultural and tourist industries produce pauperism with maximization of profits through the exploitation of the workforce (flexible working agreements and temporary jobs for artists and cultural workers). Since economic recovery through cultural and artistic projects is the most important goal in the "city regeneration theories", Sharon Zukin's empirical research rebuts the basic element of these theories.

3. Intensification of economic and social tensions

Thirdly, the use of culture in city regeneration strategies intensifies economic and social tensions. The misleading presumption of these theories is that economic development of cultural industries would automatically ease down economic and social tensions because these industries are cultural in nature. This goes back to the old European idea of culture from the time of the Renaissance that culture could be the remedy to all the difficulties of humanity. Later on critical social theory radically opposed such expectations pointing out that every monument of art can also be a monument of barbarism. We should listen to these warnings too.

If we mostly utilize culture and art for the purposes of economic exploitation, we are building nothing but fancy monuments of capitalism. They can cover up economic and social tensions, but they cannot resolve them. Similarly, Renaissance cultural objects conceal economic and social differentiation that gave birth to modern European art. Because of economic differentiation, wealth was accumulated in the hands of the few rich who could then generously give it "back" in the form of art and culture. In the contemporary jargon this "giving back" is called corporate social responsibility. This is the most that city regeneration strategies can offer. They certainly cannot keep the promise that they will resolve social conflicts and abolish economic differences. What city regeneration strategies can do is to make cities look better; they can organize events to make cities more attractive for tourists and local people; they can produce "identities" and tourist destination strategies; they can raise corporate social responsibility and from time to time direct the attention of the rich towards the needs of poor communities. But they cannot really help the poor and the communities in need, because they have only one master, money and its urge to multiply. Money leads the game called "city regeneration" while culture is in the second plan, an instrument and a servant to the master.

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Cultural Policies and Urban Rehabilitation in Budapest

Krisztina Keresztély

The following paper is based on a research project achieved recently within the framework of UNESCO's MOST (Management of Social Transformations) program. The last phase of this program was entitled "Social Perspectives in Historical Districts of Cities". The aim of the research was to deal with urban, social and political conditions of sustainable development in historical city-centers. The main conceptual question of the program was: "How can the effects of gentrification be controlled in order to maintain sustainable social and urban development in historical districts of cities?" This question led us to think about different techniques that public urban policies can use in order to find a balance between two, entirely opposite features that have recently been characterizing the development of historical urban centers.[1]

In the era of decreased financial and political power of the public sector, urban policies have to be based on long-lasting cooperation and partnerships with private investors. In the case of urban rehabilitation public authorities need to attract investors who are especially interested by run down urban areas. On the other hand, urban development and urban competitiveness are strongly based on cultural attraction and on cultural heritage of a given city. Urban policies therefore have to face the challenge of maintaining the cultural traditions and the historical built environment of their urban area. Besides short-term policies aiming to attract investors, public authorities have to develop their long-term policies as well regarding sustainable urban development.

The term "sustainable urban development" has been defined following the concept declared in the 1987 Brundtland report.[2] While this report had been conceived for environmental development, the objectives of sustainability were soon integrated

1 The research has been summarized, among others, by: Enyedi and Kovàcs (2006) and Keresztély (2006).

2 http://www.are.admin.ch/are/en/nachhaltig/international_uno/unterseite02330/: "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

into the theory of social and urban development. According to this: "Social sustainability of cities is defined as a development (and growth) adapted for the harmonious evolution of civil society, that is able to create a favorable environment for the cohabitation of different social groups and cultures, and at the same time may stimulate social integration and improve life conditions at all levels of society" (A. Bailly et al., 2000: 7, translated by KK).[3]

Social integration is thus one of the basic conditions of sustainable urban development, as elementary as the maintenance of cultural heritage and the built environment. The definition of sustainable urban regeneration can be formulated as follows: *the search for balance between the interests of market-led intervention and the necessity of maintaining architectural, social and cultural heritage, in order to bring together physical rehabilitation and social cohesion*.

Sustainable urban development is therefore strongly linked to cultural development. Social urban regeneration and culture-led urban regeneration have to go hand-in-hand for the achievement of value and heritage oriented urban development programs. The following article proposes to give an overview on how these goals are represented by public policies and by other urban actors in one of the metropolises of a former socialist country, Budapest. In the first part, some theoretical arguments partly based on international examples will be presented. In the second, general characteristics of Budapest's urban development will be summarized. In the third, two groups of urban regeneration projects of Budapest will be analysed: the first contains programs of urban renewal, the second one initiative and actions for the creation of new cultural places (institutions) through the regeneration or re-use of abandoned urban sites. These cases will be analysed from the point of view of their sustainability, their effect on social cohesion, and the way they combine urban and cultural policies and goals.

Culture-led rehabilitation in European urban development programs

The importance of cultural development in urban regeneration processes is a fact that has already been confirmed by scientific research and is used in practice in several countries in Western Europe. The renewal of a city - or part of a city - through cultural projects or events has been the voluntary method of urban planning only since the last few decades. However, one should not forget that cultural and urban development are

3 Quotation from Polèse and Strern (eds) (2000). Original text: "La durabilité sociale d'une ville est définie comme un développement (et/ou une croissance) adapté à l'évolution harmonieuse de la société civile, qui crée un environnement favorable à une bonne cohabitation de groupes sociaux et culturels divers, et en parallèle stimule l' intégration sociale, en ameliorant la qualité de vie de toutes les couches de populations."

linked eternally, cities and cultures are inseparable. The appearance of the "new" roles of culture in urban regeneration is related to the changes of its role in social and spatial development since the 1970s. This development has been profoundly analysed in Franco Bianchini's work, describing the evolution of this relationship from the beginning of the 1970s till the end of the 1990s (Bianchini, 1993).

Capacities of cultural policies to intervene in the development and rehabilitation of neighborhoods have been widely discussed since the 1990s all over Europe. An important number of international, European projects and networks have been dealing with theoretical and practical aspects of this question. From 1993 to 1996, the European project "Culture and neighborhoods", involving 11 cities, aimed at improving cultural policies at the local level, establishing the neighborhood as one entity for cultural policies and finding ways for them to intervene for the socio-economic development of deprived urban areas. Four handbooks have been edited as the outcome of this project.[4] UNESCO's "Culture in Neighborhoods" network links local associations that promote cultural performances to enhance social integration and an improved relationship between inhabitants of neighborhoods.[5] Also, "Banlieues d'Europe", a network of European cities was created in 1992 in order to bring "together associations of officials, towns, experts and researchers, cultural workers and artists, who are familiar with questions of neighborhood artistic performances aimed at people who are usually excluded".[6]

Cultural aspects may obtain a prime position in projects and networks that are generally dealing with social cohesion and urban regeneration of neighborhoods. The "Quartiers en crise - European regeneration Areas Network" includes members from 25 countries of the European Union. The network helps to establish projects, financed by the European Union, dealing with urban regeneration and socio-economic cohesion of deprived neighborhoods. "URBACT", a program created for the establishment of international networks of cities, "is primarily focused on cities and their neighborhoods, which are facing high levels of unemployment, delinquency and poverty, and inadequate levels of public services". This program includes among others several projects focusing on cultural policies and on cultural actions (URBACT Culture, CHORUS etc.).[7]

Besides international cooperation, culture and neighborhood regeneration also appear at the level of urban policies. Urban decision-makers tend to put into practice

4 http://www.coe.int/t/e/cultural_co%2Doperation/culture/completed_projects/neighborhoods/_Summary.asp#TopOfPage

5 http://portal.unesco.org/culture/en/ev.php-URL_ID=2478&URL_DO=DO_TOPIC&URL_SECTION=201.html

6 http://www.banlieues-europe.com

7 http://urbact.eu/

the theory of culture-led rehabilitation, as one component of the development of creative industries in cities. Glasgow and Bilbao are well known examples of cities that have used cultural industries as tools for the conversion of the whole city's economic performance. Urban policies that are planning neighborhood regeneration via culture-led rehabilitation programs are also the current methods of some local government councils in European cities. The latest urban development strategy of Paris, published in 2006, is almost entirely based on cultural projects: revitalization of deprived neighborhoods, rehabilitation of abandoned sites of railways, ports and industries.[8]

In Central and Eastern Europe, the potentials of cultural industries and events in local urban development have been recognized in different ways and at different moments according to the country. In Hungary, culture-led urban regeneration has become popular over the last few years - especially as a consequence of Hungarian cities' application for the European Cultural Capital award for the year 2010 (ECC2010).[9] Almost all applicant cities defined urban regeneration as one of the key elements of their projects. This idea generated by the competition for the ECC2010 title was later integrated into the urban development strategy of most of the cities involved.

Urban regeneration and socio-economic cohesion of deprived neighborhoods are also relatively new priorities in Hungarian cities - they have been formulated following the 1990 political transition. In Budapest, urban renewal has been approved as one of the main axes of the council's strategies. Nevertheless, programs that have been launched since the beginning of the 1990s did not take into consideration the values of social integration or sustainable social and cultural development. On the contrary, as the previously mentioned UNESCO research has shown, local government councils in Central-Eastern-European cities mostly see the problem of urban regeneration as a field for attracting investors. Instead of creating programs for social cohesion, they tend to push problems out of their territory, and give short-term answers to their neighborhoods' deprivation. This policy hinders sustainable urban development, jeopardizes historical and cultural heritage and cultural diversity in most of these urban areas.[10] For that reason it is fundamental to underline the importance of policies aiming towards sustainable urban rehabilitation in these cities and, of course, in Budapest. As European examples show, long-term programs of

8 "Aménager Paris 2005", Urban development strategy, Municipality of Paris, 2006.

9 Hungary has been designated as hosting country of the European Capital of Culture 2010 year together with Germany. In Hungary, Pécs, a city with strong cultural traditions in the south of the country obtained the title, while in Germany the city of Essen has been chosen. Later on, Istanbul was added to the group of European Capitals of Culture in 2010.

10 See note 1.

urban regeneration can rarely be established without programs of cultural heritage and cultural development.

Culture-led rehabilitation to resolve social conflicts

To confirm the above statement, one has to analyse whether cultural development is *really* able to enhance sustainable urban regeneration? Can the positive relationship between cultural activities, creativity and social integration be considered as universal? In other words: where and why might this correlation be applied in urban practice?

The first question seems fundamental to me, especially since I have attended a one-week training course on urban rehabilitation in Marrakech, within the framework of the RehabiMed program.[11] In his paper, Quentin Wilbaux underlined: "One of the main conditions for sustainable rehabilitation of our traditional buildings is to maintain traditional arts and crafts in the Medina. Marrakech can be a model even for European cities, where the same had already disappeared."[12] Preservation of cultural heritage cannot be limited to architectural reconstruction of buildings: traditional local activities and social relationships have to be maintained as well if we want to generate sustainable urban rehabilitation. In areas like the Medina of Marrakech, this presupposes the reinforcing of existing activities and habits. In other cities, other neighborhoods, sustainable rehabilitation presupposes the re-creation of local activities and cultures. This is the case for several historical urban centers in European cities that lost their original functions as a result of previous interventions of urban policies. (This is the case of the Quartier Les Halles in Paris that was destroyed during the 1970s, and also of several central European cities' historical neighborhoods, for example Budapest and Krakow.)

Culture-led urban rehabilitation may thus intervene in cities and in neighborhoods where traditional activities and functions have disappeared and further social and economic cohesion also demands the development of cultural cohesion and the re-creation of urban identities. Creating new art-performances in order to link together local people seems to be futile in the Medina of Marrakech, where people are in close every-day contact as a result of their traditional way of life. Such action may likewise have a strong effect on local development in cities such as Paris or Budapest. Culture-led regeneration will thus be useful in cities and neighborhoods that are suffering a loss of identity - in cultural, economic and architectural (visual) terms.

11 http://www.rehabimed.net

12 "Rehabilitation and social action", RehabiMed training course, Marrakech, 27 March-3 April 2006. Quentin Wilbaux-Faiçal Cherradi: "Les matériaux traditionnels et les artisans de la réhabilitation", notes of the author and website: http://www.rehabimed.net/www_ang/seminari_marroc_ang.asp

Social exclusion is a permanent problem of cities, in all times and in all parts of the world. In the age of globalization, European cities are facing several problems which are causing social disintegration, for instance the decline of traditional activities, especially industries, and the increase in international mobility and of immigrants in cities (Bianchini, 1995). Socio-economic polarization[13] can be detected at the city-level (through differences between neighborhoods), but also at the level of the neighborhoods, through differences between diverse groups of inhabitants. The latter is strongly linked to the phenomenon of gentrification, i.e. the rising of property values in a deprived neighborhood as a result of the influx of new - wealthier - inhabitants and of new activities.

Polarization in cities provokes spatial and social conflict. At the same time, these are also cultural conflicts as social exclusion creates unequal chances to obtain cultural and educational services. This was partially the reason for riots in the suburbs of French cities, and especially in Paris in autumn 2005. Alarmed by the revolt, the French Ministry of Culture even asked representatives of independent cultural centers created in industrial buildings in deprived suburbs of Paris to work out an intervention program as partners of the public authorities.[14]

Gentrification is one special form of urban conflict strongly characterizing contemporary cities. Gentrification is a clash between the interests, activities and habits of old and new inhabitants. At the same time, these two groups are often in disagreement with the local council and the investors who are mainly interested by the political and economic profitability of the area. The method for resolving the above tensions is certainly not to exclude one or more elements of the conflict. On the contrary, the solution is to find a compromise of all these interests, as has been argued at the beginning of this article.

Gentrification is also a cultural conflict - culture-led rehabilitation may thus serve as one type of action. Nevertheless, not all cultural interventions are able to generate compromise. Several cultural development projects have to be considered as mere real estate investments: the cultural content of these new developments is only a secondary issue, often decided well after the decision at the beginning of the project itself. Some of these are simply prestige developments, especially in the case of state-level investments. Some other cultural projects, although based on the regeneration of buildings or neighborhoods, do not draw up any program for social cohesion or local identity building. These developments are isolated from other facilities and the inhabitants of the neighborhood. Culture-led urban rehabilitation can only serve sustainable social and urban development if it is able to establish the above described social-urban compromise. These programs therefore have to represent local civil communities, enhance social and cultural integration, help the

13 The socio-economic polarization of cities has been growing as a result of globalization: the gap between different groups in urban society and between different activities (local and global) has been increasing. See Sassen (1990).

14 Interview with Gwenaelle Rouleau, ACTES IF, Paris, June 2006.

communication between diverse groups of inhabitants, develop local solidarity, explore local knowledge and traditions and integrate them into contemporary thinking. The question is: to what extent are these conditions present in the different regeneration and cultural development programs of Budapest?

Budapest in the 1990s - a general presentation

Budapest is a shrinking city. While its population was permanently increasing after World War II, this tendency has been reversed in the late 1980s. Loss of inhabitants is partly a result of natural decrease, partly that of suburbanization, a process that became typical for Budapest after the political transition. Between 1990 and 2001, the population of Budapest decreased by 14.3%, whereas that of the agglomeration grew by 18.9%.[15]

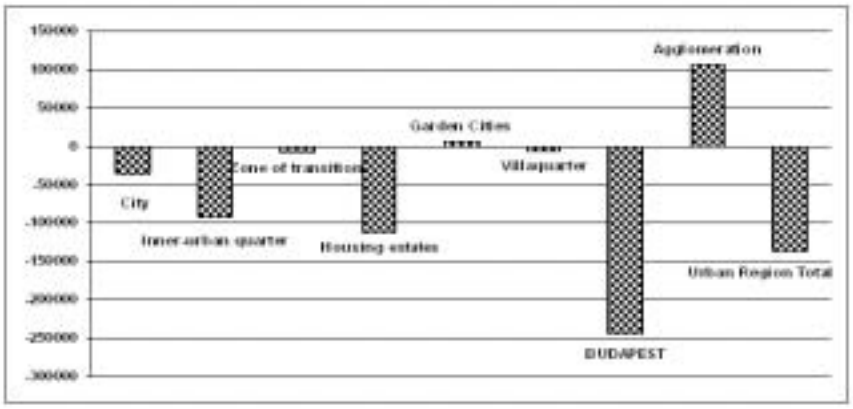
Suburbanization is only one feature of the physical restructuring that took place in Budapest as a result of political transition. The emerging real estate market and the flood of international urban investments after 1990 had a deep effect on the urban landscape. New urban cores, new axes of economic and urban development appeared as a result of the flood of private and international investments. The suburbanization process has led to the formation of a multi-centered metropolitan area around Budapest, with zones of cultural, residential and economic functions. (Picture 1 and 2)

Picture 1: The Metropolitan Area of Budapest

Source: designed by the author

15 Central Statistical Office of Hungary

Picture 2: New Distribution of Inhabitants



Source: Kovács, Z. (2006)

On the other hand, the departure of the middle classes to the suburbs affected first of all the residential parts of the inner-city and the majority of housing estates in the peripheries. In these neighborhoods the decrease in population has been coupled with a permanent degradation of the physical and social environment. Spatial transformations in Budapest were parallel to the city's social restructuring, characterized by deepening polarization and growing spatial and social disparities.

Budapest is not only a shrinking but an ageing city. This is especially true for its central districts: almost 25% of the urban population is over the age of 60, and this percentage will probably worsen in the future (Szirmai, 2006).

After 1990, new types of multiculturalism appeared in Budapest. Since political transition the role of Hungary in international migration has changed: from a sending country, it became a host one. New immigration contributes - even if only a little - to the (multi)cultural life of Budapest. Some groups of immigrants (the expatriates) contribute to gentrification, while others (some of the refugee or Chinese population) enhance the mixture of local societies. In both cases, migrants are new factors in social conflicts.

Multiculturalism in Budapest is based on three groups of population.

The first group is composed of "traditional" ethnical and religious minorities, representing the original multiculturalism of Budapest (Roma, Serb, German and Jewish).

The second group is that of immigrants who came for economic and political reasons to Hungary, and who plan to remain in the country for a long period, if not forever. An important part of this group is formed by Hungarians coming from neighboring countries. The other part is formed by Chinese migrants. The Chinese community in Budapest is not a homogeneous diaspora. Those living in Hungary originate in different parts of China and are also from different social groups. A large part of them came from other Western European countries. Very often they even do not understand each other's language. The Chinese community can be found in all large cities in Hungary, but the majority of them are concentrated in the capital. They are living in different neighborhoods according to their living standards (there is no China Town in Budapest), although a large majority live in Józsefváros, 8th district.

The third group is formed by transitory migrants, who only came to Budapest for a shorter, but often undetermined period. This group is composed on the one hand by political or economic "refugees" (from African countries or the Middle East), and on the other by new immigrants or "expatriates". People of the latter group mostly originate from Western countries. Between them one may find employees of international firms and also "independent" migrants. Both contribute to the gentrification processes of run-down central neighborhoods in Budapest. Independent immigrants are the most involved of all groups of migrants in the cultural and every-day urban life of Budapest.

The main social conflicts in Budapest are rooted in the spatial and social exclusion of the Roma community that persists despite cultural and educational programs introduced since the early 1990s. A large part of this community is concentrated in the inner historical districts of Budapest, that are the most concerned by urban decay and social exclusion.

The historical intermediate zone of Budapest

The neighborhood appearing in these inner historical districts corresponds approximately to the territory of the historical residential center of Budapest. The majority of the buildings in this area were constructed at the end of the 19th century (in the Jewish neighborhood, many buildings remained from the 18th century), and have never been renovated since.

The historical inner city of Budapest was culturally, socially and economically the most colorful and lively urban area in Budapest before World War II. It is situated between the business center and the outer, intermediate, semi-industrial quarters of Budapest. Therefore this area can also be called "the intermediate historical residential zone".

This historical zone of Budapest contained various neighborhoods: the Jewish quarter with its lively merchant streets; the amusement quarter with cabarets and café-theaters; the elegant quarter with its main boulevard, cafés, and the Opera House; the cultural quarter, with the National Museum and the University. The population of this area was very variable, from the better-off to the petit-bourgeoisie.

Under socialism, this area became a "politically dangerous" place. It was considered to represent the "bourgeois" values of the pre-World War II period. As a result, the area was absolutely neglected by urban planning and urban policy-making during the whole period of state socialism: no renovation, no rehabilitation and no regeneration programs were undertaken in spite of the advanced age of the buildings. In this period, urban policies concentrated on the construction of new housing estates. The historical intermediate zone of Budapest became more and more marginalized. Buildings were neglected and became dilapidated; many of them were designated for social housing. The better-off population left these neighborhoods (except for the part of the Jewish population who survived World War II and the communist deportation). During the 1970s and 1980s, low-income population, in the main Roma communities, came to settle down in the area (Kovács, 2006). Certain places were controlled by the local mafia. By the 1990s, the area incorporated several social ghettos only ten minutes walk from the city center.

This evolution is typical for most East-Central European cities. The originally lively central districts, once inhabited by the middle class and mainly Jewish population, became dilapidated, abandoned, run down ghettos under the communist regime.

Despite policies intending to marginalize it as the bourgeois area, the historical zone of Budapest remained the center of cultural life. It continued to have concentrated on its territory a large majority of the cultural facilities, such as national institutions (National Museum, Opera, universities), city-level institutions (central library of Budapest, several theaters), and, from the end of the 1980s, some alternative venues of art and culture (cafés, art galleries).

After the second half of the 1990s, this area became the core of the new gentrification processes. First, residential gentrification began in voluntary and spontaneous ways in various neighborhoods. Voluntary ways are related to council policies, spontaneous ways to the settling of new, young urban population in some of the run-down districts. Social composition has also changed due to the settling down of new immigrants (Chinese) and the departure of some better-off inhabitants. In the mid-1990s, the area seemed to find an old-new identity, and to become again the multicultural and lively urban zone of Budapest. These spontaneous and voluntary processes however remained isolated from each other and still did not involve the question of social cohesion, or the integration of old and new inhabitants. The

reconciliation of these processes should have been the role of council policies. Nevertheless, the latter still did not accomplish this task. Some of them even acted against it and supported demolition and new investments.

Once the potential for economic real estate investment (new housing construction or office developments) had been saturated in the business district, investors began to search for new plots in the intermediate historical zone. Several new real estate developments are actually under construction in this area, many of them without considering the architectural and cultural heritage of the neighborhoods. These new developments, especially those accruing in the Jewish quarter, have been launched with the support and the permission of the local district council.

The historical intermediate zone of Budapest, although composed of districts with similar social and urban problems, still suffers from a lack of coherent urban development. This situation is in large part related to the fragmented administrative system of the capital city.

Since 1990,[16] Budapest has consisted of 22 (and, since 1994, 23) districts, all of them led by independent local councils, with similar tasks and competences to any settlement outside Budapest. In this situation, the Budapest City Council has but limited power, and finds itself permanently opposed to local districts' decisions. Especially in terms of urbanism, district councils obtained permission to assign construction rules and permits. The number of examples of cooperation between councils in the capital is also very low.

The intermediate historical zone is under the authority of four different councils. Although all of them are facing similar problems, they represent different political parties, different priorities and different conceptions of urban development. Political incoherence also explains why short-term political decisions prevail in this area instead of policies meeting the challenges of social and cultural integration.

The historical intermediate zone of Budapest has been the site of several urban renewal programs since the beginning of the 1990s. It also served as an ideal venue for the establishment of some new cultural facilities. Many of them have been created by the re-use or even the renovation of old residential and industrial buildings. Though urban renewal and cultural development programs often represent similar interests and priorities, they are rarely linked together and no strategic vision seems to link them in the future either.

16 Laws LXV/1990 and LXIII/1994 on the local governments in Hungary. Disharmony of councils' policies is discussed on p. 109 of this text.

Urban rehabilitation programs and socio-cultural integration

In Budapest public policies began to work out rehabilitation programs after the end of the 1980s. In that period only some isolated zones had been designated for rehabilitation. After the political transition, programming of urban rehabilitation was hindered by the general withdrawal of the public sector from urban policies and urban development. This withdrawal was caused by several reasons.

The creation of autonomous local governments was accompanied by decentralization and privatization, thus the ownership of housing became extremely fragmented. In parallel, the City of Budapest and its mayor, continuously in power since 1990, adopted a liberal urban policy. Fragmentation of local authorities in Budapest has sharpened the effects of these policies. Urban planning and strategy-based urban development entirely disappeared. During the 1990s, urban rehabilitation was not an attractive way of investment for the private sector, as green belt investments were still profitable.

The City of Budapest began to deal with urban rehabilitation and sustainable development in the second half of the 1990s. In 1996, the City Council adopted its Urban Rehabilitation Strategy and created its Urban Rehabilitation Fund. But still, the strategy concentrated almost exclusively on physical rehabilitation, while social and cultural factors were neglected. Moreover, the rehabilitation fund only permitted a very limited number of interventions.

The lack of policy and of financial opportunities led to different types of initiative, related to different actors, methods and interests. Three main behavior types in the public sector can be observed regarding urban regeneration.

1. Market-oriented urban rehabilitation

In the first case, some district councils launched their own development programs of urban rehabilitation. Being short of public funds, they began their programs on a market-oriented base, and established local cooperation with private investors. In spite of this innovative solution[17] these programs were only weakly accompanied by council strategies concerning cultural and architectural heritage or social inclusion. Projects currently under construction in Budapest tend to generate an almost complete transformation of the concerned areas: its social composition, its architecture as well as its function within the city. Two projects in the historical

17 PPP projects are investments realized through the cooperation of the public and private sectors, intending to resolve the global shortage of public funds. In the beginning of the 1990s, such cooperation was still rare in Hungary and therefore can be considered as innovative.

intermediate zone of Budapest are actually following this method. They are likely to create mute urban areas without any trace of local traditions, similar to housing condominiums in any better-off urban areas.

Cultural development appears in different ways in these projects. In Ferencváros 9th district, the local council excludes all "alternative" forms of cultural initiatives on its territory. In the meantime, this council has been carrying out one of the most successful public-led urban cultural development projects in Budapest: the transformation of a traditionally commercial street into a "cultural street", with cafés, galleries and restaurants. This street (Ráday) has become a core area for cultural tourism. The street's functional and economic transformation went along with massive gentrification: prices of flats rose, an important number of new people, among them expatriates, have settled in the street and its surrounding area.

In Józsefváros 8th district, the rehabilitation program was launched in 2005. The program itself has only a moderate cultural component. It is practically based on one already existing cinema located at the entrance to the area. Nevertheless, the 8th district has a strong urban image in Budapest as one of the most run-down areas in the city, with multicultural social composition.[18] As a result of its strong image, the already destroyed part of the rehabilitation area has immediately been occupied by one of the famous "ruin-cafés"[19] of Budapest that integrates an independent cultural center as well. The initiative is symbolic but certainly not sustainable, as the place will lose its singular position as soon as new high-rise buildings are constructed there.

2. Wasting values by council speculation

Recent conflicts occurring in the historical Jewish neighborhood (Erzsébetváros 7th district) present in the most spectacular and the saddest way the consequences of incoherent urban management. The area is one of the oldest parts of Budapest, partly constructed in the 18th century. It was a lively neighborhood with a busy commercial center, and with a large number of Jewish inhabitants. The district became the Jewish ghetto during World War II. Under communism, it was one of the most neglected parts of the city (together with the 8th and 9th districts) and many of its buildings became ruined, some of them even collapsed. Since the 1990s, the area has begun to revive. Young people, artists, students, independent expatriates have been settling down in the area, renting or even buying flats for a relatively low price. By the end of the 1990s, a growing number of new cafés, galleries, restaurants appeared here. Some of these cafés form one of the most original forms of cultural facility in Budapest.

18 See also previous chapters of this article. The 8th district is still the most multicultural one in Budapest. The district inspired young film artists to prepare a cartoon entitled "Nyócker" -"the 8th" dealing with special social conflicts in this zone of the city.

19 The "ruin-cafés" and "ruin-bars" usually occupied buildings designated for demolition and used to develop some cultural programs. See p. 114 of this text.

Since the turn of the millennium private investors have shown a growing interest in this area. The local council has given its permission for demolition of a large number of buildings, even those belonging to cultural heritage sites without any previous coordination with local inhabitants, with other districts or with the City of Budapest. A civil society called “VETO” (OVÁS) has been created by architects, sociologists and experts in urban issues in order to protest against the policies of the local government. Their demonstrations, actions and workshops also contribute to cultural heritage protection by distributing information on local policies and on the historical and urban values of the district. In spite of their activity, it seems already impossible to prevent the destruction of a large part of the historical Jewish district. (Picture 3)

Picture 3: Ruin in the Historical Jewish District

Source: photo of the author

3. Social urban rehabilitation

The third type of urban regeneration based on social rehabilitation is the newest one. So far there is only one project concentrating on this issue. Magdolna area is located in a peripheral neighborhood of Józsefváros 8th district. It is one of the poorest urban areas of Budapest that does not, and certainly will not, be attractive for investors or international tourism, contrary to the other above-mentioned site in the same district. Coordinated by the City of Budapest and the 8th district council, a social rehabilitation program has been worked out with priorities such as keeping the original inhabitants in the area, attracting new better-off population through construction or renewal, creating new jobs and new services, and founding two cultural facilities, an elementary school and a community center, in two already

existing buildings. The program is in its initial phase; its different elements, such as the cultural one, are still not defined.

When analysing urban rehabilitation programs in Budapest, one has to observe the weakness of priorities for sustainability and social inclusion. Cultural programs and facilities, if included, are considered as factors of economic competitiveness and as conditions for the attraction of cultural tourism. Although several civil and alternative cultural and social movements have been created during recent years in order to preserve cultural and architectural heritage or simply the image of the intermediate historical zone, this approach has not been integrated into public policies yet.

Cultural policies and urban rehabilitation

Cultural development is weakly represented in urban rehabilitation programs, but how have the latter, and especially socially sustainable urban regeneration been integrated into cultural projects achieved over the last few years? Current cultural projects in general consist of the revitalization or regeneration of buildings or of neighborhoods. Still, not all of them are concerned about sustainable urban development. This article will give an overview of some of the latest cultural developments in Budapest that have been initiated by different sectors.

1. Disharmony of council policies regarding urban and cultural development

The divided, two-level system of Budapest public administration contributes to the disharmony of cultural and urban development policies in the capital.

In 1990, the Act on Local Governments defined the tasks and competences of public administration. In Budapest, district councils obtained key competences in urbanism: namely the right to decide about the allocation of construction permits. As a result they can strongly influence decisions of the Budapest City Council. The division of competences in cultural policies created a different inequality. Apart from the state-level institutions, the largest cultural facilities have been transferred to the Budapest City Council (such as theaters, certain museums, cinemas, several concert halls and art clubs). Districts on the other hand only obtained the network of local cultural centers. Created during socialism, almost all of these centers became empty and deteriorated after 1990. Repartition of institutions also meant repartition of financing: the main part of cultural subsidies is thus concentrated in the budget of Budapest City Council.

In the above situation, logically, the Budapest City Council would be the very authority to undertake cultural projects and strategies. In reality, the situation is in most cases the opposite. Since the 1990s, Budapest City Council has followed a

passive cultural policy. Being in charge of a heavy institutional system inherited from socialism, few initiatives have been made at city level in order to reform the existing system, to undertake new initiatives and to think over the goals and methods of cultural policies and cultural financing. In the beginning of the 2000s, 85% of Budapest City Council's cultural budget was allocated for the maintenance of the big theaters of the city, in the form of normative subsidies. In 2002, this "regular" part of the cultural budget was 6 million euros. Cultural expenses of the City Council also included the financing of small theaters, events and companies often representing alternative, off-beat culture, being outside the circle of the big institutions of national importance. In the same year of 2002, funds created for their financing[20] altogether represented about 1 million euros within the cultural budget.

Districts on the other hand, do not possess any important competences in cultural policies. Those who wish to create autonomous cultural policies need to couple these with other competences, such as urban development or social policies. Regarding this, our hypothesis could be that district councils intending to follow active cultural policies may be the ones to work out innovative culture-led interventions based on the integration of cultural, social or urban policies.

The reality is somehow disappointing. Local councils in general have important financial deficits, partly resulting from the divided political and administrative system in the capital. The more active councils intend therefore to increase the economic position of their districts by sharpening their attractiveness for tourism or for real estate investment. The cultural sector thus often becomes a topic for development limited to economic and real estate use while social factors are not taken into consideration. These culture-led projects are often coupled with fashionable design-led urban development projects.

While culturally active district councils intend to increase cultural tourism and economic investments in their territory, similar ambitions are behind the latest cultural strategies of Budapest City Council.

During the 1990s cultural policies of Budapest City Council were characterized by a very limited number of projects, as well as a very poor strategy-making process. The latter was practically concentrated on a program called "Budapest, city of festivals", a strategy that was based on an already existing series of cultural festivals from spring to autumn.

20 Fund for Fine Arts (260 000 euros in 2002), Fund for Theaters (600 000 euros) and Fund for Sustaining Alternative Cultural Facilities (100 000 euros). Big theaters of national interest obtaining the regular normative state subsidies also have the right to appeal to the theater fund.

The most important initiative of the City Council was the creation of Trafó - the House for Contemporary Arts.

Trafó was opened in 1998 in the building of a former electrical power house. It was the first cultural center in Hungary based on the conception of "art labs". Trafó is a center with polyvalent cultural programming. Though contemporary dance is highlighted Trafó also has concerts, alternative and experimental theater, exhibitions and a bar-restaurant with several parties during the month. Since 1998, it has become an internationally acknowledged cultural center. Since 2005, Trafó has been a theater of national importance that obtains a regular state subsidy.

The former power house where Trafo functions is located in Ferencváros 9th district. The first rehabilitation program was launched in this area at the beginning of the 1990s. In spite its characteristic location, Trafó became a city-level cultural institution that attracts a specific audience - it has little vocation for the urban or social development of its neighborhood.

After 2000, the traditional approach of cultural policies began to change in Hungary. Public policies slowly accepted the wide use of cultural investment especially for urban development, for real estate development and for the positive economic performance of cities. State-led interventions through large cultural flagship projects[21] appeared at the very beginning of the new Millennium. Some years after, the European Capital of Culture 2010 (ECC2010) program became a new opportunity to change the role of culture in urban development.

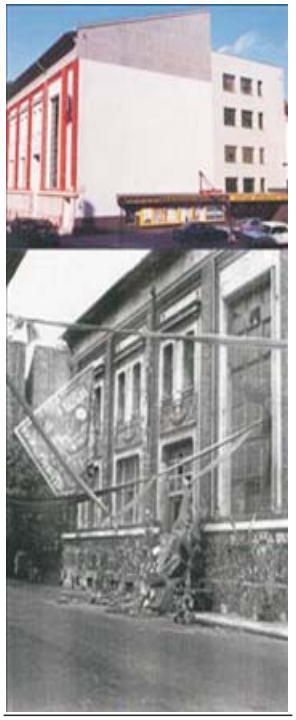
In the capital city, two key projects were designated, both in former unused industrial buildings, occupying strategic sites in the capital. The Public Warehouses are located on the southern bank of the Danube, close to the newly constructed Palace of Arts. The complex is planned to be converted into a cultural plaza, offering cultural services and facilities for all groups of inhabitants but mainly for students of the surrounding universities. The Gas Factory, the other site, is located on the northern bank of the river (Óbuda) and has been designated to host a new cultural and technological center.

Both projects are first of all prestige programs that may easily increase gentrification in the city center. They are aimed mostly at better-off visitors and, apart from services such as child-care and advice for students and the unemployed, very few social functions can be detected in these projects.

21 A cultural-thematic park (Millenáris), the new National Theater and a new cultural center (the Palace of Arts) have been created through investment of the central budget or in private-public partnership.

The 2005 mid-term development strategy of Budapest City Council also adopted a cultural vision. Besides the two key projects transferred from the ECC2010 application, culture is also taken into consideration for its capacity to generate social integration. Revitalization of old sub-centers in the peripheral districts of the city through cultural events is mentioned as one basic point of the strategy.[22] (Pictures 4, 5)

Picture 4: Trafo



Picture 5: Gas Factory

2. The weakness of the civil sector

Civil society is fragile in Hungary, as in all East-Central European countries. Although the number of civil associations is permanently increasing, their influence on urban development and on socio-cultural sustainability is still very weak. Reasons for this phenomenon are multiple: among them are the lack of financial base, the

22 The Podmaniczky Plan, the mid-term strategy of the Budapest City Council, 2005, Budapest.

passivity of the inhabitants, often related to the high priority they give to preserving their jobs and their material conditions (Szirmai, 2006), or people's traditional reflex of fear and mistrust towards conflict and alternative solutions.

Civil society is in general one of the most important actors in cultural urban rehabilitation, or in programs regarding social integration. Europe is already covered by several networks of cultural centers functioning as "cross spots" for integrating art, social integration, cultural and environmental protection.[23] Established in general in abandoned industrial areas or buildings, these centers are not only symbolic places within the cities, but contribute notably to sustainable urban regeneration processes.

In Budapest, 2005 was the year of creation of the first bottom-up cultural center in a large abandoned industrial building in Ferencváros 9th district. Although several civil cultural and art initiatives in abandoned urban spaces had already been organized in Budapest before that year as well, "Tűzraktár" was the first to bring together civil, social, educational, art and urban functions in one site, planned to become a permanent alternative cultural venue.

Some months after its opening, internal conflicts between partners appeared: managers of the bar refused to keep to the original agreement and to endorse a part of their revenue for the maintenance of the place and of free cultural programs. "Artists are following utopias and it would be a huge error to finance them. No cultural institution functions when directed by amateurs" - the opinion of the director of the bar represents society's general contempt and distrust towards civil initiatives.[24]

The crisis resulting from the above conflict was so deep that it finally led to the transformation of the venue. The cultural center has lost a considerable part of its initial purpose, especially social aspects (e.g. creation of a cheap restaurant within the building or organization of educational programs for children). It became a special site in Budapest designed for entertainment, night life and some art activities, but it has lost its initial function as a complex integrating cultural and social activities.

The crisis showed again how civil initiatives depending on external support need to be based on multiple financial resources at the same time. In other European countries like France for example, independent cultural centers obtain council support, even if this support only signifies a symbolic financial contribution. In the case of Tűzraktár, in spite of its social programming, the local council of the 9th district had refused its support. The center simply did not fit into the cultural and urban image of the district.

23 TransEuropeHalles is for instance one of the main international networks of independent cultural centers.

24 www.index.hu, 31 August 2005.

3. Private cultural facilities - real independents?

Since 2000, the cultural sector of Budapest has been enriched by several initiatives based on private capital investment. Based on private resources, these initiatives are independent from local political interests. Nevertheless they rarely show an interest in social integration and sustainability.

In 2001, two new cultural venues appeared in Budapest. Both of them have been created through the re-use of abandoned buildings in core areas of urban rehabilitation. MEO, the Museum of Contemporary Arts, was created in an empty leather factory, in a former industrial neighborhood transformed into one of the main new economic sub-centers of Budapest, hosting the offices of major international enterprises. A!P!A!, a house with seven workshops and a gallery for artists has been funded in the run-down area of the historical intermediate zone. In spite of their location, these institutions aim at a narrow circle of the public, therefore the social and urban problems of their immediate neighborhood are not typically represented by them. MEO, the contemporary museum closed some years ago.

While these private institutions represent a narrow and often elitist vision of art and culture, some other private investments have to be noted as potential substitutes for civil sector initiatives.

Since the first years of 2000, as a unique feature in Budapest, cafés in empty courtyards were opened in the historical Jewish Quarter. These cafés, bars or pubs were realized as profit-oriented places with a temporary existence: their opening was limited to summer time and with a duration written into their contract with the local council. The “ruin-bars” in general occupied buildings owned by the council that had been designated for demolition and that therefore had been evacuated.

Despite their profit-oriented functioning, these bars seemed to represent in some way the idea of multifunctional independent cultural centers created in abandoned industrial buildings and brown field zones. Ruin-bars in central Budapest were inspired by the symbolic character of run-down neighborhoods as reflected through their image and their patchy-retro decoration. These bars, especially at the beginning, attracted a narrow public, mostly based on intellectuals, students, and artists. Some of them developed diverse cultural functions: open-air cinema (open during wintertime as well), concerts or small exhibitions. As places representing alternative cultural values, they found themselves in opposition to the local council. The latter argued that ruin bars disturbed the calm of the area or attracted odd people. In 2005, several of them had to close and leave the district. The only ones allowed to remain were those that had rented their location from private owners, while all leases from the council were stopped.

In this conflict, some ruin bars also appeared as institutions defending cultural, urban and environmental heritage. This purpose is denoted as follows on the web-site of one of these institutions:

> *"We keep trying to find out whether it's possible to support alternative culture on a profit-oriented basis, to survive seemingly hopeless construction works, to have one of the best cuisines in town, to screen self-distributed movies in our own open-air cinema, to organise animation festivals, and things like this. The answer so far seems to be: yes, it is."* (www.szimpla.hu)

Conclusion

Urban rehabilitation and cultural development programs in Budapest have passed through a lengthy transformation since the 1989 transition. Cultural and urban policies both seem to approach the idea of social sustainability. An increasing number of projects integrate social inclusion or cultural heritage as part of their objectives. A link between cultural development, urban regeneration and preservation of the urban environment is especially manifest in cases of civil and, as has been shown, civil-like initiatives. This tendency can also be observed in the latest urban development strategy of the Budapest City Council. Still, socially sensitive cultural rehabilitation does not exist in Budapest.

Projects concentrating on cultural, social or physical aspects of urban regeneration are strongly isolated. No matter whether they are close to each other (as is the case in Ferencváros 9th district where several types of initiative are concentrated) or are in different points of the city, very little coordination or cooperation exists between them. Furthermore, interaction between the different sectors is also extremely rare. Lack of cooperation that characterizes the behavior of urban society in general, is especially observable at the level of public policy. Local authorities in Budapest - districts as well as the City Government - are mostly led by short-term policies, looking for a quick return on their investments. Urban planning that had disappeared at the beginning of the 1990s could still not be substituted by real strategic thinking that could help to link different interests and objectives.

Lack of cooperation, the weakness of the civil sector and the general mistrust towards alternative solutions still do not fully explain the lack of socially sustainable culture-led regeneration in Budapest. Cultural development has just been recognized very recently as an integral part of urban development. This general recognition is mostly based on international examples, and was underpinned by the ECC application. As a result, use of the symbolic meaning offered by run down urban spaces does not always correlate with a strategically analysed vision of the social, urban or cultural functions of the same area. Methods of culture-led regeneration are

still not defined and several questions remain as to how new places for creative art should integrate priorities of local development and social integration within their objectives.

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Zagreb: Urban Cultural Identities and City Growth[1]

Nada Švob-Đokić

Zagreb is the largest city and the capital of Croatia. The Republic of Croatia gained its state independence in 1990, which provided a framework for the new position of its capital by enhancing its metropolitan role, combining the weight of its new administrative functions, rapid growth and the widening of international communication, co-operation and investment. The metropolitan history of Zagreb has therefore been rather short, very much shaped by political events and developments in the recent transitional history and identity of Croatia. It has nevertheless had an important impact on the new identification of the whole country and its society.

Population growth

According to the 2001 census, the city of Zagreb had 779 145 inhabitants, out of which 383 959 or 49.4% had been born in Zagreb; 240 981 or 31% migrated to Zagreb from other parts of Croatia, and 15.5% came from other ex-Yugoslav republics (the most important immigration being from Bosnia and Herzegovina, 11.8%). Only 0.5% or 4 140 people came from other foreign countries (Europe, Asia, America and Australia).[2]

Heavy immigration was experienced during the 1990-1995 war, when Zagreb hosted war refugees from all parts of Croatia and Bosnia and Herzegovina. After the 1990-1995 war and up to the end of the century, the migration dynamics slowed down. Zagreb nevertheless registered a constant positive increase in the number of inhabitants coming from other parts of Croatia, from the ex-Yugoslav republics and from foreign countries. The rapid growth of the city became again evident after 2000. In 2005, the registered number of inhabitants amounted to 973 667 persons. This illustrates a heavy inflow of new populations, averaging almost 50 000 persons per year in the 2001-2005 (i.e. post-war) period.

1 This text is based on the author's previous text "Expressions of Cultural Diversity in Zagreb", in Ilczuk, Dorota and Isar, Yudhishthir Raj (eds), *Metropolises of Europe. Diversity in Urban Cultural Life*, Warszawa: CIRCLE & Pro Cultura, pp. 326-334.

2 The source of these and other statistical data is the Croatian Statistical Bureau, www.dsz.hr

Cultural diversification

Most of the immigrants from ex-Yugoslavia are of Croatian origin and they usually hold Croatian citizenship as their first or second nationality. They are not culturally particularly diversified, although the internal regional differences are clearly discernible in language, inherited folk cultures and living customs and habits. These are visible notwithstanding the fact that all identify themselves as Croatians, are mostly Catholics and hold Croatian citizenship.

Zagreb thus displays a rather homogeneous ethnic and "national" population structure, with the kind of clearly visible ***internal differences*** that may be considered as ***regional differences*** within Croatia. Southerners (Istrians and Dalmatians) offer a specific Mediterranean cultural mix that is easily discernible in their way of life, cultural preferences and artistic expressions; Northerners bring in mostly Central European and Austro-Hungarian influences and display a kind of "continental" cultural mix. Further diversities are discernible within such larger regions, particularly due to different regional histories that support local particularities.

Most immigrants from the EU countries, Asia, the Americas and Australia also belong to the fourth or fifth generation of Croatians who emigrated at the beginning of the twentieth century. In the period 2000-2004 the number of foreign immigrants to Zagreb was 1 716, which is very low indeed. Their cultural influences are therefore hardly visible.

Most of those who have recently settled in Zagreb are Chinese, but except for small shops (126 in 2005) and about 15 restaurants, their presence is not strongly felt, although it is rather visible. The Chinese choose to settle together, in previously little-inhabited parts of the city. They may be in the process of creating a Chinatown, which is a very new experience for the Croatian metropolis, and perhaps a sign of its future enhanced multicultural character.

Although distinct and visible, the Chinese are not numerous. Only 668 persons have regulated their formal status. Most of them are not coming directly from China, but from Hungary, Italy, or from other European and particularly Southeast European countries. The Chinese are following the constant increase of bilateral trade with Croatia.[3] The largest Chinese shop (or, rather, a cluster of specialized shops) in Zagreb is called "The Great Wall".

As already mentioned, the Zagreb immigrants are mainly of Croatian origin, and holders of Croatian citizenship. For them, Zagreb is primarily the symbol of Croatia and its independence and they are not interested in a possible multicultural character of their metropolis. Since this new immigration is international mainly because the neighboring countries are now independent, it appears that the intention to homogenize on the city level is much stronger than the vision of Zagreb in the

3 Total trade value in 2005 was 620 million USD, which represents an increase of 68.5% in comparison with the previous year.

international multiculturalist perspective. Thus independence is reflected much more as an effort to homogenize nationally and even ethnically than to develop new approaches to multiculturalism, or establish new types of intercultural relations. Now that immigration has stabilized at a low level, national and ethnic homogenization has become even more transparent.

The national minority groups

The recent migrations have not much affected the number and structure of the long-established "national minorities" in the city of Zagreb. According to the 2001 census, there were 40,066 members of the latter in the city, or 5.14% of the population. Most of them have traditionally been well integrated into city life and activities. They are rather well organized in their respective associations and clubs, which exercise some influence on the political and economic life of the city. The split is the following:

	National minority	Number	% of the Zagreb population
1.	Albanians	3 389	0.43
2.	Austrians	53	0.01
3.	Bosnians	6 204	0.80
4.	Bulgarians	110	0.01
5.	Czechs	813	0.10
6.	Germans	288	0.04
7.	Hungarians	841	0.11
8.	Italians	277	0.04
9.	Jews	368	0.05
10.	Macedonians	1 315	0.17
11.	Montenegrins	1 131	0.17
12.	Poles	133	0.02
13.	Roma	1 946	0.25
14.	Romanians	37	0.00
15.	Russians	250	0.03
16.	Ruthenians	123	0.02
17.	Slovaks	171	0.02
18.	Slovenians	3 225	0.41
19.	Serbs	18 811	2.41
20.	Turks	65	0.01
21.	Ukrainians	333	0.04
22.	Vlachos	1	0.00

The Zagreb city assembly has provided for the establishment and functioning of the Council of National Minorities representatives in the City of Zagreb, which has six full members and a president.[4] The effort to fully comply with all the laws and regulations on national minority groups is clearly visible. It should be noted that there are hardly any problems in relationships with or among the national minority groups. They are comparatively well integrated in the city life, and have not disturbed the dominant Croatian national and cultural identification of the city.

Economic growth of the city

Parallel to the administrative centralization, centralization of all economic activities, including trade and industry also took place during the transitional period, and substantially enhanced the economic position of Zagreb within the country. Zagreb became the richest and most developed part of Croatia. According to data published in 2005, the city of Zagreb is about eleven times richer than the poorest region of Croatia, the Vukovar district. The second richest region is Istria, which is, however, two and half times poorer than Zagreb.[5] The average GDP value of Croatia in 2004 was 7 732 USD per capita, while Zagreb had about three times more or 23 361 USD per capita. In 2006 the situation did not change.[6] This clearly reflects the extreme differences among Croatian regions and cities, as well as the obviously inadequate recent economic development of the country. Regional divergences in the shape of economic inequality have been constantly growing, and are much more pronounced every year. Zagreb definitely appears to be the economic metropolis of Croatia. Although this position results mainly from state administrative functions (that include decisions linked to privatization and investments), it provides for a dominant cultural position as well. Zagreb's budget for culture is about 450 million kunas, or approximately 60 million euros, which is about 75% of the cultural budget of the Republic of Croatia. Zagreb hosts many of the state-supported or state cultural institutions, e.g., the national opera and ballet, philharmonic orchestra, a number of national museums, archives, galleries, etc. The cultural institutions and cultural

4 In the Republic of Croatia minority rights have been regulated by the *Constitution* (1990) and the subsequent laws: *Constitutional Law on human rights and liberties, and rights of ethnic and national communities and minorities* (1992, partly suspended in 1995); *Constitutional Law on changes and amendments to the 1992 Constitutional Law* (2000); *Law on the use of language and script of national minorities in the Republic of Croatia* (2000).

5 Croatian Economic Chamber and the State Financial Agency, *Intelektualni kapital: Uspješnost na nacionalnoj, Županijskoj i poduzetničkoj razini 2004* (The Intellectual Capital: Successfulness on the National, Regional and Entrepreneurial Levels), Zagreb, 2005.

6 According to the World Bank data, about 75% of total foreign investments in Croatia have ended up in Zagreb, while living standards of its inhabitants have been about 80% higher than the Croatian average. Cf. http://www.glas-slavonije.hr/rubrika.asp?rub=1&ID_VIJESTI=63786, 4 October 2006.

potentials of Zagreb dominate the Croatian cultural scene, and the city has definitely become a metropolis in national terms. Although a number of Croatian cities (Osijek, Rijeka, Pula, Split, Dubrovnik, Vara€din, etc.) have a diversified and rich cultural life, they are culturally overshadowed by the cultural potential and creativity in Zagreb.

In spite of all these facts, Zagreb has never drawn up or published a city cultural policy. This shows that there is no expressed vision of the city's cultural development, based on the existing cultural potentials. There has been no evaluation of these potentials. Different political parties ruling the city take rather general approaches to culture, mostly based on conservative, old and over-used proclamations of identity that in parallel enhance the "Croatianness" of the city and its "civilizational" standard supposedly "higher" than that of other Croatian cities. This shows that understanding of culture and cultural activities by the political elites remains related to the basic anthropological cultural identification, which particularly stresses the cultural homogeneity of the city. Such homogeneity tends to be supported by the interpretation of culture as consumption. The urban cultural consumption becomes ever more standardized, as well as more dependent on imported cultural products. Zagreb has become the largest Croatian cultural market, but with a rather limited number of domestic cultural products. In a way, the market sustains the present, rather homogenized type of city immigration.

Cultural identification and cultural policies

The city immigration at the end of the twentieth century and in recent years has strengthened national and cultural identification rather then diversified it. The presence of either traditional or new minorities has not much disturbed these processes of homogenization, nor added new challenges through cultural diversification.

Although Zagreb is the cultural center of Croatia, the city's cultural policy has remained un-elaborated and not at all transparent. Zagreb definitely lacks a well-elaborated modern concept and policies of cultural development. The city has hardly followed the concepts promoted in the cultural policy and strategy of Croatia.[7] Most cultural institutions remain marginalized and have never been restructured. The cultural infrastructure has not been renovated and modernized. Some large projects, like the building of the Museum of Modern Arts have been launched jointly with the state of Croatia, but these are still not completed. The programs of most of Zagreb's cultural institutions lack consistency and sound financial management of resources

7 Cvjetičanin, B., Katunarić, V. (eds) (1999), *Cultural Policy in Croatia. National Report*, Strasbourg; *Hrvatska u 21. stoljeću. Strategija kulturnog razvitka* (Croatia in the 21st Century. A Strategy of Cultural Development), Zagreb, 2003.

and programs. This situation reflects the permanent dissension among political parties on cultural activities, programs and institutions, and a possible drain of resources for other purposes.

The concentration of economic and cultural potentials in the city of Zagreb strongly supports its metropolitan role. However, it also creates a controversial issue: should the diversity and richness of Croatia as a whole be ever more concentrated in one single city? Why is such concentration combined with a very limited and slow rate of present foreign immigration into the city? How does it affect cultural consumption, cultural creativity and intercultural communication? All these issues have to be more researched in the future.

Expressions of urban cultural diversity in the Croatian metropolis, Zagreb, have been viewed from the perspectives of concentration of ethnic and national groups and their cultural values, expressed mainly through inner *cultural differences* and the *economic dominance of the metropolis* that makes it the richest part of the country. Zagreb displays a rather homogeneous ethnic and national cultural image. Different cultural habits and values dynamize this image. They are ever more enhanced by the newly growing class differences which develop faster in Zagreb than in the rest of the country. They are supported by its enhanced economic and political/administrative role, which allows for the persistence of a high concentration of cultural institutions, artists and cultural creativity. The spread and employment of new technologies also support concentration of cultural creativity within the city itself. It may be concluded that Zagreb is today assuming the classic role of a European metropolis, and the city exercises this role within the country as well as globally.

However, this very fact shows that the development of innovative and creative approaches to culture and cultural identification will intensify if the city continues to progress. The present identification will therefore be ever more contested by young people, artists and intellectuals, as well as by the emergence of alternative cultures and development of the city's cultural industries. They already put at stake the traditional metropolitan cultural role of Zagreb and support faster cultural diversification within the city, and its faster opening to global cultural influences and tastes. It is no longer the anthropological cultural identification, but the cultural performance and the dynamic change of cultural identities that count ever more.

New Cultural Tourists in a Southeastern European City: The Case of Split

Inga Tomić-Koludrović
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This article is based on selected results of an empirical survey of the tourists visiting the historical core of the city of Split (Croatia), carried out in the summer of 2005. Its aim is to serve as a stepping stone for a future, more detailed analysis of the profile of "new" cultural tourists visiting this particular and other comparable Southeastern European locations. The attractions that the city of Split has to offer can be considered to be indicative of the interests of a new type of tourist visiting the region. Therefore, the results of the survey, as well as our observations made in its course, should be generalizable to a degree, or at least considered to be useful in a wider context.

In essence, the article can be said to contain the elements for a definition of the profile of the "new" cultural tourists visiting the Southeastern European region. It is based on the results of the survey we have carried out, discussed in the context of views expressed in recent approaches to the study of cultural tourism. The article also contains information on the context in which the survey originated. Starting from the concrete example of Split, its final section presents an overview of the issues that arise in a policy discussion centering on the connection between tourism and the creative industries.

The context of research: creative cities, tourism, policy issues

The empirical survey of the tourists visiting the historic core of the city of Split was carried out as part of the UK SEE Forum, a two-year (2004-2006) British Council-funded program, one strand of which was devoted to the "creative industries". The goal of the program was to take expertise in economic data collection ("mapping") "from a UK region to a transitional economy" and also to "explore […]

the infrastructure needs and barriers to development facing the creative industries" (British Council, 2005).[1]

Within the overall framework of the "creative city" agenda, each individual participating Southeastern European city implemented a self-defined project. Some opted for awareness-raising events, some for networking efforts, some for mapping, and some for a strategy based on a combination of all these elements.[2] The team from the Croatian city of Split opted for a mapping exercise, trying to establish the grounds for the implementation of policies aimed at the development of creative industries, based on the available cultural resources of the city.

The question that needed to be answered was what approach to mapping should be taken, as well as what specific measures within it. Based on preliminary research, it was judged that the economic activity based on the UK Department of Culture, Media and Sports' (DCMS) definition of creative industries was not of the size and intensity that would warrant mapping conceived of as hard economic data collection.[3] Instead, an approach was taken that was closer to what is known as an "audit of cultural resources".[4]

1 In a wider context, this particular program was part of the British Council's "creative industries in transitional markets" focus, aimed at economies which have "moved beyond the development stage but [were] still unable to protect intellectual property rights in creative goods and services". Within this framework, the pilot project for Latin America was developed in Colombia. The Baltic states were the first among the post-socialist countries to join the program in 2003, and the year 2004 saw its extension to the Southeastern European region. The program is now being extended to India and China.

2 Southeastern European participating in the project included Belgrade/Novi Sad (Serbia), Iasi (Romania), Plovdiv (Bulgaria), Podgorica (Montenegro), Prishtina (Kosovo), Skopje (Macedonia), Split (Croatia), Tirana (Albania), and Tuzla (Bosnia and Herzegovina).

3 The definition of the creative industries that the planned research departed from was the UK Department of Culture, Media and Sports one, specifying that "creative industries" include the sectors of advertising, architecture, the art and antiques market, crafts, design, designer fashion, film and video, interactive leisure software, music, the performing arts, publishing, software and computer games, television and radio (DCMS, 2005). We are grateful for assistance in the preliminary research to "Puls" agency. While it would certainly be useful to perform a comprehensive survey of economic data related to creative industries production in the city of Split, it was felt that - at the present stage of development - the level of usefulness of such an action would not entirely match the financial resources needed to complete it.

4 Discussions led at the regional workshop on mapping methodology, organized by the Split team in June 2004 under the title "Mapping the Creative City", helped us reach the decision on the mapping approach to be taken. We are grateful to all the participants, and especially to workshop leaders Dr. Calvin Taylor (University of Leeds) and Julie Seyler ("Creative Kernow"). Of particular usefulness to our effort was the discussion of the methodology of tourist surveys developed by Nothingham Trent University and used as part of the Cornwall mapping exercise.

In a policy context, such an approach was judged to be more appropriate as a basis for establishing a strategy that would be conducive to both urban regeneration and the development of creative industries in the city. Within this general framework, the question was on what specific area to focus the regenerating effort and the empirical research that was to provide data that could serve as its basis.

With limited resources available,[5] we decided to focus primarily on one aspect of the creative industries supply chain. The aspect chosen was that of consumption. Within this aspect, we decided to concentrate our efforts on the survey of tourists, who were hypothesized to be one of the most promising groups of consumers of the existing and potential creative industries production in the city.

A group that was judged to be of special importance in this sense was that composed of a new type of tourists visiting the historic core of the city of Split. Namely, our preliminary observation suggested that a significant number of the tourists visiting this heritage area were interested in local culture in a way that differed from that typical of cultural tourists visiting the city in the late 1960s, 1970s and 1980s. This group was preliminarily identified as one that could serve as the engine not only of the economic aspects of the creative industries activity but also of the cultural development of the city.

Tourism Development Potential of Split in the Southeastern European Context

Before we present the profile and selected results of the survey we have carried out, we would like to provide a brief contextualization of the tourism development potential of the city of Split in its regional surroundings. Namely, in a wider context, the city of Split can be said to exhibit the traits that Elka Bakalova (2003) considers to be typical of the entire region she refers to as "Balkans":[6] it is a crossroads of different cultures and it is characterized by a wealth of cultural monuments.

5 The empirical survey, as well as the entire effort focused on the development of the creative industries in Croatia in 2005, was initially funded by the British Council. In the second phase of the project, the City of Split provided matching funding, reciprocating the funds allocated specifically for the empirical survey.

6 For the sake of accuracy, it should be said that the city of Split, as well as Croatia as a country, is positioned at the westernmost edge of what has been known in contemporary political and journalistic discourses as "Western Balkans". In reality, in terms of its identity but also of the geographical realities, Croatia "represents a very complex [...] instance" of a country with "double, or even triple, regional identities" (Dragojević, 2001, 17). In the case of Croatia, this identity includes Central European, Mediterranean and Balkan components. In this light, the "Balkans" designation Bakalova is using seems somewhat reductionist. We have therefore, in the title and in the text of this article, used a more neutral designation "Southeastern Europe". Namely, in the cases of Croatia in general and the city of Split in particular, the latter accommodates both the Balkans and other designations that are present in their contemporary cultural profiles.

As regards cultural monuments, the city of Split very obviously qualifies for the second part of Bakalova's formula: its historic core is one of the 54 UNESCO-protected World Heritage sites in the region. The most important cultural attraction of the UNESCO-protected area and of the city in general is the Palace of Diocletian, erected by the Roman Emperor in the fourth century AD and highly valued by architectural and art historians exactly because of its culturally "mixed" character. Namely, while it is true that the remains of the original structure represent one of the best preserved late Roman villas, it is at the same time the place from which an eclectic city core has grown, featuring examples of various architectural styles extending from the medieval period to the present day.

As regards the diversity of cultural traditions found in the lived culture of the city, a trained eye can immediately recognize the elements of both Mediterranean and Dinaric (Balkan) cultural types in the behavior of the local population, in the inner city as well as on its outskirts. Somewhat less obviously, Central European culture has also left its imprint, perhaps more visible to outsiders in architectural styles of a number of buildings, general setup of cultural institutions (theaters, museums) and certain gastronomical details. But most importantly, Split is very much a "living" city, offering - just as the region - what Bakalova holds to be the combination highly attractive to contemporary cultural tourists: namely, both "high culture" and "atmosphere".

One should note, however, that there are other similarities between Split and many other cities in the region and that these similarities extend beyond the element of their attractiveness to cultural tourists: what Split also shares with these cities is the nature of its urban problems.

Just like in the case of many other historical cities in the region, the roots of its problems can be said to have striking spatial and visual indices: the city of Split is very visibly characterized by what can indeed be referred to as "split personality". On the one hand, it boasts a historic core that is inscribed on the UNESCO World Heritage List and a developed infrastructure of cultural institutions.[7] On the other hand, this city core is surrounded by industrial districts and modern urban

7 In a city of 200 thousand inhabitants, the main institutional nodes in the cultural sector, funded predominantly by taxpayer's money, are the Croatian National Theatre with separate drama, opera and ballet ensembles, the Archaeological Museum, the Museum of Croatian Archeological Monuments, the Museum of the City of Split, the Meštrović Gallery, the Art Gallery, the Ethnography Museum, the Multimedia Cultural Centre, the Youth Theater and the Puppet Theater. In the period following the survey, a new institution was added to the list (Emanuel Vidović Gallery) and major investments were made to complete the construction of a major youth art center. Among the festivals, the main attractions are Split Summer Festival and International Festival of New Film and Video. A number of clubs exists, as well as educational institutions, such as the Art Academy with its visual arts and music education programs.

developments built in the post-World War II socialist era and in the period of post-socialist transition.

In spite of almost five-fold growth of the population in relation to the year 1945, the relatively small city core is still the generator of identity for the entire city, which has experienced trends of rapid urban decline on its outskirts. These trends were especially pronounced in the period of initial post-socialist transition, plagued by the problems brought about by the 1990s wars in Croatia and Bosnia and Herzegovina, as well as by the continual decline of the industrial base of the city (established for the most part in the socialist times). In addition to this, in the period between 1997 and the present, the tourism development potential of the city and the quality of life of its citizens have been significantly reduced by poorly regulated construction of large apartment blocks in areas approaching ever nearer to the historical city core.

The problems the city is facing range from high unemployment to the inadaptability of newcomers from the rural areas to urban patterns of living. All these problems obviously cannot be solved by the development of any single field of activity, and certainly not only of the creative industries. But, from a policy point of view, it seemed to us that the city of Split could become a good example of culture-led regeneration, partly also based on the creative industries. It also seemed to us that tourism, as one of the city's rare industries with obvious development potential, should be given a role to play in the process.

Research hypothesis and survey description

Our general research hypothesis, based on preliminary observation, was that the city of Split is currently attractive to tourists whose interests and preferences are such that they could be willing to buy the products of the local creative industries.

To check this hypothesis we have carried out a street survey of the tourists visiting the historic city core of Split. The survey was carried out in regular intervals in July, August and September of 2005, in order to incorporate different parts of the tourist season. The number of respondents totaled 450 tourists (150 survey forms were completed for each of three periods). Interviewers were capable of conducting multilingual polling, and only one member of each visitor party was interviewed. The number of respondents was calculated on the basis of the total number of visitors in the corresponding periods in the preceding year, according to the data provided by the local tourist board.

It should be noted, however, that it is generally difficult in street surveys to avoid statistical bias by ensuring a random selection of respondents. Likewise, it was not possible to check the accuracy of the data by cross-referencing it to completely comparable surveys. Nevertheless, we consider the results of the survey to be

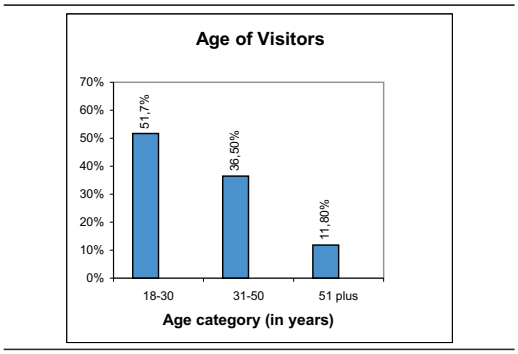
indicative to a certain degree. They should be viewed as a snapshot of possible trends which we feel to be worth following up in a policy context.

Socio-demographic profile and preferences of the visitors to the historic core of the city of Split

In the first section of the presentation of the results of our 2005 survey, we would like to present basic socio-demographic information on the profile of the surveyed visitors to the historic core of the city of Split. However, to facilitate a basic contextual interpretation, we would like to present some of our results side by side with information obtained by a large-scale survey of the visitors to Croatia, regularly carried out by the Institute for Tourism (Marušić et al, 2005).

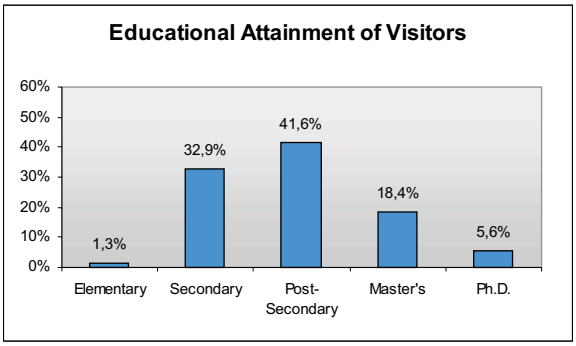
It should be noted, however, that the information on the basic profile of the tourists visiting Croatia was obtained by a 2004 survey and that it is not comparable in other important respects as well. Comparisons we are making below should therefore be taken as very rough approximations. Nevertheless, we have decided to present them, because they can be considered to perform a valuable orientation function.

Figure 1: Age of Visitors to Split



It is evident from the figure that the historic core of the city of Split is visited by tourists who are, on the whole, younger than the average visitors to Croatia. Although results of the Institute for Tourism's survey (Marušić et al, 2005) present different age categories, it can still be calculated from their set of data that a total percentage of visitors to Croatia under the age of 35 (42.4%) is smaller than the percentage of visitors to Split under 30 years of age (51.7%). Likewise, the percentage of the entire population of visitors to Split aged 51 and over (11.8%) is lower than the percentage of visitors to Croatia who are over 56 (14.2%).

Figure 2: Educational Attainment of Visitors to Split



Visitors to Split differ from those visiting Croatia in general not only in terms of their age structure, but also in terms of their educational profile. The most significant difference is at the highest educational level: almost a quarter (24%) of the visitors to Split are holders of Master's and PhD degrees, which is just under the percentage of the entire tourist population of Croatia with postsecondary (college and university) degrees and postgraduate (Master's and PhD) degrees combined (27.1%, according to Institute for Tourism's survey).

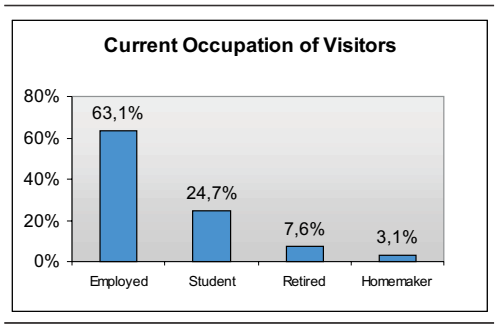
Table 1: Age and Educational Attainment of Visitors to Split

Level of Education	Age Category (in years)			Total
	18-30	31-50	51 plus	
Elementary	0,9%	1,8%	1,9%	1,3%
Secondary	37,2%	27,0%	34,0%	33,1%
Bachelor's	45,0%	39,9%	30,2%	41,4%
Master's	15,6%	20,2%	26,4%	18,6%
PhD	1,3%	10,4%	7,5%	5,4%
N	231	163	53	447

The table above, presenting the data on the age and educational attainment of visitors to Split, makes it clear that the largest percentage of visitors in the 18-30 age category are postsecondary (college and university) degree holders, as is also the case with the other two age categories (31-50 and 51 plus). The largest percentage of PhD degree holders is in the 31-50 age category and the largest number of Master's degree holders is in the 51 plus age category. The latter is, however, the only group in which there are more visitors with secondary than with postsecondary education.

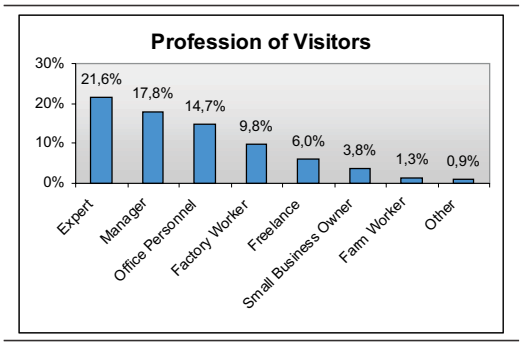
One should say, however, that in absolute terms, the largest number of visitors with secondary education is actually in the 18-30 age category. This should be attributed to the fact that a large number of visitors in this category are currently students in the institutions of higher learning. If not yet degree holders, the members of this group can be said to be in close contact with the world of college and university education, unlike the members of the two remaining groups with secondary education, whose educational attainment can in most cases be considered to be final. In other words, young visitors to Split are also well educated and their education frequently already goes well beyond the high-school level.

Figure 3: Current Occupation of Visitors to Split



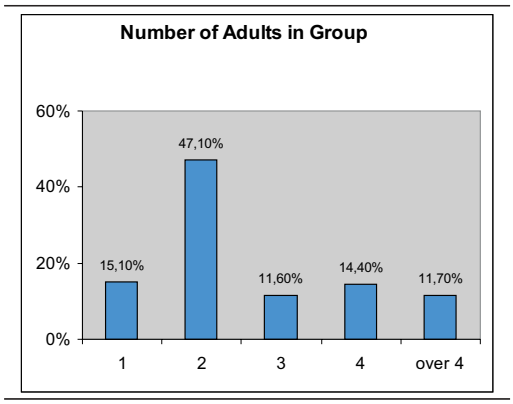
As evident from the figure above, in terms of the occupational structure, students make up almost a quarter (24.7%) of the total population of visitors to the historic core of the city of Split. The largest percentage of visitors is, however, in the group of employed people (63.1%), and there are also significantly smaller numbers of retired persons (7.6 %) and those who describe themselves as homemakers (only 3.1%).

Figure 4: Profession of Visitors to Split



Among those who are employed, the largest number is in the groups of "experts" (21.6%) and "managers" (17.8%), which - in addition to the data on the educational profile of the visitors to Split - also testifies to their higher educational and social status. Namely, these two categories of professions can be said to be perceived as more responsible and "creative" than other professions represented in the figure (except for the 6.0% of those described as freelance, i.e. those self-employed in the intellectual professions, who should be placed in the group of those perceived as "creative" beyond the average).

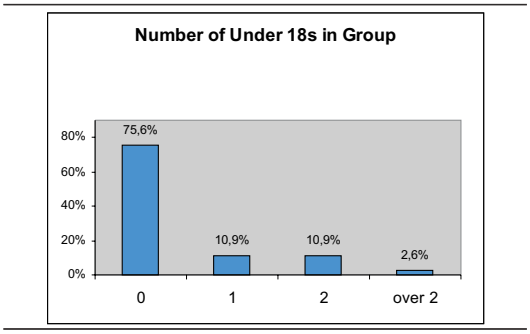
Figure 5: Number of Adults in Group



While the largest number of visitors to the historic core of the city of Split (47.1%) travels in groups made up of two persons, it is worth noticing that there is also a relatively large number of visitors who travel on their own (15.1%). This is significantly higher in relation to the Croatian average, which according to the Institute for Tourism's survey (Marušić et al, 2005) is only 4.8%. It is also worth noticing that only 11.7% of visitors to Split travel in groups made up of more than four people.

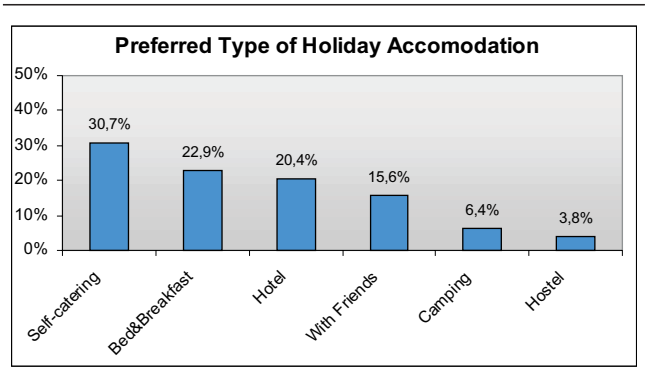
On the whole, visitors to the city of Split can be said to be more individualized than the Croatian average. This is also testified to by the data relating to the number of persons below the age of 18 (i.e. children and teenagers) in a group.

Figure 6: Number of Persons under 18 Years of Age in Group



While 75.6% of visitors to Split travel without small or teenage children, the Croatian average of visitors in this group is 57.1% (Marušić et al, 2005). Or, in other words, only 24.4% of visitors to Split travel with children, while the Croatian average for this group is 42.9%.

Figure 7: Preferred Type of Holiday Accommodation



Individualist tendencies are also evident in the preferences of the visitors to Split with regard to the type of accommodation chosen during their stay in the city. The largest percentage of visitors say their preferred type of accommodation is to stay in self-catered rented apartments or houses, or in what is know in Croatia as "private accommodation" (these are actually rented rooms in individual households, a sort of "bed and breakfast" type of accommodation, however not in the hotels, but actually in somebody's home). If these two categories are combined, it is evident that a

significantly smaller number of the visitors to Split prefer to be accommodated in hotels (only 20%, compared to 53.6% of those staying in self-catered rented apartments/rooms and "private accommodation"). Camping and hostel accommodation are significantly less popular categories, while there is a somewhat larger percentage of those staying with friends (which actually goes to say that this is again accommodation in private households).

Table 2: Type of Accommodation and Age of Visitors

Accomodation	Age Category			Total
	18-30	31-50	51 plus	
Self-catering	32,2%	31,9%	20,8%	30,7%
Hotel	13,9%	23,9%	39,6%	20,6%
Bed & Breakfast	23,9%	23,9%	17,0%	23,1%
With Friends	17,0%	13,5%	13,2%	15,2%
Camping	5,7%	6,7%	9,4%	6,5%
Hostel	7,4%			3,8%
N	230	163	53	446

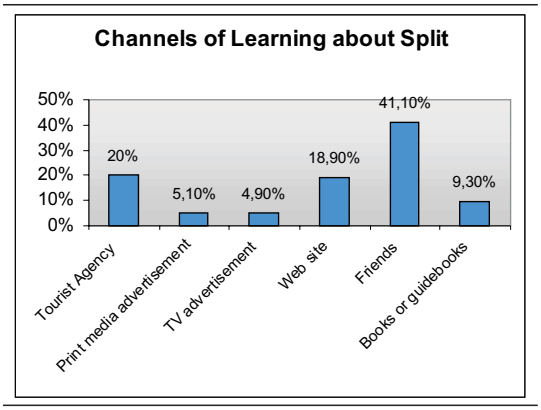
It is evident from the table that age categories up to 50 years of age prefer accommodation in self-catered apartments/rooms or "private accommodation". The only group in which the percentage of those who prefer to be accommodated in hotels is significantly higher is that belonging to the age category of those over 51 years of age.

When discussing the preferences of visitors, it should be said, however, that hotel accommodation in Split is scarce[8] and therefore priced above the average, especially for the level of quality it offers to the users. It remains to establish, in some future survey, whether younger and middle-aged visitors prefer "private accommodation" for convenience (i.e. because hotel accommodation is scarce and expensive), or because they would like to learn more about the local culture. Our survey cannot offer elements for any conclusive estimate of the situation, although interests in restaurants with local cuisine, shown in a different section of the survey, would seem to indicate

8 There are several reason for this lack of hotel capacity. Due to legal problems, some of the larger hotels from the socialist period took a long time to privatize and have still not been refurbished. Some of the hotel capacities in need of refurbishing were worn down by the refugees accommodated in them during the 1990s wars in Croatia and Bosnia and Herzegovina. Finally, due to unlawful manipulations of the urban planning documents, apartment buildings were constructed in a zone attractive for tourism development which could have and - according to urban planning documents - should have significantly increased the city's hotel capacities.

that at least a part of the motivation to stay in "private accommodation" is the wish to experience the way local people live.

Figure 8: Channels of Learning about Split as a Tourist Destination



Responses to the question about how they learned about Split as a tourist destination also reveal interesting changes in comparison with the traditional perception of tourist information channels. Namely, the results of the survey indicate that the percentage of those who learned about Split as a destination on a website (18.9%) almost equals that of those who learned about it through a tourist agency (20%). The latter can be taken as one of the traditional channels of information for mass tourists, while the medium of the Web is obviously more compatible with the "new" profile of tourists visiting the city.

Likewise, the percentage of people who learned about the city by reading books or tourist guides (9.3%) is almost double the percentage of those who learned about it either through print (5.1%) or TV advertisements (4.9%). This can also be taken to indicate a more individualized profile of the visitors to Split.

However, by far the largest number of respondents (41.1%) learned about Split through friends. This can be taken to be an indicator of the significant importance of social networks in the process of deciding where to go and what to visit. Future surveys should provide material on the basis of which the character of these networks could be analysed in more detail. (It would be particularly useful to find out to what degree they relate primarily to offline and to what degree to online experiences, or to a mixture of both of these communication modes, as seems to be the trend with recent online communities of younger users.)[9]

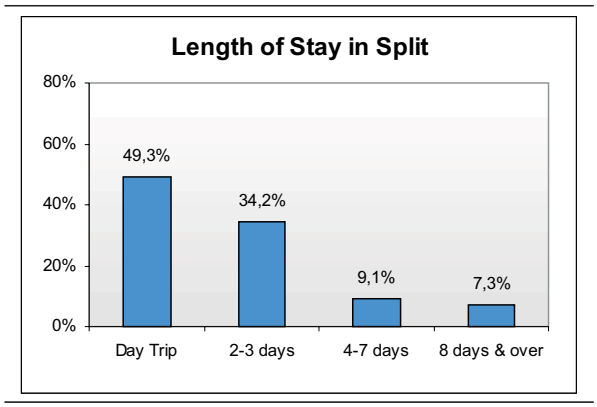
9 The trend has been described by Song (2005) and Bakardjieva (2005).

Table 3: Channels of Learning about Split and Age of Visitors

Channel	Age Category			Total
	18-30	31-50	51 plus	
Tourist Agency	15,3%	22,8%	34,0%	20,3%
Print media advertisement	4,4%	6,8%	3,8%	5,2%
TV advertisement	4,8%	4,9%	5,7%	5,0%
Web site	21,8%	14,8%	20,8%	19,1%
Friends	44,5%	40,1%	28,3%	41,0%
Book or guidebook	9,2%	10,5%	7,5%	9,5%
N	229	162	53	444

The table relating the channels of learning about Split to the age of the visitors reveals that the youngest visitors are least likely and visitors aged 51 plus most likely to learn about the city through a tourist agency. Visitors aged 51 plus are at the same time significantly less likely to learn about the city through friends than the other two age groups. Future surveys should determine whether this happens because of the increasing social isolation that more advanced age can bring, or because of the more traditional way of treatment of the tourist product. It is also interesting to note that visitors aged 51 plus tend to learn about Split from websites nearly in the same percentage as the members of the youngest age group (20.8% compared with 21.8% in the 18-30 age category). At the same time, they are least likely among all the age categories to learn about the city from books and tourist guides.

Figure 9: Length of Stay in Split



It is evident from the diagram that the largest numbers of visitors to Split are day-trippers or transit passengers. This type of tourist is visiting the city while based for a length of time at a different location (either nearby islands or mainland locations as far from Split as Dubrovnik), or while passing through it on their way to other destinations. (Some are also spending several hours on the mainland as part of the itinerary of organized cruise trips.) Using Baywater's classification (1993), a large number of visitors belonging to these two groups of tourists can be described as "culturally attracted", i.e. those visiting cultural attractions because they happen to be in the area.[10]

However, the next largest group of visitors are spending 2-3 days in Split, which roughly matches the European average (2.4 days) for city visits. Split has traditionally been perceived as a center of transit or day trip visits, but the quoted figure indicates that it is moving toward a profile of a city worth a visit in its own right.

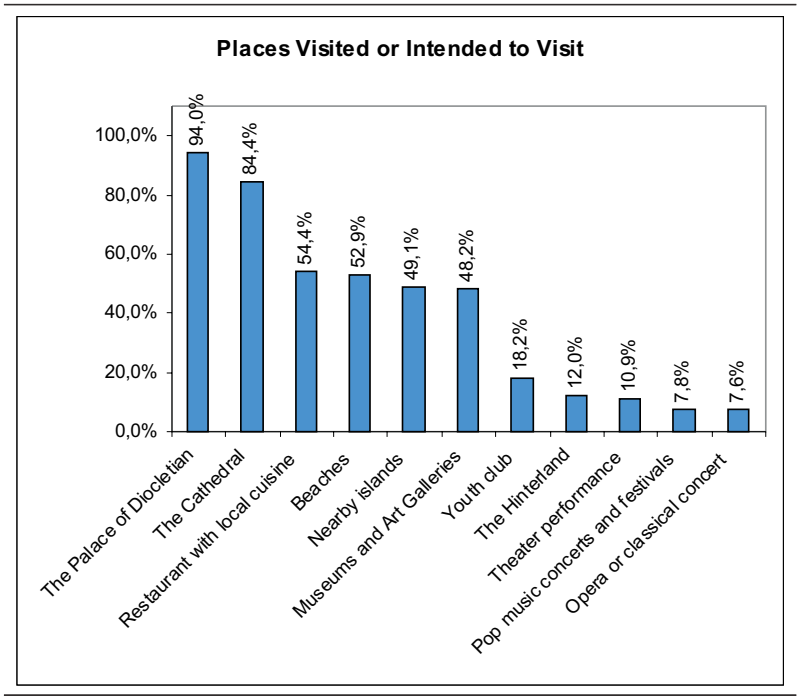
The groups of tourists staying in Split for 4-7 or over 8 days are relatively small.

Cultural interest of visitors to Split

In order to determine a basic profile of cultural interests of visitors to Split, we can make use of the results of the section of the survey in which respondents were asked to identify the places and cultural attractions they have visited or intend to visit during their stay in Split.

10 Baywater (1993) distinguishes between "culturally motivated", "culturally inspired" and "culturally attracted" tourists. The interests of all these groups are defined as primarily focused on internationally renowned cultural and heritage sites, and outward differences between them expressed in terms of the length of stay and disposable income. "Culturally motivated" tourists are described by Baywater as a small but commercially desirable market segment of generally high-income visitors who tend to spend several nights at a destination. In terms of inner motivation, this is a group genuinely interested in the content of the cultural program available at a place (e.g. visitors to the Salzburg Music Festival). Some members of the "culturally inspired" group could also be described as "culturally motivated", but they generally tend to spend shorter periods of time at a major, internationally renowned cultural destination. Likewise, they are not likely to return to the same destination twice, stay in one place for longer, or visit minor destinations instead. Finally, "culturally attracted" tourists are representatives of a major day-trip market visiting cultural attractions or attending cultural events because they happen to be in the area.

Figure 10: Places Visited or Intended to Visit during the Stay in Split



It is evident that the large majority of visitors to Split get to visit the Palace of Diocletian and the Cathedral of St. Domnio (which is actually a part of the Palace, i.e. the former Diocletian's Mausoleum converted into a Catholic cathedral). It should be noted, however, that this does not automatically mean that all of these visitors are primarily interested in heritage tourism.

On the contrary, Figure 12 makes it clear that "history and heritage" actually rank only fourth on the list of motivations to visit the city. However, in spite of a possibly different motivation to visit, once in Split the majority of visitors report to have seen or will see the Palace of Diocletian and the Cathedral.

This can be explained by the world class status of the palace, as well as the fact that it is a part of the historic city core which is a living place. As such, it is attractive to visitors for its mixture of everyday life features and heritage elements, even if they are at first not aware of the historical importance of the site. Likewise, because the Palace of Diocletian is actually a part of the everyday city scene, visitors feel they have

visited it even if they have not bought the tickets to enter the very few sites within it for which entry is charged.

In this respect, the city of Split proves to be ideal as a place where visitors can experience the everyday life of the local culture while at the same time enjoying the "documentary" aspects of heritage structures of the highest order.[11] The fact that a visit to the restaurants with local cuisine and atmosphere ranks so high on the list can be taken to indicate interest in the products perceived as specific to the location.

Focusing on cultural attractions featured on the list of places visited or intended to visit, one notes that visits to museums and art galleries also rank relatively high, in contrast with other cultural events, ranging from visits to youth clubs to theater performances and concerts.

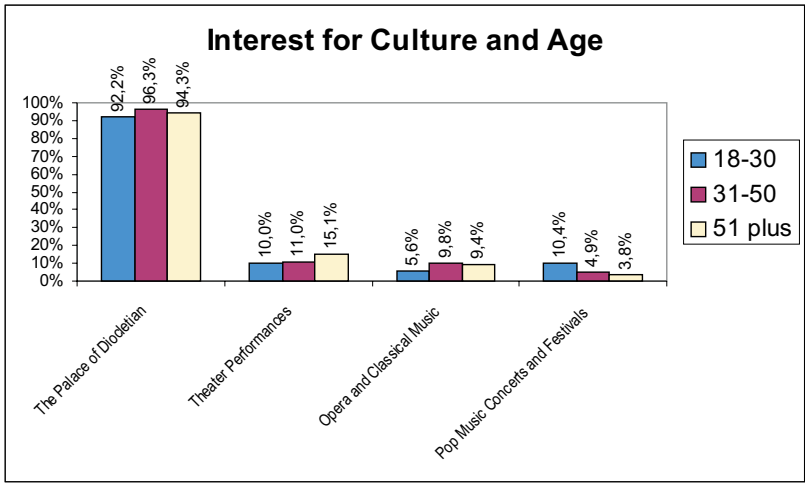
Higher interest for museum and art gallery visits can perhaps be partly explained by the nature of the (brief) visits to the city. As we have seen, the majority of visitors to Split are day-trippers, which means that they do not get to stay until the evening to experience clubbing, theater or concerts. With those who stay longer, the reason for not participating in the type of events mentioned above could be their lack or poor quality.

It is evident that interest in culture exists, perhaps also in other types of culture from those implied by the responses on what the visitors have seen so far or intend to see. While this should be determined by some future survey, observations of the pollsters suggest that in the one we have carried out, respondents indicated - as hypothesized above - that the quality of cultural monuments in the city core of Split met their expectations, while their interests in other types of cultural events were not met.

As regards various types of interest for culture, it is interesting to comment on the figure showing them in relation to the age of visitors.

11 The use of the term "documentary" to describe aspects of heritage with material existence is obviously making use of Williams's terminology, coined in his attempt to present a "social" definition of culture, in addition to the previously dominant "ideal" and "documentary" ones (Williams, 1961). Based on the long-term observation of visitors to Split, one could actually argue that their interests have recently shifted from predominantly "documentary" towards a "social" definition of culture. In other words, not only cultural monuments conceived of as material documents of artistic practices are nowadays considered to be a tourist attraction of its city core. The same can increasingly be said of culture conceived of as everyday life, in accordance with Williams (1989 [1958]).

Figure 11: Interest for Culture and Age of Visitors to Split



While visitors from all age categories show almost uniformly high interest for visiting the Palace of Diocletian, there is some variation as to the interest in other types of cultural attractions the city has to offer. As could be expected, the interest for pop music concerts is almost double in the youth population to that expressed by the members of the other two age categories (31-50, 51 plus). On the other hand, while the interest shown for opera performances is at the same level in the latter two categories, it is less developed with young visitors. In the case of theater performances, those in the age category 51 plus are significantly more interested than the members of both 18-30 and 31-50 age categories.

Survey results not presented in the figures and tables included in this article suggest that the income of those interested in theater, as a form of elite culture, is above the average: almost a quarter of those interested is in the group making € 4000-5000 a month, and 15% is in the group making € 5000 plus.

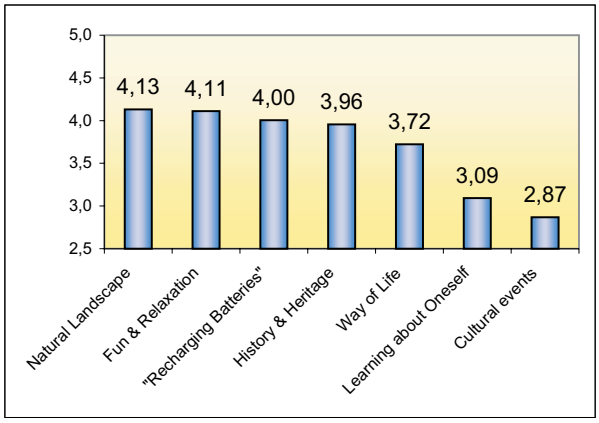
Profiles of motivations to visit the historic core of the city of Split

We move to the next level of complexity in the discussion of profiles of visitors to the historic core of Split if we take into account their motivations to visit. Namely, this variable adds a projective component of identity, far more complex than simple

accounts of the basic socio-demographic data and of basic preferences in organizing one's stay at a destination.

In the attempt to find out what influenced the choices of tourists to visit the city of Split, we asked them to mark on the scale from 1 to 5 (with 1 denoting the least decisive and 5 the most decisive element) how important was interest in history and heritage (i.e. the wish to visit cultural monuments), the wish to take part in cultural events (art shows, theater and music performances, festivals), and to experience nature (beaches, the Adriatic sea, river streams and mountains in the hinterland). We also included items covering the motivation to learn about the way people live, as well as those relating to having fun and relaxing, "recharging batteries", and finally to learning about oneself.

Figure 12: Motivations to Visit Split (Mean of 1 to 5 Point Scale)

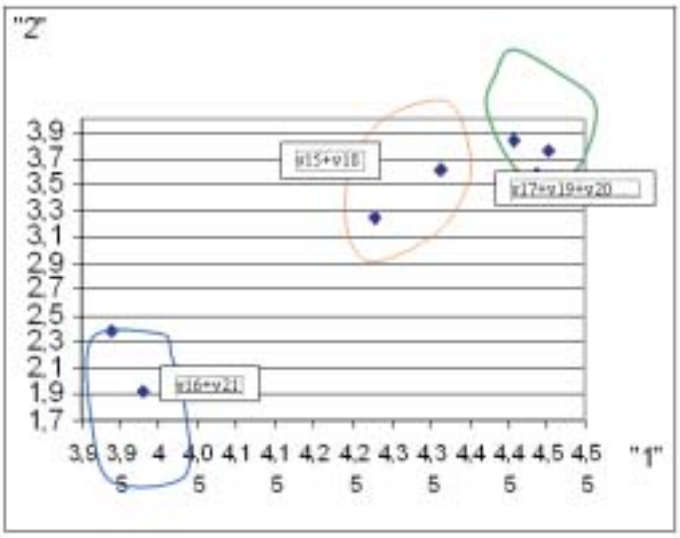


Diagrams in Figure 12, which represent the mean of the 1 to 5 point scale, suggest the following order of motivations: the most prominent one concerns the motivation to experience "natural landscapes", followed by the wishes to enjoy "fun and relaxation" and "recharge batteries". These motivations are followed, in a descending order, by those relating to learning about "history and heritage" and "way of life", and finally to "learning about oneself" and attending "cultural events".

Cluster analysis, whose graphical representations are provided below, provided an additional view on the motivations of tourists visiting Split.

		Cluster		
		1	2	3
v21n	Learning about Oneself	2,3	2,6	4,0
v16n	Cultural Events	1,7	2,4	4,1
V15n	History and Heritage	3,5	3,9	4,4
V18n	Way of Life	3,5	3,0	4,3
V19n	Fun and Relaxation	4,6	2,8	4,5
V20n	"Recharging Batteries"	4,5	2,5	4,5
V17n	Natural Landscape	4,4	3,2	4,4

Figure 13: Motivations to Visit Split (Cluster Analysis)



The results of cluster analysis indicate that motivations of tourists visiting Split group into three clusters. We have decided to describe the first one, with clustered motivations to "learn more about oneself" and attend "cultural events", as "contemplation and culture" cluster. The second cluster relates to the motivation to learn about "history and heritage" and experience the "way of life" of people living at the destination. We have termed this cluster "heritage/experiential", to emphasize the

difference that the wish to experience the "way of life" of people creates in relation to the traditional sightseeing tours focusing on the artistic and "documentary" aspects of cultural monuments. We had noticed the shift from heritage to experiential tourism in the period before the survey was carried out (Petrić, 2004), and the results of cluster analysis of motivations of the tourist can be said to confirm our observation. Finally, the third cluster encompasses motivations to have "fun and relaxation", "recharge batteries" and enjoy "natural landscapes". We have termed this cluster "relaxation/nature", to emphasize the influence of natural landscapes which generally figure prominently in the decisions of tourists to visit Croatia, in addition to the general motivations to relax and have fun.[12] Also we have chosen to use the term "relaxation" which partly overlaps with the semantic scopes of the more specific "having fun" and "recharging batteries".

Conclusions and policy recommendations

Based on the results of the survey we have carried out, we are in a position to draw certain conclusions regarding the type of cultural interests of the visitors to the historic core of the city of Split. Likewise, we are in position to assess the importance of motivations related to culture in their choice of Split as a destination worth visiting. Finally, if our insights are discussed with respect to the urban and development problems specific to the location (Split), we are also in position to make certain policy recommendations that could improve not only the profile of the city's tourist industry but also its cultural production.

In general, one can say that the visitors to the historic city core of Split are younger, more individualist and more educated than the average tourists visiting Croatia. The most pronounced motivations to visit Split are roughly equivalent to those of the visitors to Croatia in general, and relate to "relaxation" and "nature". Nevertheless, cultural motivations are also present, and some of them are almost as highly placed as the "relaxation/nature" ones.

Among the cultural motivations, it is easy to see that those relating to "heritage" and the wish to experience the "way of life" of people figure more prominently than those relating to "cultural events" in the more traditional sense of the word. We consider this "heritage/experiential" cluster of motivations to be particularly important. In the city of Split, it is visibly more prominently represented than that relating to more traditional "contemplation and culture" cluster. But we also consider it important because our observations in other selected locations indicate that characteristics associated with it seem to be the distinguishing mark of the "new" cultural tourists in the wider region as well.

12 According to Marušić et al (2005), the primary motivations of tourists to visit Croatia are relaxation, having fun, new experiences, and the country's natural beauties.

Namely, while in the context of mass tourism, visits to arts and heritage sites were conceived of as a complement to what Taiti (quoted in Praderio and La Paz, 2006) describes as "basic destination and products (e.g. seaside)", recent years have seen a movement of even more targeted cultural tourism beyond the traditional "arts and heritage" descriptions of its content (Smith, 2003: 37). As Richards (2001: 7) suggests, the notion of cultural tourism now covers "not just the consumption of the cultural products of the past, but also of contemporary culture or the way of life of a people or a region".

It is easy to see that the historic city core of Split, given its characteristics described above, is a scene perfectly connecting both elements of Richards's definition. It offers world-class cultural products of the past and at the same time an immediate insight into the way of life of people in the location. As we have said before, the appeal of the city of Split's central cultural attraction, the Palace of Diocletian, lies exactly in the fact that it preserved its character of a living place up to this day.

With this in mind, our first policy recommendation regards the urban planning balance of various functions of the city core of Split. Urban planners and city authorities should preserve the "mixed" character of this zone, which is consistent with the eclectic character of the "documentary" aspects of its heritage structures. Heeding not only the needs of the "new" cultural tourists visiting the area, but also and primarily those of the local population, one should disregard recent proposals to make the area "more commercial" by replacing the apartments and local shops with "more exclusive" restaurants and commercial establishments selling high-end products.[13]

Furthermore, one should say that keeping the city core attractive to the "new" cultural tourists ("heritage/experiential" cluster), is in the interest of preserving its cultural character. Namely, visitors with pronounced motivations from this cluster - using again Taiti's classification (quoted in Praderio and La Paz, 2006) - can be described as "evolved" tourists, interested primarily in experiences. These are the tourists whose needs and sophistication, according to Taiti, transcend not only those of the "mass" tourists, but also those of the "pretentious" tourists (interested in the "territory" and its "typical product"), or those of the "specialized" tourists (who demand "total leisure" and "evolved service").

13 There have been no official documents advocating such views, but in the period after 2005 they have been repeatedly expressed in interviews with the prominent members of an important coalition partner in the City Council (the list of local entrepreneurs called "Lista Velog mista"), granted to the local newspaper *Slobodna Dalmacija*. In the preceding period (more precisely, in December 2002), the City Council even adopted plans for commercial building of structures that would have changed the character of important locations in the city core but these plans were suspended in view of the public outcry that ensued.

Taiti places the "evolved" tourists into the highest ("phase 4") bracket of his classification. In the historic city core of Split the "experiences" they are seeking obviously relate to what this area has to offer nowadays: an "authentic" mixture of world-class heritage structures and life of the local population. It would therefore seem logical to conclude what we have suggested above: that preserving the attractiveness of the city core of Split to "evolved" tourists would be in the interest of this unique location, which is highly valued and very considerately approached by them.

In contrast with that, it can be said that the orientation to mass tourist exploitation (in present-day context largely relating to cruise ship visitors) would have devastating consequences for the current "mixed" but highly attractive equilibrium of functions of the area. The same goes for the attempt to change its present character in the direction of a more "elite" one. Unfortunately, both of these adverse trends are on the rise: the number of cruise visitors is growing,[14] and the plans to convert the city core into an "elite" destination have already been mentioned.

It is understandable that the local authorities want to increase the tourist-generated income, but they would be well-advised to try to do it in a different way. Our opinion is that this can be achieved by increasing the quality of products on offer, especially those produced by the local creative industries. Namely, the products of these industries are catering to the interests of the tourists without putting in danger the cultural character of the city. There have been highly successful precedents in this regard, relating to designing quality packaging for the local food products or designing interactive postcards.[15]

Development possibilities connected with tourism exist in practically every field of the creative industries development. However, what most immediately comes to mind - given the interests and expectations of the polled tourists - is web content development, as well as development of activities related to the expressed wish of the younger tourists for more clubbing and pop music attractions.

It should be emphasized again: what all these activities have in common is that they are not putting into danger the physical structures in the city core. Nor are they changing the functions that this most important area performs nowadays, not only for

14 The increase in the number of cruise visitors to Split is the highest among the "new entries" to cruise traffic in the Adriatic, and is most steadily growing, as evident from the graphic representation in Moschona (2006, slide 17). In addition to this, the construction of new port capacities for reception of cruise traffic has been repeatedly advocated by urban planners (Tomić-Koludrović and Petrić, 2006a).

15 These products are not only highly commercially successful, but have been received with great interest at international creative industries conferences (Petrić, 2006; Tomić-Koludrović and Petrić 2006b). Quality design of the packaging, in addition to the quality of the basic food products, has enabled the Split company SMS not only to sell on location, but also to export to health food shops in North America. The company Gideon, on the other hand, has based its success on the exploitation of intellectual property, with their patent on interactive postcards and development of mobile phone content.

those living within it, but for the entire city as well. As we have said before, the city core in general and the Palace of Diocletian in particular are still the most important generators of identity of the entire population of Split.

Creative industries development would, in essence, not only exploit the cultural resources of the city, but would also contribute to them, not only by helping increase the tourist income and advertise the qualities of the city. It would also have important consequences for the cultural production. But its potential contribution to preserving the cultural character of the city core cannot be overstressed.

In a wider context, one could even speak about an interesting reversal: the notion of "creative industries", frequently connected with the "commercial" side of cultural production, would in this case actually help preserve the "authenticity" of a culturally highly charged location.

Another obvious contribution to overall urban regeneration of Split would be the role creative industries were also expected to play in their original British context: many of the possible creative industries development activities involve young people, who are on the whole a disadvantaged population in the case of Split as well.

With regard to a more traditional notion of cultural tourism, one should say that there also exist possibilities for its development. However, the feasibility and potential effects of this development should be carefully considered.

The results of our survey indicate that the population of visitors aged 51 plus is interested in elite culture, such as theater and opera performances. Furthermore, survey results indicate that those interested in theater have a disposable income above the average and prefer to stay in hotels. This could indeed be considered as a basis for attracting what in Baywater's classification (1993) are seen as "culturally motivated" tourists, i.e. those who tend to spend several nights at a destination and represent a commercially highly interesting group.

One should bear in mind, however, that the development of cultural programs sophisticated and internationalized enough to attract such an audience is a costly and laborious process with highly uncertain outcomes. At any rate, the current infrastructure of local cultural institutions is certainly not up to the task, as evidenced by the cultural events it organizes, largely neglected by foreign visitors.[16]

16 So far, this claim can only be substantiated by the reports occasionally made in the local daily *Slobodna Dalmacija* on the number of tickets sold by the local museums, and observation at the theater and opera performances of the Split Summer Festival. From the report published on November 26, 2005 in the *Slobodna Dalmacija* daily, we have learned that the number of tickets sold by the most successful local museum (Museum of the City of Split) was 9 864, while in the same period there were 51 637 tickets sold for entry into the underground structures of the Palace of Diocletian. It should also be kept in mind that the City Museum is also perceived by the visitors as a heritage site, or at any rate a place where visitors can learn about heritage, and not as a cultural institution offering contemporary cultural programs. For such contemporary art events in the sphere of high culture, interest from foreign visitors can be said to be even smaller.

What is more dangerous than this, however, is that a higher concentration of those representing "elite" cultural interests could lead to a softer and more sophisticated - but nevertheless detrimental - version of "elite" tourism in the city core. We have already advised strongly against such a development.

In short, the interests and the general profile of "new" cultural tourists can be said to be much more advantageous to the cause of preserving the character of the central tourist area of Split as a living place with "mixed" functions. Theater, opera, as well as development of various "niche" festivals and cultural events certainly cannot harm it, but their character and the locations of performances in the city core should be carefully planned.[17] As a rule of thumb, the content developed should in the first place be intended for and provoke an interest of the local population: experience has shown that only events and activities of that profile also elicit interest from the "evolved" tourists.

In conclusion, it can be said that the policy recommendations we have made are in essence consistent with what the group of experts of the Council of Europe suggested for the overall development of Croatia based on its cultural resources. The document they produced (Landry, 1998) also emphasized the connection with tourism and the need to both capitalize on and preserve the local specificities in the process of economic development. Almost ten years later, one could say that at least a part of the Croatian tourism industry is on the verge of taking the advice offered in the quoted document seriously. We certainly recommend that this should be followed in the case of the city of Split.

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17 The city core of Split certainly does not belong to the type of the city trying to develop a small-scale, "niche" product connected with local culture for lack of more impressive cultural attractions, as Jenkins and Jones (2002) suggest some Welsh cities do. But a "niche" festival called the International Festival of New Film and Video, built on the local tradition of avant-garde film-making, has proved to be successful in attracting some foreign visitors who could be described as "evolved" tourists. Even more importantly, such events can be judged to be beneficial to the city culture in that they continue some of the prominent local traditions.

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Developing Cultural Strategy in the City of Dubrovnik

Ana žuvela

This paper will attempt to put cultural strategy into national and local context in Croatia and introduce an initiative that has been recently undertaken in Dubrovnik, Croatia. Due to the lack of literature on the topic,[1] the paper largely builds on research that was conducted in the course of the current year and it includes a series of interviews and meetings with cultural sector representatives.[2] It aims to present the background reasons for and aims of proposing a Strategy for Cultural Development of the City of Dubrovnik.

Strategy and local cultural development

Contemporary management and business usage of the term strategy distinctly emanates from the military tradition[3] in addition to the term's potential to describe a number of distinctly different ways of thinking (Cashman, 2003:2).

1 The theoretical framework of the study sought to involve texts that propose strategy in the applied sense of meaning, i.e. defining and contextualizing strategy as it is utilized in concrete paradigms. Hence, the literature used as a theoretical backbone to the research are official documents issued by national governments, such as Croatia or the United Kingdom of Great Britain and Northern Ireland, as recommendations and guidelines for usage of strategies in local cultural development. These texts are repeatedly referenced throughout the text due to their comprehensiveness and relevance to the topic.

2 Research preceding cultural strategy in Dubrovnik is focused on gathering data from the individuals directly affected by cultural sector activities, these being the directors of cultural institutions, arts organizations (independent and non-governmental) coordinators and managers down to artists and random citizens. Questions for interviews and surveys are derived from the proven practices, paradigms and theories on cultural strategies and associated cultural participation, evaluation, social inclusion and exclusion, cultural management, outreach and audience development, cultural development and impact of the arts in the respective communities. It is to be noted that this paper displays research findings up till now only, as the remainder of the research is still in progress.

3 Strategy as a term originates from the ancient Greek military use where the word *strategos* defined a general in command of an army. The meaning of the term then evolved to being "the art of a general", and by the time of Pericles in 450 BC *strategos* was used to imply "overall managerial skill" (Evered, 1980 in Cashman 2003:2).

A leading strategy thinker and management expert, Henry Mintzberg defines four ways of thinking about strategy as being like: **a plan**: "a consciously intended course of action"; **a pattern**: underpinning "a stream of actions"; **a position**: a deliberate stance taken in relation to the environment (i.e. the world in which it works; and **a perspective**: an all-embracing way of thinking about the organization and its approach to the world (Mintzberg, 1987, in: Cashman, 2003:2).

In this line of thinking, strategy is predominantly concerned with tackling the major issues facing an organization (Cashman, 2003:2) and can be adapted as such to all activities, businesses and ventures - basically the entire service sector.

The use and application of strategies is rapidly introduced in the public sector at both national and local levels as a key guidance feature in developing particular areas of service.

In the foreword to the Department of Culture, Media and Sports (DCMS) document "Local Cultural Strategies Draft Guidance for Local Authorities in England", Chris Smith, UK Secretary of State for Culture, Media and Sport stated that "cultural services make a considerable contribution to the wider aims of both central and local government, whether tackling social exclusion; encouraging healthier lifestyles; providing opportunities for voluntary and community activity; sparking urban and rural regeneration; or stimulating a commitment to lifelong learning, as well as enriching people's lives" (DCMS, 1999:5).

Thus, the main objective of a local cultural strategy can be described as promoting the cultural well-being of an area. It should serve as a planning instrument to help the local authorities to plan strategically for culture in order to improve the condition of social capital and the impact the culture has in the life of a community. Strategy is to be built on the existing work agenda undertaken by local government and the main actors in the cultural sector. It should assume an entirely holistic approach with special consideration given to the national cultural policy outlines, taking into account the wider regional, national and supra-national contexts, as to how the local initiative can contribute to the national government's main objectives (Department of Culture, Arts and Leisure of Northern Ireland - DCAL, 2001:6).

One of the principal aims of setting strategy is to initiate a process where awareness will be raised on defining the true cultural needs of an environment and to promote inclusion in the decision-making procedures while creating much needed synergy between all actors and factors.

The strategic document on cultural development - and its subsequent implementation - should cover a wide span of cultural activities in a specific geographical area, taking into account and valuing the cultural activities of the amateur and private sectors and other public institutions and "making reference to

those natural and man-made features which help to shape the cultural identity of that area. It should be the local authority's cultural strategy for its area and not solely a strategy for the cultural services it directly provides. It should be guided by a vision for how this local cultural identity can be supported and developed. It should be led by, but not be exclusively for, the local authority and should promote integrated policies designed to strengthen the framework for the quality of life for the community. It should establish the agenda; set the direction and make key choices; define priorities; allocate overall resources and responsibilities; and develop monitoring and review mechanisms. It should provide a robust template for local authority officers to develop more detailed service-specific strategies and action plans. It should inform the public of the strategic choices and priorities the local authority will be making in the cultural arena and the rationale for these choices" (DCMS, 1999:12).

Benefits and feasible outcomes of a local cultural strategy are manifold. By placing culture at the core of local development, it will advocate the benefits of cultural activities through giving a clear illustration of cultural value and the impact it has on the local community. It would help to identify and address a full range of cultural needs and promote equal accessibility to all social groups. Strategy is not to be made by one body of governance or agency for the same body - it is a result of an integrated set of propositions based on analysis of collective cultural needs - it is a corporate plan hence it promotes partnership and provides synergy with the work of both regional and national government. It serves as a reference point for monitoring and evaluating a cultural product and its effect and accessibility in the community and should ultimately demonstrate social responsibility for the public funds invested in the culture sector by the local authority.

Cultural strategy in Croatia

The draft of a single official strategic document on culture in Croatia was published by the Ministry of Culture in 2001 under the title "Croatia in the 21st Century - Strategy for Cultural Development" (Katunarić, 2001). The publishing of the full document followed in 2003. Although it bears the title of a strategy, the document can be described as a knowledgeable platform for the setting up of a viable strategic plan for cultural development in the country. This contention is based on the fact that no policy documents have been drawn up based on the proposed plan, and, as Cashman claims, to be useful, strategy needs to turn into a set of actions to be carried out in the real world. Basically, appropriate strategic thinking tends to ensure pragmatism and should have major resources implications (Cashman, 2003:5). As the government that drew up the strategic document left the chair in 2004, and the one that took over did little or nothing about further amending and implementing the proposed strategy

text, a national and local course of action on culture has not so far been established. Furthermore, immense social shifts that have occurred as a result of the transitional processes have been left unaddressed by current policy practices. As is noted in the *Compendium for Cultural Policies* for Croatia, since the appointment of the new government in 2004, there have not been any major alterations in cultural policy development despite announcements that the government would initiate culture sector reforms including a new strategy for cultural development.[4]

Pertinent issues of cultural and social inclusion, cultural participation, cultural democracy, establishing cultural values, promoting cultural democracy and pluralism are yet to be included in the national and local policy agendas.

Cultural strategy going local

"Culture has both a material and a value dimension and includes a wide range of activities including arts, media, sports, parks, museums, libraries, the built heritage, the countryside, playgrounds and tourism. Strategies are concerned with establishing the agenda, setting the direction, making key choices, allocating resources, and developing monitoring mechanisms. A Local Cultural Strategy should be guided by a vision of how the local area and its culture may develop over the life of the strategy. It will cover a wide span of cultural activities in a specific geographical area, taking into account the cultural activities of the voluntary and private sectors and other public agencies and making reference to those natural and man-made features which help to shape the cultural identity of the local authority area and localities within that area. It should help strengthen and develop links between services. Services should be viewed in a holistic manner" (DCMS, 1999).

It is questionable whether strategies for local cultural development are a direct outcome of a prearranged decentralization formula or if they precede the decentralization process. The current situation in Croatia indicates the latter as there have been some attempts to bring decentralization into the core of decision-making praxis during the last six years.

In "Croatia in the 21st Century - Strategy for Cultural Development", special emphasis is given to the decentralization of cultural policy to sub-national levels which would support the development of respective local cultural planning whilst maintaining priorities given by the national government (Katunarić, 2001). As worthy as these initiatives may sound, there have been no official efforts from the Ministry of Culture to insist on local cultural policies, as was done for example by the Department for Culture, Media and Sport in the UK in 1999 when they issued draft

4 Information available on-line at the website for the *Compendium for Cultural Policies*, Croatian section at http://www.culturalpolicies.net/croatia.htm

guidance for local authorities in England, entitled "Local Cultural Strategies". Local authorities were given a period of three years to deliver individual cultural strategies and start their implementation (DCMS, 1999). Decentralization initiatives have also been undertaken in the Southeast European countries and resulted with applicable legislation in Poland, Romania and Bulgaria (Suteu, 2003).

Provoked by the on-going delay of the decentralization process from both national and local governments, an independent organization - Clubture - from Zagreb started an initiative for decentralization of cultural policies at local levels. Clubture is a non-governmental organization (NGO) that has a network of independent arts organizations throughout the country, hence has direct insight into local states of affairs. The aim of the nationwide project is to challenge the position of cultural institutions owned by the local governments and their actual contribution to the community - to assess the efficiency of local service provisions for culture for citizens and to investigate existing mechanisms of governing culture including the reasoning for both privileged and marginalized positions in the subsidy schemes. Their initiative has been adopted by a number of NGOs in the country which set up projects for developing cultural strategies in nine Croatian cities (Čakovac, Karlovac, Kri€evci, Dubrovnik, Osijek, Pula, Rijeka, Split and Zagreb). Some of these initiatives have had outcomes that have been printed and published, e.g. "Contributions to Cultural Strategy in the City of Rijeka".

It is a sort of precedent that cultural strategy initiatives are discharged by NGOs, especially considering that, in effect, it is the local government that holds crucial regulatory, economic and legislative powers of authority that can enable strategic plans to be developed and delivered. Therefore, the leadership position in the process of setting a strategy is logically imposed on the local government and not on NGOs.

Culture and the city: Dubrovnik, a city of culture?

There are two main actors in governmental functions apart from the state, and these are the regional one and the local one. In this case it is Dubrovnik & Neretva County and the City of Dubrovnik. Due to the fact that the regional authority has scarce or next to no involvement or official capacity in the local cultural sector, the focus of the research was on the key actor in local decision-making concerning culture - the City of Dubrovnik.

Cities or the local authorities are the founders, owners and only legislative decision-making bodies when it comes to local cultural infrastructure and the arts in Croatia. The City Council has the decision-making authority; it is the body that appoints the directors and members of executive boards, and draws up statutes and other decrees for the cultural institutions, while the local cultural sector is

administered, governed, monitored and to some extent managed by the city's departments of social services (in some cities there are culture departments, some culture and social services but the majority are social services). Clearly, these modes of ruling and decision-making result in the omnipresence of politics in the cultural sector.

The departments of social services include culture, education (kindergartens, primary, secondary and higher), technical culture, sports and social welfare. Given the large scope of areas that they cover, it is a common occurrence in a number of Croatian cities that this department spends the largest portion of the local budget. Many politicians and executives of local government, when asked about investing in culture, hastily declare how their administration spends over 25% on the culture department (in Dubrovnik it is 40%, in Šibenik 36%, in Bjelovar 51%, in Zagreb 26.33%) whereas most of the finances are directed towards social welfare, education and sports leaving culture with just over 10% of the department's budget. An average of 10% of the overall city budget allocated to culture is a rather similar occurrence in most Croatian cities: in Split (10%), Vara€din (11%), Rijeka (9.9%), Zadar (9%) and Dubrovnik (11%).[5]

Dubrovnik is a town of commendable cultural infrastructure. With just over 44 000 inhabitants, Dubrovnik has eight principal cultural institutions: Dubrovnik Summer Festival, Dubrovnik Symphony Orchestra, Marin Dr€ić Theater, Dubrovnik Museums, Museum of Modern Art, Folklore Ensemble Linđo, Dubrovnik Libraries and Dubrovnik Cinemas. Apart from that, there are more than ten art galleries operating just within the Old City, there are over thirty arts organizations active throughout the year and there are almost a dozen festivals that take place in Dubrovnik on an annual basis. The cultural sector in Dubrovnik employs 226 individuals on a full-time basis in addition to the varying number of people working in the arts organizations, NGOs, and private arts galleries. Apart from professional involvement in culture, there are a considerable number of individual amateurs participating in cultural organization work, such as the folklore ensemble Linđo and the Dubrovnik Brass Ensemble. Actually, amateurism in culture in Dubrovnik has quite a tradition; in the forty years of its existence, more than 3 000 young people performed in more than 3 500 performances given by the folklore ensemble Linđo, meaning that almost 10% of Dubrovnik's inhabitants were involved in the work of this institution at some point. All of this would lead to a certain supposition: Dubrovnik is a city with an astounding cultural life, as culture must be a leading means of development towards achieving yet higher goals of cultural excellence and greater quality of community life.

5 The statistical information on budgetary expenditure in the Croatian cities mentioned was sourced from the official city budgets available on their websites and through interviews with the local authority officials working in the departments of culture and social services.

So how does all of this vast structure operate, how is it funded, is culture indeed at center stage of the city's development efforts and is Dubrovnik truly a "city of culture"?

In her recent speech delivered in February 2006, the Mayor of the City of Dubrovnik stated that the sole fact that 40% of the overall city budget is allocated to culture and social services is sufficient evidence that Dubrovnik is indeed a city of culture. Again, this is a deliberate misinterpretation of the facts, as for 2006, public spending on culture in Dubrovnik amounts to exactly 11.44% of the entire city's budget. Further on in the same speech, the Mayor lists the city's capital investment programs which include building a nautical center, port facilities and a golf park but do not even mention the word culture. However, culture - to be exact cultural heritage - is mentioned in the remainder of the speech as the city's comparative and competitive advantage for the tourist industry and business investment. This stance, of understanding culture as a competitive advantage for business and tourist industry ventures is reiterated in the Mayor's welcome note on the City of Dubrovnik's official web page where culture again is seen as an item of heritage, an attractive accessory to the city's key development interest. As the Mayor claims: "In brief, tourism is Dubrovnik's main industry".[6] Moreover, in the City of Dubrovnik's Program of Public Needs in Culture for 2005 and 2006, special consideration and priority for funding were given to projects and programs which would enhance Dubrovnik's image as a tourist center throughout the year. The overall aims of the city's planning and development are targeted towards expanding facilities for the tourist industry. Turmoil in the tourist industry is widespread with most cultural institutions, especially orchestras, festivals and city museums considering themselves as a tourist consumer product. Over-prioritizing the tourism industry has been known to have a negative impact on local development, as Steinberg claims: "Privileging tourist attractions can disadvantage the people who live, work, pay taxes and remain in an area after the tourist leave…. Inappropriate commercial imperatives can result in increased congestion and pollution in historic city centers, towns and sites" (Steinberg, 2001 in Matarasso, 2001:47).

Seemingly, the position taken by the current local government in Dubrovnik could correspond to Habermas' observation on New Right propositions that cultural policy was to protect and cultivate cultural traditionalism but is to discourage creative enterprises for progress (Habermas, 1989:61 in McGuigan, 1996:52). Indeed, as much as value of cultural heritage is proclaimed, both in the sense of aesthetic and historical significance and as a resource for the tourist industry, there are no coherent attempts to move forward and use culture as a developmental agent.

It is precisely this standpoint and official development perspectives that provoked the question, to rephrase Francois Matarasso (1997), as to whether there is a genuine

6 The full texts of the City of Dubrovnik Mayor's speeches and welcome notes are available on-line at the City of Dubrovnik website at http://www.dubrovnik.hr/vijest.php?id=1&newsid=946 and http://www.dubrovnik.hr/web_grad_eng/eng.htm

use for culture in Dubrovnik or whether it is a mere ornament. Can culture be a strong and compelling stimulus in all the principles and courses of a city's development or does it have to maintain a static role based on bygone periods where culture in Dubrovnik was truly deeply integrated in every aspect of living, planning and evolution? Is culture still perceived as a spender of cash capital rather than a generator or social and cultural capital? In the scope of current development trends, what is the exact position of culture?

The city's intervention in culture relies on regular reactive actions, solving numerous disputes within or with the cultural institutions, endless administration and correspondence with the cultural organizations (exchanging reports) and monitoring expenditure of the cultural part of the budget. The intricacies of the city's operation, commitment and engagement with the culture sector are mostly justified by the budget arrangement or the amount of subsidy given. Out of the 11.44% of the city budget that is allocated to culture, the majority of the amount goes to the cultural institutions - 79% to be exact and an astounding 90% of these funds are spent on salaries and maintenance costs leaving less that 10% for actual production. This disproportion and its consequences are best explained by Slovenian expert Vesna Čopić: "Stagnation in social activities is today indicated by the fact that an increasing proportion of the available public funds in public institutions are allocated for staff salaries and there is less and less money left for material expenses, which leads to impoverishment of public sector programs and activities and represents a threat to their development. The fact that salaries have become the priority implies that, in social activities, social peace and not the performance of the activity justifying their existence, i.e. public provision, has become the principal social aim. Thus in the field of culture we have to speak too often of social policy instead of cultural policy" (Čopić, 2004). Succinctly, this short paragraph is almost a precise description of the current policy trajectory for culture at both local and national levels.

In order to secure additional funding, some of the cultural institutions strive to earn substantial percentages of their own income in the organizational budget from ticket sales and sponsor donations: Dubrovnik Museums 74% (ticket sales), folklore ensemble Linđo 50% (ticket sales and commissioned performances), Theater Marin Držić 31% (ticket sales and sponsor donations), Dubrovnik Summer festival 50% (standing sponsor contract), Dubrovnik Symphony Orchestra 10% (ticket sales and donations), Dubrovnik Libraries 4% and Museum of Modern Art 1% (ticket sales).[7]

Despite the distinctive cultural image and inherited cultural service sector, and despite the fact that it has been over a decade since the governing of culture was taken over by the city along with responsibility for the distribution of public funds to the culture sector, the only documents on governing culture at the local level are the

7 The information was derived from interviews with the directors and questionnaires given out to the finance officers in the said institutions. The budgets in all cultural institutions are drawn up on an annual basis, hence the presented data refers to the previous budgetary period (year 2005) exclusively, although the alterations in percentages from year to year are allegedy negligible.

mandatory ones as prescribed by the national authority. Given that there are no capital investments in culture in which the local government would work in conjunction with the national one, the explanation of the current legislative framework is currently the only segment of cooperation between national and local cultural authorities. This includes the joint funding schemes for specific institutions like the Dubrovnik Summer Festival and the Dubrovnik Restoration Institute. To be specific, the Croatian Ministry of Culture funds both institutions with more than 25% of their total budget (50% for the Dubrovnik Restoration Institute and 30% for the Dubrovnik Summer Festival). Apart from these, the national Ministry of Culture has little or next to no financial involvement in the other cultural institutions.[8]

Generally, the whole process of selection for subsidies, funding priorities and deciding on local cultural events is rather dubious due to much abstruseness.

The city's "Public Call for Cultural Needs Programs", designed according to the Ministry of Culture's prototype, is announced every year in September for entries that are to be realized in the following year and is open to all cultural institutions, arts organizations, NGOs, artists, individuals and professionals dealing with culture. Cultural needs are defined in the Public Call as "cultural services, activities and events of *interest* to the City of Dubrovnik". Abundant categories of activities are listed for eligibility: firstly, the institutions that are already included in the funding scheme, followed by museum and gallery activities (including fine arts), concerts and performances in music and drama, book publishing, youth, alternative and contemporary arts, film and audio-visual arts, heritage preservation programs, interregional and international cultural cooperation, new technologies programs, creative and innovative programs connected to the promotion of youth culture, investment in maintenance of cultural buildings in accordance with the *interest* of the city.

From the given categories, it can be seen that the scope of what is proposed is very general and imprecise but even this would not raise as many questions if there was a definition as to what the *interest* of the City of Dubrovnik in culture really was, or a focus of socially validated and established rationale for public investment in culture. On the contrary, this rationale is lacking along with a set of comprehensive criteria

8 The Croatian Ministry of Culture does not have a permanent funding scheme with any of the cultural institutions but gives out occasional one-off project grants which amount to small percentages in the institution's budget; Dubrovnik Libraries 9%, Museum of Modern Arts 0.5%, Dubrovnik Museums 1%, Dubrovnik Symphony Orchestra 0.1%, Theater Marin Dr€ić 1.5%. The folklore ensemble Linđo and Dubrovnik Cinemas were never granted any funds from the Ministry of Culture. However, both institutions have applied, Linđo for the very first time, for Ministry funds for the year 2007. The data was derived from the interviews with the directors and finance officers of the mentioned cultural institutions as well as from the Croatian Ministry of Culture's budget at http://www.min-kulture.hr/default.aspx?id=71

upon which the subsidies are awarded. The Public Call, the city's budget and the Program of Public Needs in Culture are the only viable documents concerning culture that are planned and produced on an annual basis. The Program of Public Needs in Culture is drawn up in the first months of every year for that same year (February 2005 for year 2005); it is a result of a selection process of submitted proposals for the Public Call. The selection process is entirely conducted by the Department of Culture and Social Services in conjunction with the Mayor's Office, hence is strictly limited to official procedures which remain unexplained, non-transparent and are particularly questionable.[9] In order to make the selection procedures more transparent, understandable and the results more credible nationwide, in 2004 the Croatian Parliament adopted a Law on Cultural Councils which was to be implemented in all cities with more than 30 000 inhabitants. City councils are to appoint members to a number of cultural councils whose task would be professional and knowledgeable support for the work of the Department of Culture and Social Services in selecting and producing the city's Program of Public Needs in Culture.[10] Although Dubrovnik's City Council brought out a Decree on assembling Cultural Councils in March 2005,[11] no member has been appointed to date and the decree was the first and last document produced on the issue, despite central governments' recommendations and standing legislation. The role of the councils is not to be

9 As has already been mentioned in the paper, there are no official criteria or rationale that would justify and rationalize the selection process - it would be commonsense for the Public Call for Cultural Needs Programmes, upon which the Programme of Public Needs in Culture is based, to be accompanied by a comprehensive set of criteria that would be accessible and known to the public. As this is not the case, the selection procedure is led and determined by the City of Dubrovnik's officials, namely the Head of Culture and Social Services Department and his assistant, who, after making the selection, give the results to the Mayor for approval. Thus, the selection is being made within a very closed circle of local bureaucrats who don' t even have the necessary professional background for such a task, as is explained in the remainder of the text.

10 The Law on Cultural Councils (http://www.nn.hr/clanci/sluzbeno/2004/1100.htm) is, for the most part, concerned with the Croatian Ministry of Culture's councils. However, in Article 6 the Law gives autonomy to cities and regions in setting up councils - the number of councils, members, mandates, procedures of appointment and dismissal, decision-making processes and range of activity and authority. Practice in most Croatian cities is that cultural councils are made up of members who have expertise in different cultural domains (international cultural relations, film and cinematography, drama, music, fine and visual arts, new media arts, literature and publishing) and they are involved in the decision-making process of proposing and producing the city's Programme of Public Needs in Culture. It must be noted that the Law on Cultural Councils appointed a deadline by which all cities had to assign cultural councils. That date was 31 December 2004, which means that the City of Dubrovnik has missed the deadline by almost two years.

11 The Act on assembling the Cultural Council in the City of Dubrovnik is available on-line at the City of Dubrovnik's website at: http://www.dubrovnik.hr/glasnik.php?godina=2005&broj=1.

understated as this legislation "was supposed to be one of the most important reforms in the cultural policy decision-making process in Croatia as well as a major shift from the existing practices of financing culture to a more democratic process" (Obuljen, 2005).

An additional role of the cultural councils is the one of professionalization and decentralization. These two issues are of vital importance for any positive prospects for cultural development in Dubrovnik. To be precise, research shows that in the Department of Culture and Social Services of the City of Dubrovnik, there are only two employees assigned to the culture division, out of which one is the Head of Department. Three million pounds sterling or nearly five million euros is handled by two city employees, one of whom has no educational or professional background in culture management or arts administration and the other has long-standing experience in bureaucracy.[12] Further research shows that five out of eight directors of cultural institutions were employed in their respective institution and have no relevant experience in arts management or any type of management for that matter. By appointing members who do have professional background in the requested fields to cultural councils, these discouraging facts could possibly be amended, especially as concerns expert input into all segments of decision-making. Also, the councils could guarantee that the funding system be based on principles of justice, transparency and equity.

Additional research[13] in the area of audience development, outreach programs and cultural participation gave preliminary results which show that none of the main cultural institutions has an internal audience database. It will be a challenging task to identify public needs for culture given that there are no profiles of existing audiences or their preferences, nor participation or attendance statistics. Consequently, there are no indications of the social groups in the community that have been completely disregarded by cultural activities, together with their needs and possible inclinations. This supports the research findings that show that cultural institutions are not obliged

12 The inquiry in the Department of Human Resources of the City of Dubrovnik showed that both employees of the Department of Culture and Social Services that deal with culture hold bachelor degrees in Economics and Foreign Trade from Dubrovnik Polytechnic (now the University of Dubrovnik).

13 Conducted research entailed several categories of inquiry: apart from financial and operational matters, questions asked for information on audience profiles, attendance statistics i.e. general participatory policies and audience development strategies in the institutions. These are not prescribed or required by local or national authorities in Croatia but some institutions, such as Dubrovnik Summer Festival, have had the practice in the past (up to 1989, 1990) of keeping records on audience attendance and basic profiles (i.e. foreign or domestic visitor) as sourced from research findings of a study I conducted in 2003 on the transition of a cultural institution from socialist system to capitalist democracy in which Dubrovnik Summer Festival was used as a case study.

to provide any evidence of the benefits they bring to the community. The city monitors their operation strictly as regards simple administration which is primarily focused on finances.

The current funding scheme and control of culture which is based on short-term planning methods tend to cultivate negative trends in the city's cultural programs. The lack of dialogue between the public, cultural organizations and funders, along with the hidden funding process, contributes to mediocrity in cultural production, as *who* and *what* gets funded is the focus of discussion amongst key actors instead of encouraging greater quality of cultural achievement and promoting cultural engagement within the community. Lobbying for funds or, in the case of cultural institutions maintaining funds, is the pinnacle of effort invested by the majority of cultural workers and institutional directors. Nevertheless, the budgetary composition proves this practice to be the most gratifying one as institutions hold privileged status concerning the amount of subsidy that they receive. The situation and some of the research findings are best described by John Holden in his document on *Capturing Cultural Value* (2004):

> "There is increasing disquiet and frustration on both sides of the funding equation because neither funders nor the funded seem able to talk about what they really do. Many artists feel that they are made to jump through the hoops and that they create art in spite of the funding system. Their ability to 'play the game' and write highly articulate funding proposals is more important than the work they make or facilitate. In turn, people inside funding bodies feel themselves ever more remote from the work they are funding. They spend far more time on bureaucracy than they do engaging in critical debate with artists and practitioners…. The language currently adopted in the cultural sector by the funding system…is defective not just because it fails to provide an adequate means of talking about culture, but because it is a language of supplication and dependency that fosters relations of inequality" (Holden 2004:14, 26).

All of this implies that there is a definite need for urgent postulation of a cultural strategy - a plan of action that will firstly ensure a more active position for culture in the current local government's engagements and will propose a more efficient and effective method of operation of the cultural sector in the environment within which it operates.

As there have been no initiatives from the city itself for embarking upon such a task, following Clubture's project, the necessary initiative was undertaken by the Art Workshop Lazareti, which also is an independent arts organization, well-known for bringing contemporary trends in arts and culture to Dubrovnik. Currently, the project is in the initial phase of research, assessing and evaluating the present situation. Many of the first research results are recorded in this paper.

Conclusion and recommendations

There is an imperative need for a strategy for cultural development in the City of Dubrovnik. As the research has shown, the cultural situation in the proclaimed "city of culture" is far from cultural. The fact that culture is not included in any of the local development agendas is further supported by the City of Dubrovnik Mayor when she acknowledges that other industries, such as tourism, are at the heart of the local authorities' interests as they are considered more lucrative and prosperous. Culture is perceived as a category that needs to be maintained in its capacity to attract business investment. This can be interpreted, answering 'yes' to Matarasso's question, that the use of culture in Dubrovnik is as an ornament.

The governing, decision-making and funding procedures in culture at the local level in Dubrovnik are truly problematic, especially given that the basic notions of opening up procedures for outside input and insight, to make the processes more democratic, are disregarded. The reasons for this could be that there is a serious insufficiency of professionalism, competence, knowledge or care and interest for culture within the local government. Given the circumstances and the professional and expert resources that the local administration is lacking, the necessity for outsourcing expert assistance on integrating culture into the city's general plans, rather than treating the culture sector as a fixed budgetary category, is quite pertinent. It is also anticipated that the City of Dubrovnik will appoint cultural councils some time in the near future, as the practice of cultural councils has proven itself to be rather beneficial, both at national and local levels in Croatia.

Establishing firm communication among all local actors and engaging in the process of dialogue and consultation is a priority and a prerequisite for any progress. The point and purpose of the research was and is not simply to state that a strategy for local cultural development will bring revolutionary changes in the City of Dubrovnik (although it can be claimed that some profound changes are definitely necessary). Its objective was primarily to show the current state and position of culture in a city defined by culture, and how, and by what means, this can be improved. The general approach to research and proposals for a strategy is not exclusively based on a critique of the local authority and their governance and management of culture at the local level. Quite the opposite, the amount of public subsidy given to the cultural sector in Dubrovnik and its maintenance is quite creditable. It is the methods of subsidy distribution and the end result that are at the center of inquiry - their rationalization and their much needed advancement.

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TI-RAMA: My Creative City
Case study: Tirana

Fatjon Dragoshi

Instead of a prologue

The term "creative city" sounded quite interesting and exotic to me, when I first heard it, in a conference I was attending in a European capital, identified by the speaker as a "*par excellence case*" of a creative city. The whole afternoon I was walking in the city and enjoying its glamour, thinking about it as the typical "creative city". Curious, and interested to develop a better understanding of this emerging term (you have no chance to miss it anymore in any conference dealing with culture and/or urban development in the last decade), I googled it. I was surprised and "appeased". I realized I was living in what I would call the *most original creative city*. That is why, with maximum modesty, I accepted the task of presenting a case study on my city of residence: Tirana.

* * *

Introduction

The natural question from the reader would be: why TI-RAMA and not TIRANA? In fact, lots of my fellow citizens and friends have strongly contested the title I chose for my presentation. Their reasons are numerous, diverse and eligible, but I believe that the logic behind the title I chose is still convenient and the topic has to be developed.

Therefore, trying to respond to your question and curiosity: TI-RAMA stands for "Tirana + Rama" (Edi Rama - the mayor of Tirana from 2000 to 2007). The story I am going to tell you about Tirana, as my creative city, is strongly and unavoidably interrelated to its actual mayor: a very strong personality and determinist creative (whatever that means) person. The actual shape and lifestyle of the capital of Albania cannot be understood if you do not get a hint of its rebellious artist mayor who sat in the municipality of the "gigantic concrete mushrooms" and succeeded in re-vitalizing the city through crazy creative interventions.

Tirana has been the capital of Albania since 1920. It got this status, though it never used to be an urban area, because of its geographic position in central Albania. One of the modest emerging capitals in the region, Tirana was designed by Mussolini's architects Mr Florestano de Fausto and Mr Armando Brasini in the period between the two world wars, as one of the Eastern peripheral centers of Duce's fascist "Empire". Based on that vision-project which was taken into consideration by successive Albanian governments, the city would/could host at its best a maximum of 200 000 people (in 1920 - 17 000 inhabitants; in 1938 - 25 000 inhabitants; in 1945 - 40 000 inhabitants).

At the end of the Second World War Italy pulled out of Albania and the country was taken under the control of the partisans - the future communist party. In a few years, the city of Tirana [as an artifact] harshly reflected socialist realism - present in continental Europe and in the East (the Soviet Union and China). The few rambling adobe towers (characteristic of Tirana) were massively replaced by concrete three/five storey cubic structures and megalomaniacal public buildings designed by the Russian and Chinese "modern" architects.

During the communist regime, the mobility of citizens within the country was strictly controlled by the Party-State and this way the capital was always kept under control (meaning that compared with 1945 when it had 40 000 habitants, in 1990 it hosted approximately 250 000 habitants). Within its modesty the city was handled with kid gloves and it used to be one of the greenest and cleanest cities in the South-East European region. The main reasons for this were the geographic deployment of the population under the control of the government, the high percentage of rural population and the emergence of "workers' cities" all over the country. Since the late 1960s the "construction business" was obsessively focused on building bunkers in every square kilometer (unofficially it is said that Albania had about 100 000) and in industrial works in the country. The capital, like most other cities in the country, did not reflect any appreciable architectural value and most of the "dorm spots" (I was trying my best to convince my architect friend that we could call them apartments, but he would not agree) were spreading quite quickly and in the late 1980s the city's architecture did not offer a lot to look at.

The beginning of the 1990s brought the collapse of the communist regime in the country and opened up the possibility for freedom of mobility for the population. The capital was the destination for the hundred and thousands of families (who hadn't emigrated) living in economic misery in the rural undeveloped areas of the country. The economic collapse inherited from the communist regime encouraged the development of small businesses, which "thanks" to the fragile state of government control, meant fatal abuse of every possible public space in the country. Worthy of an entry in the Guinness Book of Records, Tirana was brimful of three to five storey

"concrete mushrooms" (kiosks) in every (ex)-green space (surprisingly enough they were also owned by politicians). Ironic enough, but the social life of the capital, for almost a decade, evolved into this "urban jungle" surrounding and "fewer and fewer people would believe one day they would be gone with the wind".[1]

> *"When the eyes of the world last looked at Tirana during the Kosovo refugee crisis in 1999, the city had reached his nadir".*[2]

On a rainy March day in 1998, the Prime Minister of Albania gave a call to Mr Edi Rama - the rebellious artist based in Paris who was in Tirana for a few days to pay his last homage to his father, a well-known sculptor of Albanian socialist realism. A few days later Mr. Rama was proclaimed as the Minister of Culture, Youth and Sports of Albania. And here starts the "new era" for the city of Tirana - the facades project which aimed to bring the city centre "back to identity" and the art interventions into the public space. It is then that Mr Rama promoted his idea of the role the arts could play in regenerating the city…

> *"So it's almost baffling for an outsider to hear that the new Minister of Culture, Edi Rama, sees culture as a kind of battering ram to blow open the windows of Albanian social life, and let in some much-needed artistic light."* [3]

Once in the Ministry, he restructured the staff according to a central criterion: fresh energy. Soon enough, *for his allergic behavior toward "the pathetic olden"*, he reached a certain level of popularity which allowed him to develop his charisma and invest serious capital in politics. Lots of reaction was coming from different sources against his "scandalous attitude", but this didn't much hurt his growing political influence. Within almost two years in the Ministry of Culture, Youth and Sports, Mr Edi Rama had promoted successfully his idea about regaining and revitalizing the public space in the capital, a process in which art interventions would take a considerable role.

This became the cornerstone argument for his electoral campaign for the position of Mayor of Tirana which he won in October 2000. That was the moment when *"the city, as the common living space"* became a matter of public discourse in Tirana. Rescuing the city from the illegal constructions and reconsidering "the urban" was the mission of the young mayor, which earned him the sympathy of every youngster in Tirana, and not only them.

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1 Press release of the Municipality of Tirana, 17 September 2003

2 Daniel Hawdom, "The Mayor Transforming Tirana", 2002, http://news.bbc.co.uk/1/hi/world/europe/2069799.stm

3 Max Easterman, "Blowing Up the Bunkers in Albania", 2002, http://news.bbc.co.uk/1/hi/programmes/crossing_continents/europe/733629.stm

"...for his aggressive cleanup campaign he got the 'United Nations Poverty Eradication Award'..."

This visionary mission excited a lot of citizens but at the same time it meant the closure of thousands of small and medium-sized businesses in the city. A lot of political pressure was slowing down the process for the municipality to bring identity back to the city centre, but it was assisted generously by several local businesses. Despite the demolition of the illegal buildings and the revival of the green spaces, the city still offered a desperate annoying grayness of endless uniform ramshackle "dorms". All this went in parallel with the emerging abusive tasteless eight to ten storey buildings, which rigorously resembled the kiosk phenomenon but in vast dimensions.

Although the project "Back to Identity" was a successful one, with the exception of the main boulevard constructed by the Italians, back to identity meant back to grayish and concrete identical tasteless structures all over the city. The solution in the mind of the painter-mayor who had traveled a lot around Europe was an original one: to paint the city. "This was perceived as a shock… People's surrounding had been so grey for so long".

"... An army of painters has splashed bright colors over once drab concrete housing blocks built during Albania's communist years. Even the prime minister woke up one pre-election morning to find his block, in the centre of town, had undergone the rainbow treatment...". [4]

This initiative faced aggressive protests from the opposition and contradictory opinions from the citizens. For the first time the city as a common public space became a matter of public discourse. Here, the big question, which becomes a central concern for both sides, was how one can build a synergy of the leader's visions with the citizens' acceptance and involvement in the process of revitalizing a city. The discussion that resulted managed to raise awareness among all participants on the role that creative interventions might have in reshaping the identity of the city: whether this is good or bad is not relevant here.

For almost three years the city seemed like a theatrical scene where you had demolition of building-kiosks, green spaces emerging and crazy tasteless prismatic buildings overlapping on the horizon. TIRANA BIENNALE intervened seriously in this process with its two first editions. Lots of buildings "became the canvas" for numerous artists coming from all around the world. One thing was for sure: Tirana could no longer be called the Grayish City. The city was revitalizing, but whether that was the right way I cannot tell. The newest Mercedes on the ruined roads of Tirana

4 Sophie Arie, "Regeneration Man", 2003, http://www.guardian.co.uk/elsewhere/journalist/story/0,7792,1068527,00.html

driving-dancing through the colorful streets perfectly mirrored the "rebirth" of the city.

The fast changes the city was undergoing attracted lots of European journalists and opinion makers, and lots of articles were written about the "prismatic corner" in South-East Europe. In 2004, Mr Rama was awarded "World Mayor 2004" - a competition in which most mayors of the world participate.

Though the international image of Tirana had seriously changed/improved, lots of citizens were concerned with the "facade methodology" because water supply, infrastructure and electricity were still crucial everyday problems the citizens had to face while watching their Mayor in every news edition fanatically divulging his image achievements.

The construction business was inevitably involved in "the drawing" (this is how a colleague of mine refers to Tirana). The projects for construction sites followed (not always willingly) the brand the city had identified. The municipality was attentive enough to promote the new brand by approving projects which fitted the new idea. Slowly the city became a colorful close-run race between constructors. The changes had resuscitated enthusiasm among the citizens of Albania and several other municipalities followed the example of TI-RAMA. Albanian emigrants who have managed to collect some money abroad are coming back to invest in the country, convinced that Tirana is a place that has succeeded in overcoming its nadir and can provide them with a worthwhile place to invest….

My city today is facing a harsh electoral campaign for local elections between the left and the right wing. Everybody is convinced that Mr Rama can not (and maybe should not) get a third term in the municipality. But whoever is going to take it over, be it right or left wing, it will have to deal inevitably and very attentively with an artifact that just for a second I could call TI-RAMA. The city has a lot to change and lots of assets which should be properly exploited and employed by future administrations in order for Tirana to build up an identity as a capital in South-Eastern Europe.

Mr Rama managed to "resuscitate hope, so that people will start looking on their country not as a transfer station, but as a place where they might want to live". Now concrete steps should be taken and new visions developed.

Cityscape and Cinema

Nevena Daković

The initial idea of this paper was to speak about the cityscape in cinema i.e. to analyse film texts in search of semantic localizers (of the cityspace) as well as after the theories of Fredrick Jameson (1995) and his cognitive mapping. But the interdisciplinary character of the conference imposed the change of title as cityscape *and* cinema. The very *and* introduces a two pronged study of Belgrade as the declining/developing center of national/regional film production as defined by the city/state administration and its cultural/cinema policy and of Belgrade's theatrical market and its repertoire as indicators of the "changing times". Only at the end does the paper offer a brief survey of the "cityscape in cinema" analysing how the cityscape itself is both actively constructed and passively represented in recent Belgrade production. Finally, the dual approach explores the mutual interdependence (cf. Schatz, 1993: 8-37) of the new economy of cinema, cinema aesthetics and style as exemplified in the *New Belgrade School*.

Facts and figures

In the last twenty-five years Serbia as a film production center has radically changed. The break-up of former Yugoslavia, hyperinflation and years of Milošević's rule severely affected national cinema(tography). The production facilities are ruined; *Avala Studio* is a ghost city with depilated sets and the laboratories are not working. It is very difficult to find raw stock since companies like Fuji or Kodak are not interested in promotion in the local market. More than 50% of production is done in electronics and than transferred to 35mm while the poverty of the sound can hardly be ignored. Post-production - from development to synchronization and "blow up" - is done abroad and that is carefully stipulated in co-production contracts. Out of many foreign companies once working in the area the only significant presence today is of Italians and occasionally French.

The number of films made annually, which varies from five to fifteen (Table 1), additionally confirms the crisis and downfall.

Table 1: Number of films produced annually

Year	No. of films
1997	6
1998	10
1999	5
2000	6
2001	10
2002	9
2003	10
2004	11
2005	9

In 2006 around 14 to 17 films will be made. Some, like *Border Post*/*Karaula* (d. Rajko Grlić), *Shaytan's Warrior/Šejtanov ratnik* (d. Stevan Filipović), *Dressmaker's Secret/Krojačeva tajna* (d. Miloš Avramović*), Serbian Drama/Sinovci* (d. Siniša Kovačević), *Seven and a Half/Sedam i po* (d. Miroslav Momčilović) and *Sutra ujtru/Tomorrow Morning* (d. Oleg Novković) are already finished and have been premiered, while others, like *Charleston Vendetta/Čarlston za Ognjenku* (d. Uroš Stojanović) and *The Trap/Zamka* (d. Srdan Golubović)[1] are announced for the autumn. In relative comparison Serbian production is bigger than those of all other former Yugoslav republics. Furthermore, with its outstanding world success - prizes won in Cannes, Montreal, Berlin etc., - it is almost impossible not to be amazed and fascinated by its vitality.

The cinematic output of the turn of the century has delineated the models of local production. The four main groups are:

1. Euro co-productions (europuddling) and euroimage (euromirage) stories - *Underground* (1995, d. Emir Kusturica) or *A Midwinter Night's Tale/San*

1 The figures are rather vague since in the final figure are counted all feature films finished that year regardless when their production began. For example, the shooting of *TT sindrom/TT Syndrome* (d. Dejan Zečević) began in 1998 but the film was finished only in 2002. Even worse, some projects (e.g. of Puriša Đorđević) are made with the "paratext/leftover" from the previous films. Also, the statistics are done in uneven ways. Until 2004 they were produced by the Film Institute/Insitut za Film and after that a bit unsystematically by FCS/Film Center Serbia/Filmski Centar Srbija. The former included only fiction films while the latter also included long documentaries. Finally all co-productions are counted as national films regardless of the type of foreign participation (costs above or below the line). The film is distributed or shown in the festivals in the country and region as national, while on the international market it appears under a different production heading.

zimske noći (2004, d. Goran Paskaljević) - are made by famous names as well as by young directors - like *The Red Colored Grey Truck/Sivi kamion crvene boje* (2004, d. Srđan Koljević) or *The Trap* - with the money won on the international pitch.

2. No-budget, both experimental and buddy-buddy (brother-like basis[2]) movies - (*Land of Truth, Love and Freedom/Zemlja, istine, ljubavi i slobode*, 2000, d. Milutin Petrović), *The Kisses/Poljupci* (2004, d. Saša Radojević) *Shaytan's Warrior,* or to a degree, *Seven and a Half* - cover bare production necessities through local film funds. Thus, the production company with a symptomatic name (of the film *Seven and a Half* - Brigade) alludes to youth and workers' brigades that were reconstructing socialist Yugoslavia after the Second World War.
3. Mainstream or "A" production is reserved for the traditional authors and the titles that are national candidates for Oscars, such as *Profesionalac/The Professional* (2003, d. Dušan Kovačević) or *Jesen stiŽe dunjo moja/Goose Feather* (2004, d. Ljubiša Samard€ić). The films are mostly made by surviving "classical" production companies like VANS[3] or Cinema Design.
4. Commercial quickies like *Zona Zamfirova* (2002, d. Zdravko Šotra), *Peasants/Seljaci* (2001, d. Dragoslav Lazić), *The Scam of the Third Reich/Pljačka trećeg Rajha* (2004, d. Zdravko Šotra) are made either as a spin-off of a popular TV series, or are afterwards turned into a TV series by the inclusion of all the film's editing leftovers.

Film production

Tripartite financing of national film[4] production involves republic, city level and foreign finances. The two biggest film funds are from the Ministry of Culture of the Republic of Serbia/Ministarstvo Kulture Republike Srbije and the Secretariat of Culture of the City of Belgrade. Their film development strategies and policies, visible both in the criteria for calls for projects and in the selected titles are, simultaneously, close and clearly opposed.

Ministry of Culture

In 2005, the Ministry of Culture founded the *Film Center Serbia* (FCS) - closely following the French model CNC - that handles all cinema business. The

2 *Burazersko ortacki* principle.

3 VANS went bankrupt due to the impossibility of returning the money invested in such projects as *The Professional* or *Labyrinth/Lavirint* (2002, d. Dragan Marinković).

4 Additionally, local funds are invested in all films or at least there is technical input from the RT Belgrade/RT Serbia.

reorganization was prompted by the scandal that broke out during the previous year's (2004) call for projects organized by the ministry itself and the Film Institute that still existed at the time. In 2004, no feature fiction film got financial support and the decision was justified by the lack of quality scripts and the small sum of 22 000 000 dinars that was to be divided. It was a sum sufficient to support one project but not to be divided among two or three mediocre titles. However, two films got the money for post-production and a few were recommended for further script development. This part of the jury's explanation vividly diagnoses the local situation and underlines the paradox of the decision:

> "Serbian Cinema is strategically neglected. Its problems spread beyond the production and aesthetics invading also the domains of distribution and exhibition. The decisions of this Jury (only seemingly provocative) are in fact an administrative cure aimed at making Serbian cinema - in the next few years- the strongest in the region, with internationally successful films that would reach a numerous and widest audience in properly equipped cinema theatres."[5]

In 2005, under the auspices of the Film Center Serbia (FCS), the system was restructured and emphasis was placed on *advanced quality* development of the production of feature fiction films. Nevertheless, the progress of the *national* cinema as the main aim is unchanged. Hence the formal criteria demand that the citizenship of the crew members and authors should be predominantly Serbian (more than 51%); that the film is in the Serbian language; that the film is shot predominantly on the territory of the Republic of Serbia; that the "theme belongs/is from the cultural space of the Republic of Serbia".[6]

They cover all aspects of the elusive definitions of national cinema according to the theories of Higson (1998), Crofts (1998), and Appadurai (1990).The first three criteria are administrative, precise and conservative while the fourth is pretty vague. It connects the notions of national and cultural identity as intersecting in the elusive thematic domain. In 2006, for the first time, the FCS organized a call for "support for script development". This year's selection includes diverse titles written by debutants (Milena Depolo *24/7*), experienced and celebrated directors (Srđan Dragojević *New Hooker in the Town/Nova kurva u gradu*) and the simple adaptations (Tanja Ilić *Belgrade's Trilogy/Beogradska trilogija*).[7]

5 Taken from *Jury Decision*/*Odluka Žrija* translated by N.D.

6 "Uputstvo učesnicima Konkursa za dodelu sredstava za finansiranje proizvodnje domaćih celovečernjih igranih filmova"/Instruction to the participants in the call for financement of the local production of feature lenght films.

7 Every author gets 5 000 euros to work on the script under the supervision of the Board.

Secretariat of Culture of the City of Belgrade

No such rigid application criteria exist for the call of the Secretariat of Culture of the City of Belgrade. Its jury members simply read scripts and decide, and thus in 2004 and 2005 they supported some of the projects refused by the ministry. The newly founded Board for Post-Production abundantly supports post-production but is still in the process of defining the "rules of the game". The lack of formal criteria and the broader, liberal conception of selection define the essential difference between two funds. The strategy of the city administration is both for survival and for development. It is for the survival of Belgrade as the film production center and for cinema development through works of young brave authors - Milutin Petrović, Miroslav Momčilović, etc.[8]

Euroimages

In September 2004, when Serbia and Monte Negro (SCG) became a member of Euroimages, the foreign film funds came within its reach. In different calls, money was given to projects like *Red Colored Grey Truck, The Trap, Loving Glances/Sjaj u očima* (2003, d. Srđan Karanović)[9] and Love Fair in Guča/Ljubavni sabor u Guči (2006, d. Dušan Milić). The chosen titles support Hamid Naficy's (2001) claim that foreign film funds impose negotiations about the creative freedom of the local filmmakers. Accordingly, by clearly expressing thematic preferences, the EU continues to perpetuate representational stereotypes of Serbia as "Other Europe". Of the four films mentioned, two are about Balkan exotics (the inevitable Gypsies and bizarre Kusturica-like story about the Bosnian war) and two are in the urban setting (gangster story and urban chronicle of the years of decay) portraying "urbicide" in an embittered or nostalgic but politically relevant way.

Consequently the three aims of the tripartite funding are: building up a national quality tradition cinema with *passe partout* for the international market (republic); building up new national production aimed at the local/regional market (city); and the perpetuation of a commercially successful negotiated identity through popular stereotypes and authors.

But the existential problem of the national production is the lack of closure of the production circle, i.e. there is no significant return from the box offices. Even the most successful projects barely regain money and for 90% of the films it is impossible to talk about profit. Part of the trouble lies in the structure of the exhibition and

8 The accent on the national is displaced by support for urban, new, generational, (sub)cultural etc. There is also part of the fund aimed at production of a first or second film. Three young authors share the sum given for one big project for a renowned author.

9 *Loving Glances* was the first film that got Euroimage support but through Slovenian producers.

distribution systems: an inadequate local theatrical market; low prices of cinema tickets; lack of international release and secondary markets such as DVDs, TV, pay TV, cable; and the developing piracy and *kiosk* culture.

Theatrical market

The complex situation combined with the long-lasting politically turbulent situation caused the constant drop in cinema-going. Until recently in the whole of Serbia there were 1 000 film theaters. Today there are only about 150 and only a small percentage are working on a daily basis.[10] In the provinces the theaters have projections mostly at weekends, while even in Belgrade matinee shows are rare. In Belgrade, there are only two multiplexes - *Tuckwod* and *Stork/Roda* - while only a few other places deserve to be called cinema theaters. One of the officials gloomily predicts that Serbia will return to the "kafana culture" of the end of the 19th century, when the first projections were held in *kafanas*, for instance *Zlatni Krst* or *Kolarac*.[11]

Equally persuasive are the admission figures and the provenance of the biggest hits. In 2002 there were 5.1 million admissions and in 2005 only 2.5 million.[12] That not only represents a drop of 50% but the latter figure is 400 000 less than in 1999 during the NATO bombing. In 2002 eleven films got the status of blockbusters and in 2003 only six (cf. Jeličić, 2004: 56). The same year, 158 films were released - 8 Serbian, 4 from the region, 36 European, 11 non-European and non-American and 99 American. No European film made it into the top 20 releases.[13] In 2005 the situation was even more Hollywood dominated. Among top releases were: *Harry Potter and the Goblet of Fire* (d. M. Newell, 87 500); *Mr and Mrs Smith* (d. Doug Liman, 59 860); *Kingdom of Heaven* (d. Ridley Scott, 56 744); *Star Wars: Episode III: Revenge of the Sith* (d.George Lucas, 52 617).[14] In 2006, in the first half of the year, the theaters of Beograd film had only 60 654 admissions (Brakočević, 2006). Simultaneously, Serbia is, according to some sources, next to France, the leading

10 The state-owned chain of cinema theaters, Beograd film will be privatized soon. The estimated price for the 15 theaters - all that is left of the huge chain in the capital - is 20 000 euros.

11 Cf. "Bisokopski mrak će pojesti film" (Blic, 5 February 2005) available at http://www.ostrvo.net/vesti/?t=12901. Accessed 7 June 2006.

12 According to the data provided by the Film Institute and FCS, the comparative figures are: Year/Admission: 2001/5.1 million, 2003/3.6 million, 2004/3 million, 2005/2.5 million.

13 At the 99th session of the Euroimage meeting, no Serbian project got money for production. However, support was given to Belgrade's cinemas Art Museum and Balkan for showing European films and to the distributors for distributing the European films (by the directors M. Armendariza, 2005; Lars von Trier, 2005; D. Bertrand, 2005; C. Cariona, 2005 and F. Ozon, 2005); from the "Euroimage podrzao devet projekata" (posted March 2006) available at http://www.fcs.co.yu. [Accessed 30 June]

14 According to "Pad posete bioskopima u SCG" available at http://www.b92.net/kultura/index.php?view=2&did=14659 [Accessed 7 June 2006]

European country where national films are on the top of the box office list. In 2002, *Zona* was in first place, while in 2003, *Small World/Mali svet* (d. M. Radović) and *The Professional* followed *Lord of the Rings - The Return of the King* (d. Peter Jackson) and were before *Matrix Reloaded* (d. Andy and Larry Wachowsky).[15] Furthermore, the officials explain that the blockbuster status achieved by Ivkova slava/Ivko's Feast (d. Zdravko Šotra) and *We are no Angels 2/Mi nismo anđeli 2* (d. Srđan Dragojević) in 2005 - both films are claimed to have more than 1 000 000 spectators or almost half of the total admissions - is the consequence of an aggressive and successful marketing campaign rather than of their quality.

International officials do not allow the ticket prices to be less than 2.5 euros[16] although a good pirate edition is available for only 1.5 euros (making it more economic to buy the pirate copy than to go to the cinema). In order to fight piracy, the recently formed film resistance movement, Metro Film, suggested the lowering of the ticket price. For certain projections it was recommended to be about 1.2-1.5 euros, i.e. cheaper than any pirate copy. But the majority of theater owners/exhibitors were very sceptical about the impact of such a desperate move that was put into practice for a very limited number of events. The newly introduced VAT rate of 18%, on 25 December 2004, further cut down income (Jovićević, 2005). Additional problems concern the lack of good or even decent international releases that are limited to festivals (and to the diaspora through web shopping and ordering) except for films of Kusturica or occasionally Paskaljević. The legal DVD editions are primarily pirate or cheap copies sold at *kiosks* that lead to the label *kiosk* culture. The TV release is very soon after.[17]

On 2 February 2005, the Association of Distributors and Exhibitors organized a round table with the symptomatic title "Serbian Cinema Theaters: Last Days and Defense/Srpski bioskopi: odbrana i poslednji dani". The diagnosis of the moment was very serious: "Piracy governs the market. More than 90% of all cinema sectors are held by "invisible people" that have connections with organized crime".[18] After fifty years of being a profitable and serious business, Serbian cinema was at the brink of collapse. By allowing piracy, Serbia and its government were/are losing some 30 million euros that could be a minimum contribution to the state budget. Officials were predicting that Serbia would soon be on "list 301" (with American sanctions) while

15 Cf. "Top 20 Theatrical Releases in Serbia and Montenegro in 2003" in: *Films from Serbia and Montenegro 2004*. Belgrade: IzF, 2004, pp. 57

16 The embittered distributors emphasize that the state is producing films to be seen by 5 000 spectators on average. Thus the average total income from the box offices - that is further split between various agencies - is 15 000 euros, or for top releases 250 000 euros.

17 For example *Ivkova Slava* was already on TV around New Year, just four months after theatrical release.

18 Cf. "Filmska mafija jača od dilera droge i oru€jem" (posted 2 February 2005) available at http://www.mediacenter.org.yu/code/navigate.asp?Id=6&from_date=1/1/2000&to_date=5/7/2005&content=&search=undefined&izvor=&offset=98

some 20 000 people would be left without a job. Import of foreign films would fall drastically and there would be no national production. More than two years after the murky prophecy, piracy is still blooming, people are still going to the cinema and national production revolves around ten films per year.

Cityscape in cinema

The films of the New Belgrade School (*cf*. Daković, 2004) play an important, even crucial, role in (re)shaping the cinematic cityscape (*cf*. Daković, 2002). The New Belgrade school is the name given to a group of filmmakers who were all born in the 1970s and studied at the Belgrade Faculty of Drama Arts and whose works possess stylistic and thematic coherence (from *We are no Angels/Mi nismo anđeli* (1992, d, Srđan Dragojević), to *When I Grow Up I want to be a Kangaroo/Kad porastem biću kengur* (2004, d. Raša Andrić), *South by Southeast/Jug/Jugoistok* (2005, d. Milutin Petrović), *Shaytan's Warrior* (d. Stevan Filipović) displaying the images of Belgrade/metropolis life and its spirit. The appearance of the school is conditioned by the changed modes of production, cinematic policy and new themes of the contemporary time. Unlike the old traditional school[19], the New (Belgrade) School follows the concept of global (Western and Hollywood) cinema and produces films connected with genre, auteur and star policy in the independent production mode. The films oriented toward local distribution and exhibition achieve huge popularity with the local audience. Their consistently self-consciousness texts are characterized by the saturation with quotations, allusions and references offering an escapist break and promoting cosmopolitan sensibility. The common denominator of the films is being great examples of urban films i.e. Belgrade narrative. In the obvious way urban film describes the story going on in the urban setting or the films charting the city topography. The genre is characterized by coherent urban discourse about popular culture, ideology, life-style, events, morals, identity and representations of sense and sensibility. The film texts express and articulate the new (cultural) identity of Belgrade - juggling urbicide and reurbanization (their conflict marking the city's history) - and the profile of national cinema. Departing from the standard genre practice and style, the New School breaks down "the traditional way of depicting reality". By the development of alternative codes and structures, the authors situate themselves "outside and against the atrophied and ideologically overburdened system" (Sretenović, 1996) of state culture. The new genre scope includes the horror,

19 The Old School develops after the model of national state art. The films produced by the state are the films of great narratives given in classical narration, building the representative corpus of the national cinema. They are aimed at international festivals and awards; the directors favor realistic topics (social problems; historical crises; national sentiments) shown with graphic naturalism.

neonoirs, zany comedies, metamelodramas that are all extremely self-conscious texts.

Although dominant since 2000, the film that set this trend in motion is *We are no Angels*, a teenage comedy that involves the stock characters of a pregnant girl in love, her best friend, the most popular guy in the town who finally becomes a happy father and his timid friend. The film contains an array of quotations from romantic comedies (a contrasting pair of friends with mirroring motives for action), Hawksian adventure stories (the film highlights the hero's hobbies and conquests), musicals (oneiric scenes are made as music videos), action films as well as the work of numerous authors from Curtiz (even the title alludes to Curtiz) to Wenders (the devil's angels bet). The cult film posters hanging on the walls are Dragojević's personal dedications recalling similar moments to be found in Godard and Almodovar, while the dialogue alludes both to high and low culture, quoting one moment Thomas Mann (*Magic Mountain*) and the next Barbara Sidney (female trash literature).

More recently, similar elements could be found in the work of Raša Andrić, a key member of the New Belgrade School. Andrić's trademark is the teen comedy saturated with quotations from urban popular culture like *When I Grow Up I Want to Be a Kangaroo*, that offers a comical re-enactment of the difficulties of growing up in Serbia today. It ends without any achievements for the heroes. They still have no jobs, money nor even find a place of their own to live; their status as part of a generation of losers being economically and geopolitically determined by merit of the fact that they live in Serbia. Nonetheless, the film fundamentally offers the spectator a moment of comic escapism, reminiscent of the Yugoslav romantically urban 1950s (*Saturday Evening/Subotom uveče*, 1957, d. Vladimir Pogačić), of the angry British 1960s as well as a homage to the New York stories of Wane Wang, along with references to Jarmusch and Tarantino.

One particularly exciting example of the new Serbian cinema that continues this trend is *Sheytan's Warrior*, directed by Stevan Filipović, a student of the Faculty of Drama Arts, but with such professionalism that it gained mainstream cinema distribution. Oriented towards a domestic youth audience, the film was greeted as the sign of the recovery of Serbian cinema, as an entertaining genre film and an example of "healthy cinematography" (Cvetković, 2006). *Sheytan's Warrior* is a rough around the edges bizarre genre venture, a "fantastic comedy" that combines the horror film with a teenage comedy. What the film lacks in professional finish (due to a certain amateurism or friendly basis) it makes up for in the telling of a good story. It recounts the discovery of an old magical book that falls into the hands of a troubled teenager. The secret of the book reaches back to the times of the Ottoman Empire. Its magic liberates a monster, *Sheytan's Warrior*, who has survived centuries. In present day Belgrade, three teenagers have to go into a final battle with the devilish creature.

Combining the everyday problems that teenagers face, like difficult teachers and troubles in love, with the country's mythical past, the film offers a highly original take on the youth film, reworking it and making it relevant to a contemporary Serbian teen audience, while also helping to overcome the nation's over-reliance on myth under the previous regime. An unconventional take on history, narrated through an international pop cultural idiom emphasizes the outward-looking nature of this new generation of filmmakers which is able to present the nature of life in Serbia today through universally-recognized genre formulae.

Analogous employment of postmodern genre hybridization is found in the critical reexamination of the recent history or nationalist turbulence set against the urban background and NATO bombing. In *War Live/Rat UŽivo* (2000, d. Darko Bajić) the *déjà vu* film crew, recognizable after the stereotypes established by *La Nuit Americain* (1973, d. Francois Truffaut) shoots the film during the bombing and argues over Adorno's dilemma: whether it is ethical to make films while people around you are being killed. The film builds a metanarration comparable to *The French Lieutenant's Woman* (1981, d. Karel Reisz), echoing *The Man with the Movie Camera/Chelovek s kino-apparatom* (1929, d. Dziga Vertov) and *Betty Blue/37.2 le matin* (1986, d. Jean-Jacques Beineix). *Land of Love, Truth and Freedom* is also set during the NATO bombing when the editor, a survivor from the bombed TV station sinks into neurosis and lands up in the asylum (claustrophobic underground shelter). The film develops a quadruple highly self consciousness structure that rejects the rural feudal and medieval national myth.

A few other films escape into genre idioms of gangster and ghetto film. The distinctive subgenre of *ghetto* films is represented in *One on One/Jedan na jedan*, (2002, d. Mladen Matičević), *Absolute Hundred/Apsolutnih sto*, (2002, d. Srđan Golubović) or *The Trap*, while the contamination with Kieslowski's decalogue structure is visible in the light ironic and moralistic tone of *71/2*.The films convey the same message, although the criminals mainly die, law abiding, moral heroes are inevitably driven into the "underworld" in the gray, bare ghettos. In the amoral and antimoral times hardly anyone stays with "clean hands".

The genre, theme and narrative dynamics of the New Belgrade School reflect and determine the dynamics of the changing city, its identity and cityscape. The majority of the production plays a passive role of reflecting and recording the reality changing according to its own laws and imperatives, while the minority has the privilege to additionally initiate and direct the changes. Thus, the double life of the city, the rechanneling of its energy and dynamic existence are part of the alternative/oppositional texts and their work - being supported and shaped by these.

Their constant employment of world cinema (genre and stylistic) idioms has threefold effect. First, they successfully rephrase and translate the Balkan identity[20] into world metropolis-like images. Second, the films testify to the persistent presence of world models and influences in art, media or cultural domains - in the art and media that in the 1990s was in collision with the political isolationism - becoming the site of the fight for globalization of the ostracized Serbia. Finally, through efficient symbiosis and inscription of the political within the cultural framework the cinema reveals and displays the political conflicts.

Premised by Jameson's theory (1991) of post-capitalism and postmodernism, Thomas Schatz (1993) explains New Hollywood as both the result and the symptom of cinematic postmodernism and American post-capitalism: "To understand New Hollywood, we need to chart the postwar phase and the concurrence of the blockbuster syndrome in American filmmaking. Our ultimate focus, though, will be on the post-1975 New Hollywood and its complex interplay of economic, aesthetic and technological forces". The New Hollywood style of postmodern textuality, among other things, was possible due to the changed economy and in reverse it brought a new financial structure and sky-high box office figures. In Serbia the new style is born in conjunction with the poverty of post-communism, ideological turbulence and overall transitional insecurity. But, nevertheless, it could be seen as an acculturated and adapted (to post-communism) version of Hollywood postmodernism, supporting Mikhail Epstein's claim that post-communism is a Russian (but also broader eastern) version of postmodernism. The optimism emanating from the new mise-en-scene, the extra-semantic value of the representation, thus able to accommodate the array of different meanings of the new

20 *Zona Zamfirova* that marked the reappearance of the "national"commercial quickies after a long time, as well as the revival of the wave of comedies, is also an interesting example of the role of cinema in the rearticulation of city identity. The film is in many ways a great symptom of the cultural and political context of the moment, working on many levels to change cultural and other identities. Made as the adaptation of the famous novel of Stevan Sremac - even today featuring in elementary school literature - the film is set in Niš. Being the second largest town in Serbia, Niš finally produced a film about its own history, values and tradition becoming engaged in the fight for the cultural decentralization and demetropolization of Serbia.The film begins with an added monologue of Sremac as the narrator of own novel, who introduces the prosperous town at the crossroads of Orient/tradition and Europe/modernity. The plot of romantic comedy uses local ethno colors, oriental iconology, and vivid language full of Turkish words in all their diversity and richness. In a double maneuver it bases its popularity upon, as well as it popularizes, oriental sensual melos and dances creating the naive eroticized exotic charm of the fringes. The narrated plot is framed by the view of the advancing modernization of the Austro-Hungarian monarchy that collides with the oriental vanishing present that automatically acquired nostalgic aura. The dual city portrayal testifies to the opposing identities of the spaces squeezed between the Orient and Europe, the exotic East and the pragmatic West as well as about changing cities.

era (from political to psychological), contrast with the gloomy pessimism of the downfall of the cinematic infrastructure. The same fruitful controversy lies at the core of the New Belgrade School and the changing Belgradescape.

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The Position of Cultural Resources in the Urban Regeneration Process Case study: Pančevo

Snežana Krstanović

Introduction

In this paper, following the trend of urban regeneration, we will see how arts and local cultural resources in one Serbian urban community - Pančevo, may present a strong basis for a more integrated urban public policy.

The main research question of this paper is: "How can local cultural resources support the urban regeneration process in Pančevo?" We will try to see in what way the cultural policy and the cultural sector as a whole are involved in the development of Pančevo municipality.

This paper argues that integrated urban public policies (in which cultural policy holds an important position) could better achieve the urban regeneration of Pančevo. On the other hand, this paper argues that local cultural policy in Pančevo could take a more proactive role in achieving sustainable local development.

Targeting developmental problems and key actors in Pančevo

The municipality of Pančevo is one of the most important urban, cultural and economic centers of South Banat, Vojvodina, situated 15 km north-west of Belgrade on the rivers Danube and Tamiš. Pančevo has maintained a typical Panonian town center and traditional rural culture. It consists of the city of Pančevo and nine vilages. It has a very good transportation system and is connected with a developed network of highways.

The 2002 census shows that Pančevo had 127 162 inhabitants. The Serbian majority accounts for 76.4% of the population, the rest being from 23 national minorities. The greatest share of ethnic minority population includes: Macedonians -

5 276, Romanians - 4 065, Hungarians - 4 037, Yugoslavs - 2 992, Slovaks - 1 578 and Roma - 1 392.[1]

Pančevo has a long history of industrial production. The Weifert brewery, established in 1722, is the oldest in the Balkan region. The following industries have also been developed: chemical industry, oil industry, metal industry and agriculture with food production.

The total number of employed is 34 771 of which 83.1% work in enterprises and public institutions. Only 16.9% of employees are self-employed.[2] Bearing in mind that there are 20 000 unemployed, mostly young people, developing a service sector and other types of self-employment through small and medium-sized enterprises (SMEs) could be the way to preserve the economic sustainability of Pančevo. There is a need to empower young people by raising their skills and self-esteem in order for them to take-up the initiative to work.

The GDP of the southern Banat region has a share of 6.95% in the national GDP and 22.75% of Vojvodina's GDP. Pančevo has the highest share in regional GDP of 74.6% that makes GDP per capita higher than the national average. The most dominant industry in this GDP share is chemical industry, followed by agriculture with the service sector in third place.[3]

Pančevo still faces problems that are affecting further development and they may be described as:

- The major problem of industrial pollution;
- 20 000 unemployed with over 50% of them that are not searching for a job;[4]
- a lack of youth programs - cultural opportunities in Pančevo are limited, and as use of leisure time may be characterized as passive, it is necessary to offer more participative cultural programs that would affect the personal motivation, creative expression and self-esteem of young people through participation in social life and the creation of new personal opportunities;
- the strong ethnic distance and value system shown among young people that can create further ethnic conflicts. The ethnical composition of Pančevo high-school pupils shows 25% minorities in relation to the overall population. With this composition in mind, the present social distance among young people is alarming. A climate of intolerance is present and there is also a high level of self-criticism - "auto-aggression" among those of Serbian nationality. The value

1 Republički zavod za statistiku Srbije. Opštine u Srbiji (Statistical Bureau of the Republic of Serbia. Serbian municipalities). Beograd: Republički zavod za statistiku Srbije, 2003.

2 www.rpkpancevo.com, accessed on 17 June 2005.

3 Ibid.

4 Interview with Suzana Jovanović- Municipal council member, Pančevo.

> system of the young generation is untypical, more suitable for older people as they present values of authoritarianism, holism and traditionalism. These values are much more present among Pančevo youth than liberalism.[5]

The municipal public administration is trying to set up and coordinate projects in order to achieve greater social inclusion. These initiatives show the municipal will to be proactive on the local scene. They are preparing to take over the responsibilities and duties of a new law on local self-government and to adopt European practices in local government.

Pančevo has a tradition of civic organizations. To this day there are organizations that are active and covering all domains of municipal life. As pollution is the biggest problem affecting all inhabitants of Pančevo. 15 NGOs from Pančevo joined their efforts in the NGOPVO (this is the name of the network) network in 2004 to lobby for the environmental protection of Pančevo. Their main demand is to be involved in the problem-solving and decision-making process. Still, this problem is impossible to solve at a local level or even at a national level because it requires the investment of around 360 million euros.[6]

Among the key actors in the process of municipal revitalization is America's Development Foundation (ADF) that is implementing the Community Revitalization through Democratic Action (CRDA) Program. ADF/CRDA succeeds in establishing stronger relations between the local government and citizens. It has empowered citizens' participation and the establishment of public-private partnerships. They are the ones that have produced the positive conditions for the urban regeneration process in Pančevo.

Potentials of cultural resources in Pančevo

Pančevo has a variety of traditional arts and crafts as a multicultural community. It also has a very rich historical heritage. As a leading industrial city it also has a rich industrial heritage. Pančevo is institutionally very well covered. Nowadays there is the potential to develop cultural industries as the modern visual scene is developed - comics, animation, video and film art and the music scene. Different kinds of festival and celebrations are traditional. The existing cultural elite is delivering and satisfying the basic cultural needs of the community. The Cultural Center, Youth House and music schools (primary and secondary) can be seen as the main cultural organizations delivering social capital.

5 Vukajlović, Vladimir. Kulturne potrebe Pančevačke omladine: osnovni rezultati sociološkog istra€ivanja (Cultural Needs of the Pančevo Youth: basic results of a sociological research). Pančevo. 2003.

6 Interview with Sne€na Kolar - Member of NGO "Great Little" - Initiative of Specialists for Helping Children with Special Needs and NVOPVO.

We may agree that Pančevo has rich cultural conditions. There is a creative "milieu par excellence" that could also give higher economic results, not just cultural. On the other hand, territorial conditions are polarized, meaning mainly that cultural resources are centralized, without adequate delivery of cultural resources to the huge rural area of the municipality. Still, creativity presents a set of emergent phenomena, not very well incorporated into local cultural policy. Local cultural policy did not succeed in closing the creative production value chain. Nevertheless, the effects of cultural policy reveal a certain cultural wealth. Pančevo is a positive example of creative and cultural vitality in Serbia. It is positioned on the cultural map and with greater support could achieve even wider recognition. This creative milieu, in combination with heritage and cultural distinctiveness, is a high ranking development potential. Despite the difficulties and gaps in cultural management, existing self-criticism and awareness of it is a good starting point. Pančevo vitality and initiatives run in other sectors, and are just waiting to be interconnected for a real urban regeneration process to begin. In order to achieve both cultural and economic development a higher level of "engineering" of specific "creativity-relevant" policies is necessary in order to present a key element in local development, and to enhance the territorial resources.

Pančevo tourist organization is working on a strategy to attract tourists. However, no visible results have been acknowledged so far. There is no precise evidence of tourist visits, especially foreign ones. Even large cultural events have not up till now attracted more guests to Pančevo.[7]

The World Tourist Organization anticipates that in the next two decades cultural tourism, adventurous tourism, eco-tourism, cruise tourism and visits to theme parks will be the most popular types of tourism. The interest in youth and voluntary tourism, which are often connected to educational and cultural tourism, is also growing.[8] With this tendency in mind, Pančevo has great tourist potential.

The southern Banat area has several rivers: the Danube, Tamiš, Nera, Karaš, Brzavica and Moravica, that along with Danube-Tisa-Danube channel and a number of lakes near Bela Crkva present natural resources for eco-tourism.

A rich historical heritage consists of important civil and religious objects that could be utilized as an important tourist potential. There is also the Starčevo archaeological site with a long cultural tradition in Pančevo. Especially important are the National Garden, the Red Warehouse and the building of the first Balkan brewery. These three important heritage monuments of Pančevo's industrial period are part of the collective memory that would require special revitalization measures. In recent

7 Interview with Pavle Djukic - President of the tourist organization of Pančevo.

8 Hadzić, Dr. Olga. Stejkholderski pristup upravljanju odr€ivim razvojem kulturnog turizma: doktorska disertacija. Novi Sad: Univerzitet u Novom Sadu, 2006.

years, a trend has started of revitalizing objects of industrial heritage and transforming them into tourist attractions. This enables tourists to see the economic and scientific development of a particular country or region.[9]

The old industrial area of Pančevo has major social and economic significance for the whole region. In recent years, the local community has begun to understand the importance of industrial heritage, and their interest in rehabilitating this area as a cultural and business center is increasing. The large area that would be rehabilitated in this project offers good opportunities for new sustainable uses. Apart from the silkworm farm, all buildings in the old industrial area Pančevo are listed as monuments of culture. The rehabilitation of objects brings the need and opportunity for social use and sustainable development, for example through the creation of work places, promotion of other activities, e.g. tourism, commerce, information, museum activities etc.[10]

Contemporary cultural life in Pančevo is marked by numerous festivals, from contemporary urban programs to festivals that celebrate rural culture in the villages. Such diverse and dynamic festival events present an interesting tourist opportunity that could also be used more interactively (learning old crafts, local cuisine, songs and dances characteristic of the area and so on).

The potential of the cultural sector and its resources, along with the environment, have been recognized. This presents a paradoxical situation. However, despite high pollution levels, which can be seen as an obstacle to tourism development and general living standards in this region, the environment is still very rich and could present development potential. Decontamination is possible and to be expected, and the cultural sector is to be developed to take over part of the economic benefits that are currently delivered by the chemical industry sector. Such a paradoxical situation could be resolved by organizing research/scientific programs as part of the cultural, educational and tourist offer.

Placing local cultural resources in the center of the development process

It is evident that the cultural sector has done a lot to recreate the image of Pančevo, giving it a positive and almost prestigious image in Serbia. Creative industry in

9 Had€ić, Dr. Olga. Stejkholderski pristup upravljanju odr€ivim razvojem kulturnog turizma. Doktorska disertacija (The Stake-holder approach to the management of a sustainable development of cultural tourism. Ph.D. Thesis). Novi Sad: Univerzitet u Novom Sadu, 2006.

10 PTA of Old Industrial Area Pancevo, 2006 http://www.coe.int/t/e/cultural_co-operation/heritage/technical_co-operation_and_consultancy/3._projects_and_programmes/PTA_Serbia(SerbiaandMontenegro)_Pancevo_APP.pdf?L=E [accessed on 23 May 2006].

Pančevo has great potential that needs to be supported in weak spots of the value production chain: funding, participation, promotion and distribution. This is just one of the aspects where culture has proven its capability, but it can still offer much more.

Key cultural strategies that in combination would support integrated urban policy are:

a) competitive profiling strategy - social inclusion through participation and audience development;
b) quality achievement strategy - support for quality development - achievement of excellence in animation-multimedia art branch;
c) linkage strategies - orientation towards partnership/co-productions and internationalization.

The creative sector of Pančevo is very well developed, producing visible personal benefits. Still, the creative sector could have much more impact on empowering the local community and give better social and economic benefits. In order to achieve greater arts and cultural benefits, the cultural sector should establish stronger partnership relations with other sectors.

- The social sector - the cultural sector should set up programs for empowering vulnerable groups in order to achieve greater social inclusion generally.
- Stronger cooperation with the NGO sector would raise citizens' participation and involvement in cultural life and also in the decision-making process in order to improve living conditions. Together they also could make an impact on social inclusion programs and empowerment of vulnerable groups by raising their self-esteem and improving working capacities through know-how and training programs. The development of a volunteering program is necessary for successful implementation of the regeneration program and it would increase both personal and social art and cultural benefits.
- The cultural sector could achieve greater personal and social benefits through establishment of a stronger partnership with the educational system in the municipality. By offering extracurricular classes and specially adopted programs, the cultural sector would increase its audience and also develop youth creativity, as well as generate better interpersonal and intercultural relations.
- The economic sector: Pančevo's cultural sector shows creative potential that could develop creative industries and tourism. As these industries have economic potential, stronger cooperation with the business sector could create positive conditions for its development. By joining forces these two sectors could exchange know-how on matters of business planning and the creation of a positive image for the municipality of Pančevo. Developing sponsorship

relations could bring to programs a stronger partnership where they, for example, could work together on capacity building of employees.

In order to increase the total benefits of the arts and culture sector, the cultural sector needs to open more towards society. For this its priorities should be:

- development of community development work;
- support to creative industries and tourism (video, comics, music);
- inter-sector cooperation and public-private partnerships;
- cross-border cooperation and promotion.

Conclusions

Pančevo local cultural policy has achieved strong results in supporting a network of cultural institutions along with arts education in specialized schools, creating a cultural scene driven by many artists and young talents. This cultural scene has the potential to increase in the cultural market and productive creative urban environment that also, with the help of clear policies, should lead to the development of creative industries and cultural tourism.

Nevertheless, an active social inclusion policy should be the priority for local cultural policy through establishing pro-active partnerships with other public policy domains that have proved to be more active in Pančevo than the cultural sector itself. Marked interethnic distance could be an obstacle to the regeneration initiative. Urban regeneration in Pančevo cannot be carried out without cultural intervention in social problems. A main precondition for this process is the re-education of managerial staff in cultural institutions in order to support regeneration in a creative, animated and innovative way. At this moment, the NGO sector and local government, along with the business community, the center for unemployment and other more modernized state actors are showing more vitality.

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City Regeneration Policies and Practices
Case study: Skopje

Dona Kolar-Panov, Violeta Simjanovska and Katerina Mojančevska

It is easy to put into Macedonian context the argument put forward by Franco Bianchini who says that: "Planners and policy makers have regarded culture simply as a resource to be exploited, rather than a critical and creative force that questions ways of thinking and working and [which] could inspire a fresh approach to urban planning and policy" (Bianchini cited in The European Task Force on Culture and Development, 1997: 94). Even more easy is to agree with the assertion further in the text that: "A culture of creativity needs to be included into policy-making at a city level which facilitates cooperation between artists and architects planners and the public, for without a cultural dimension can a city be revitalized?" (ibid).

Accordingly, we would like to argue in this paper that for the revitalization of a city like Skopje a careful cultural planning approach is necessary, meaning that when urban development strategies are being formulated, a cultural perspective would be at the heart of the policy, rather than being only a peripheral consideration.

In order to better understand the complexity of the situation (and the tenacity of it), regarding the question of the regeneration of Skopje, we firstly have to outline the main characteristics of a current situation in a cultural field in Skopje (and often in Macedonia), as well as outline the problem areas, challenges, the objectives and the visions for the cultural future of Skopje.

Skopje: The political, economic and social image of the city

Skopje is the capital of the Republic of Macedonia and represents the largest political, economic, educational and cultural center in the state. Its original name Skupi dates back to 695 A.D. at the time of the arrival of the Slavic tribes in the Balkans. Throughout its history it was often conquered, destroyed, rebuilt, and struck by

natural catastrophes such as earthquakes, floods, etc. After World War II, the city started gaining a contemporary appearance and at that time all its main cultural institutions were established. However, on 26 July 1963 Skopje was struck by a catastrophic earthquake that left the city in ruins, and destroyed almost all of the city's cultural places. It was thanks to the solidarity of people from all over the world that Skopje was rebuilt and renewed (www.mymacedonia.net/gradovi/skupi.htm).

Skopje lies on the banks of the river Vardar with an area of 1 818 square kilometers.

According to the Population, Households and Dwellings, 2002 Census for the Republic of Macedonia (State Statistical Office of the Republic of Macedonia, 2002), the population of the city is 506 926 inhabitants. Skopje is divided into ten municipalities.

Skopje mirrors the multiethnic and multicultural composition of Macedonia with its population of 66.75% Macedonians, 20.49% Albanians, 4.63% Roma, 2.82% Serbs, 1.7% Turks and the rest Vlachs, Bosnians and others (ibid). The minorities are represented with more than 50% in three municipalities, in two municipalities the minority is Albanian and in the third municipality the minority population is Roma.

It is often estimated that approximately 750 000-800 000 people live in Skopje, as Skopje is labeled as "the most desired place to live in Macedonia". Because of this, the city is characterized by heavy urbanization and strong migration from the center to the periphery which causes the city's urban parts to slowly merge with the neighboring rural municipalities. This trend increases the poverty, social exclusion, the spatial and social divide, as well as polarization between rural and urban population. In a nutshell, Skopje is growing into a multicultural, multiethnic center that will eventually grow into a metropolis with all its problems and advantages.

Mapping the cultural scene in Skopje

Skopje is a network of national and local public cultural institutions, independent institutions (civic associations and institutions), as well as private initiatives, schemes and programs that appropriately express the national and local interest for culture. The present division of the institutions in respect of their areas of interest is in compliance with the general classification of cultural areas and cultural policies as categorized by the Ministry of Culture of the Republic of Macedonia and the City of Skopje as a local self-government unit.

In accordance with the Law on Culture (Government of the Republic of Macedonia, 2003) and the 2004 National Program for Culture (Ministry of Culture, 2004a), in 2005, from an existing 115 national cultural institutions a new network of

cultural institutions was established. The network consists of: 51 national institutions, 48 local institutions, two of the institutions were privatized, one was established with another Act and has a special status, and 13 institutions were "rationalized" by merging.

In Skopje there are 24 national (47% of the total in Macedonia) and eight local cultural institutions (16.7% of the total in Macedonia) - all of them situated in the central part of the city. Under the city's jurisdiction are also: the Universal Hall, built in 1966 which is the cities largest cultural venue, as well as the City Zoo, established in 1926.

The following is the list of cultural institutions in Skopje according to their activities:

Performing arts

- National cultural institutions: Macedonian National Theater, established in 1945 (www.mnt.com.mk); Macedonian Opera and Ballet - major and minor stage (these spaces are still used for implementation of various projects other than just theater performances); Theater of the Nationalities: Albanian and Turkish Drama companies, established in 1950; Drama Theater, established in 1946; Theater for Children and Youth, established in 1990.

In addition, several traditional theatrical festivals and other theatrical events and activities are being financed from the budget of the Ministry of Culture, such as: the "MOT" International Theater Festival and SKOMRAHI - an international meeting of students of faculties and academies of dramatic arts, both in Skopje.

- Local cultural institutions in Skopje consist of: the Youth Cultural Center (MKC), the Independent Dome in the "Universal Hall" and the Avtokomanda Theater that is part of the "Kočo Racin" Cultural Center in Skopje.

The performing arts activities financed by the City of Skopje are the following: the "MOT"- International Theater Festival and the "White Nights" Festival.

- Private performing arts companies: there are three private theater companies. However, two of them are inactive at present, because the members of the theater group live abroad. Their activities have been mainly sporadic and irregular.
- Independent theatrical institutions (civic associations and institutions): there are ten theatrical organizations or groups that also work with theater activities (to mention the most important ones - PAC Multimedia, Tocka, Lokomotiva, Theater Cekori, Rubikon etc.). These organizations are mainly financed through foreign donations and international funding.

Libraries

- National cultural institutions: the National and University Library “St. Kliment Ohridski", established in 1944.
- Local cultural institution: the City Library “Braka Miladinovci”, established in 1945.
- Private cultural institution: at the moment, the first private library is in the process of establishment. This library will be part of the publishing house Tabernakul.

Cinemas and cinematographic activities

- National cultural institutions: there are no state-owned cinemas. However, the production house “Vardar Film” and the largest distributor in Macedonia “Macedonia Film”, as well as the Cinematheque of Macedonia are state-owned.

Also, the International Skopje Film Festival (established in 1998) was until this year (2006) financed from the budget of the Ministry of Culture. Because the festival will no longer be financed from the state budget, its very existence is in question.

- Local cultural institutions: there are no cultural cinematographic institutions at the local level at the moment.
- Private cultural institutions: there are six private cinemas, one private film distributor and twelve private production companies.
- Independent cultural institutions: the Association of Film Workers, Film Youth of the Republic of Macedonia and Film Youth of Skopje all function as independent civic associations and institutions.

Museums and art galleries

- National cultural institutions: the Museum of Contemporary Art was established in 1963 after the catastrophic earthquake that left Skopje in ruins. It is important to note that among other significant works of art, the museum owns the only painting by Picasso in Macedonia - “A Head of a Woman” from 1963. However, this painting has only been exhibited in the museum on two occasions since its acquisition. Because of inadequate conditions in the museum’s exhibition space the painting is permanently protected in the museum’s storage area; the Museum of Macedonia; the Museum of Natural History in Macedonia was established in 1926; the National Art Gallery has two premises: the Chifte Amam - a cultural monument dating from the 15th century and the Daut Pashin Amam, adapted in 1948 to be an art gallery.
- Local cultural institutions: Museum of the City of Skopje, established in 1949.

- There are many independent institutions registered to perform art-related activities. Just to mention the most active and important ones: the Center for Fine Arts; the Center for Contemporary Art - CAC; 359º - Gallery "Mesto"; ICON; others.

Music and other stage performance related activities

- National cultural institutions: Macedonian Opera and Ballet; Macedonian Philharmonic Orchestra; the professional folk ensemble "TANEC".
- Local cultural institutions: Youth Cultural Center, established in 1972; Cultural and Information Center, established in 1967; Cultural Center "Kočo Racin"; Children's Cultural Center "Karpos", established in 1955.
- Private institutions: Skopje Jazz Festival, Lithium Records, The Red Dragon, Studio Dimitrovi, just to mention the largest and most important ones. Music-related businesses form the largest number of registered companies that are part of a growing cultural industry in Macedonia.
- Independent civic associations and institutions: this part of cultural life is the most active one. There are more than 20 organizations and initiatives that exist in the city and they are all independent and not-for-profit organizations.

The most significant musical events in Skopje are: "The May Opera Evenings", organized by the National Opera House in Skopje; "Days of Macedonian Music", "The Skopje Jazz Festival", The Skopje Summer Festival - "Skopsko leto" and "Synthesis - Music of the 20th Century". All of the listed festivals have an international character.

Cultural industries

The development of cultural industries in Macedonia is primarily influenced by the size of its market, which is very small, and therefore the production of cultural goods is negligible according to European and world standards. Secondly, despite the Copyright Law (Government of the Republic of Macedonia, 2005) introduced in Macedonia in 1996, there is widespread piracy, which further influences the already small production of cultural goods and negatively affects the development of cultural industries.

Publishing

All the publishing houses that were previously state-owned are now privatized. However, there is state involvement in publishing through the Department for Publishing at the Ministry of Culture. In this way the Ministry subsidizes publishing-related projects that are considered to be of national interest, and it also promotes the national interest in the long term, as well as the short-term publishing strategy in the Republic of Macedonia. This includes books, magazines and other

publishing projects, both in print and electronic form. However, electronic publishing in Macedonia is still in its early stages.

Music

We might say that the most developed cultural industry in Macedonia is the music-related one. There are a large number of artists performing all kinds of music, as well as a large number of producers and production companies. However, most of the companies are only local branches of the regional companies that have their head offices in Belgrade or elsewhere in the region. Of course, these companies are more interested in developing their regional business then in developing this segment of cultural industry within Macedonia.

Film

The film production scene in Macedonia is a very active one. However, it is still far from being an industry. The strong independent film production, often in co-production with foreign producers, for the period 2002-2006 was also supported by the Ministry of Culture and has produced nine significant movies out of which some won international recognition. For example: *Bugs* by Igor Ivanovski-Izi (2003), won the special award at the St. Petersburg Film Festival; *The Big Water* (2004) by Ivo Trajkov, was nominated for an Oscar in the category "Movie from a non-English speaking area"; *How I've Killed a Saint* by Teona Mitevska (2004), won a Grand Prix at the Festival in Linz-Austria, as well as a Male Leading Role Award in Sarajevo Film Festival.

In 2005, two more movies were produced: the co-production *Karaula* by Rajko Grlić, and *The Navel of the World* directed by Igor Ivanov-Izi. An additional three movies directed by well-known Macedonian directors are planned to be filmed in 2006: *Bones* by Milcho Mancevski, *The Balkan is not Dead* by Aleksandar Popovski and *I am from Titov Veles* by Teona Mitevska. There is an increased national and international interest for investment in this industry, which might mean an increase in film production for the future.

Internet

Macedonia is still far from having an Internet-related industry, mainly due to the fact that only a very small number of the population have access to the Internet. This is a result of the high prices for Internet connection and the relatively high prices for the basic equipment which makes Internet connection a kind of "luxury" rather than a need for the impoverished Macedonian population. Most of the Internet providers are situated in Skopje (see Kolar-Panov, 2002).

Media

The print media market in Macedonia is a very healthy one, bearing in mind that the first independent newspaper was published in Macedonia in 1995. At present there are 12 daily newspapers, 7 of which are published in the Macedonian language, 3 in Albanian (2 of those are Macedonian editions of Kosovo-based newspapers), 1 in Turkish and 1 in the Roma language. There are also 21 weeklies, 10 biweeklies and there are a large number of magazines aimed at niche audiences out of which 21 are children's magazines. All of the printed media are privately-owned. From 2003 the majority shareholder in the three largest dailies, all published in Skopje, is the German-based conglomerate VAC, which is also the first foreign investment in the Macedonian media. However, in spite of the strong print media market, on-line journalism is still largely undeveloped.

The electronic media market is somewhat chaotic, with 5 commercial and 3 public television channels at national level, all in Skopje; 50 television channels at local level and numerous cable television providers, out of which 12 local commercial television stations are based in Skopje. There is also 1 satellite (public) television channel, mainly aimed at the Macedonian diaspora. In addition there are: 1 public radio at national level (with multiple channels) located in Skopje, 3 commercial radio stations at national level out of which 2 are located in Skopje, and 29 local public radio stations out of which only one is located in Skopje. There are also 65 local commercial radio stations in Macedonia out of which 18 are located in Skopje. The public television's second channel broadcasts in the languages of minorities. There are other numerous commercial radio and television channels that broadcast in the languages of minorities, out of which two television channels based in Skopje that broadcast in the Roma language, making Macedonia the first and only country with television channels in Roma.

As the cultural policy makers in Macedonia consider the media to be only marginal to cultural policy, there are no cultural strategies for national or local development of the media in the future.

Advertising

The advertising industry is very weak, mainly because most of the advertising agencies are only branch offices of the larger regional advertising businesses. Again, this is mainly due to the relatively small Macedonian market, but also because of the very low disposable income available to the population. This makes the advertising market unattractive to international advertisers and leads to the ugly practice of commercials on television being broadcasted in the Serbian language with Macedonian subtitles.

Architecture and urban planning

State policy regarding architecture and urban planning is largely inadequate. Architecture and urban planning are still under the jurisdiction of the Ministry for Urban Planning and Construction. Today, there is a complete lack of order in this area, resulting in uncontrolled and unplanned construction and building everywhere in the city. Because of this, many of the diverse mahalas in Skopje, such as: Debar Mahala and Madzir Mahala, have been destroyed or turned into architectural nightmares.

Cultural heritage and cultural tourism

Skopje has a rich cultural heritage from all periods of its history. The most important ones are: the Fortress "Kale", the Mustafa Pasha Mosque - one of the most beautiful mosques in the Balkans, St. Savior Church, the Old Skopje Bazaar, Kurshumli An, Suli An, Chifte Amam, Kapan An, the archaeological site of Skupi and the Monastery Church of St. Panteleimon (in Nerezi village on Vodno mountain). However, due to the lack of funding and often inadequate cultural policy, there is only incidental investment into the preservation and promotion of these cultural heritage sites. For example, the recent reconstruction of the city's landmark, the Stone Bridge, was fraught with controversy and heated public debates and is still not completed. As for cultural tourism, regardless of its rich cultural heritage and its natural beauty, Macedonia is still not considered as a desirable tourist destination for European, let alone world travelers.

Foreign cultural centers

Skopje hosts a large number of foreign cultural and information centers. Among them, the most important ones are the French Cultural Center, the British Information Center (that in 2000 has become the British Council), as well as the Japanese, the German and the Italian Cultural Centers.

Outlining the problem areas of the national and local cultural institutions in Skopje

As cultural policy has a low priority for the present Macedonian Government, the national and local cultural institutions in Skopje can be seen as instrumental in the transformation of a city's image. Skopje has an urgent need as well as the potential for cultural development in the areas of cultural and urban regeneration. However, the problems that the cultural institutions are faced with are deeply rooted and persistent. Here are the main problem areas that need improvement: the existing infrastructure is in poor shape; there are weaknesses in the general management of cultural institutions; there is extremely poor human resources management; there is a general

lack of and use of new technologies to an extent that most of the cultural institutions do not have a functioning web page, let alone access to their digitalized content; isolation - insufficient attention is paid to networking with other institutions from the country and the region; there are barely adequate partnerships with the other two sectors: the private sector and the NGO sector; there is insufficient inclusion of culture-related topics in the regular curricula of schools and universities; the inadequate cultural policy only accentuates all the above.

Mapping the sectors in the cultural arena in Skopje

The public sector

The Republic of Macedonia, as a member country of the Council of Europe, has prepared a National Cultural Policy, which was presented as the four-year National Program for Culture (Ministry of Culture, 2004a). The draft of the national program was a subject of public debate for several years, and due to the difference in opinion held by different political entities, it was only finalized in 2004. This is the first document of its kind in Macedonia, since its independence in 1991.

The Ministry of Culture has created a "List of Priorities in Culture" as an integral part of the national program and these are:

- decentralization;
- balanced support for cultural heritage and the new developments in contemporary society;
- improvement of the management of culture;
- affirmation of the cultural identities of minorities;
- cooperation with the non-governmental sector;
- international cooperation and, particularly, cooperation with neighboring countries.

It is also important to mention that the Republic of Macedonia, since it proclaimed its independence and sovereignty in 1991, has again centralized the already decentralized cultural institutions and organizations. Even if it seemed a logical step to take in the first years of independence, later on this centralization brought many problems. The Ministry of Culture was the sole institution that was responsible for all of the state cultural institutions, creating a strong centralized system that also included the financing of culture. The Ministry of Culture therefore financed all of the activities and needs institutions might have, including: salaries for employees, material expenses, programs and activities, etc. In such a system, the institutions depended largely on the decision-making mechanisms that existed in the Ministry of Culture (see Ministry of Culture of the Republic of Macedonia, 2004b:15). We must

mention that in compliance with the Law on Culture of 2003, the decision-making power was still in the hands of one man - the Minister of Culture. Generally, we can conclude that the period between 2002 and 2005 was a period without any general cultural policy, a period with strong centralization, unclear responsibilities, and where the emphasis was on old schemes of bureaucratic, institutional financing.

In June 2005 the responsibility for eight cultural institutions in Skopje was transferred to the local authorities, and from that moment onward the City of Skopje has been formally in charge of the creation of its own, local cultural policy, that needs or is expected to be in agreement with national cultural policy. However, with the transfer of competences, unfortunately up until now (April 2006) no local cultural policy has been created in Macedonia. It can be argued that having no policy can, on the other hand, be a policy.

It is well established that in the process of creation of decentralized and local cultural policy it is necessary to touch upon issues concerning the mechanisms of transfer of authority. These imply the transfer of jurisdiction and issues related to human resources, with a precise simulation models for calculating the fiscal capacity (for the objectives of the decentralization policy in culture see: Katunarić, 2003). However, in Macedonia different questions regarding decentralization are often asked by foreign experts, such as:

> [W]ill the issue of decentralization be placed at the top of the agenda by the new government? Will arm's length bodies be introduced to replace the council of experts within the Ministry? Does the new government or the new Ministry of Culture also consider decentralization policy appropriate in view of the strong tendency towards the creation of an ethnically based dualistic system of cultural policy that is centralized and hierarchical? (Katunarić, 2005:43)

It only remains to be seen how the new government (elections were in July 2006) will continue to address the issues of decentralization in culture. In the present situation when decentralization of culture is in process (particularly in Skopje) it is of outmost importance to continue pushing ahead with changes and to create a set of comprehensive local cultural policies.

The planning of local cultural development is one of the key instruments for local cultural policy. The plan for the development of culture in one municipality represents the indicator of the conditions in which culture is established in that particular environment. However, in practice, it all works differently: in Skopje having a plan is one thing, implementing it is another.

Skopje is a network of some 24 national and 8 local cultural institutions, all of them situated in the central part of the city. The cultural policy of the City of Skopje should deal with de-metropolization and de-etatization of the center-periphery axis on the

municipal level, as well as with decentralization towards the other parts of Skopje in order to revive even the most distant urban parts - especially if it wants to provide social inclusion and urban regeneration in all its segments.

Presently, the cultural development of Skopje is being planned through the Program for the Activities of the City of Skopje, where the Unit for Culture, as a part of the Department for Public Activities and in compliance with the "Decision for the Organization, the Scope and the Manner of the Implementation of the Activities of the City of Skopje's Administration", among other things is responsible for the following:

- the preparation of the program for the organization of all cultural events and activities;
- the preparation of a program for institutional and financial support for the cultural institutions and projects that are of significance for the City of Skopje.

The Mayor of the City of Skopje takes care of and secures the implementation of the program, whereas the City of Skopje Council's Commission for Culture monitors its implementation, and is responsible for undertaking initiatives, evaluation and submission of suggestions related to the implementation of the program's goals and activities. The work of the Unit for Culture should be in congruence and cooperation with the Units within the Department for Spatial Planning and Design, the Department for Local Economic Development, and especially with the Department for International Cooperation and the Unit for Cooperation and Support of the Civic Associations and Foundations.

Cultural policy and urban regeneration of the City of Skopje: objectives and actions

In the period between 2002 and 2005 Skopje had two mayors belonging to two different political parties. At the local elections in April 2005 an independent candidate won the elections, thus replacing the mayor that had held that position for two terms (eight years).

In the late 1990s and early 2000 not much was happening regarding urban and cultural regeneration of Skopje mainly due to an unfavorable political climate which, as is well known, resulted in ethnic conflict in Macedonia (Atanasov, 2003).

After the conflict in 2002, projects for the urban and cultural regeneration of Skopje gained new currency. As a first project the medieval Fortress Kale was reconstructed, with an attractive space (in the form of an amphitheater) for summer stage and other cultural performances. In 2004, two major reconstructions of vital urban spaces were carried out: the reconstruction of the city's main square and of the

pedestrian zone in the street "Macedonia". These reconstructions gave the city two new urban cultural spaces in which various cultural events and activities can be organized. Today, the main square in Skopje is the largest city square in the Balkans with its 17 000 square meters.

Furthermore, the right bank of the river Vardar was developed into an attractive boardwalk, with jogging and bicycle trails, while the part located in the center of the city has turned into a popular meeting place with numerous outside cafés.

The unfinished projects for the revitalization of Skopje, started but left unfinished, by the previous mayor, are the reconstruction of the above-mentioned Stone Bridge, the landmark of the city (connecting the main city square with the Old Bazaar), which is still not completed due to the dispute between architects, historians and conservationists about its final appearance. In addition, the construction of a fountain in the main city square is yet to happen, as well as the finalization of the construction of the international bus terminal and the development of the left bank of the river Vardar. The development of the left bank of the Vardar is seen as a priority, since the river divides the city in two parts which is often perceived to also divide the city ethnically: the right side with a majority Macedonian population and the left side with a majority Albanian population. The reconstruction of the Old Bazaar, located on the left bank of the river, mentioned later, is seen as one of the main priorities for the regeneration of the "left side" of Skopje.

The new mayor proposed a program for the cultural field for the next four years, and this has seven basic objectives:

- to secure an active position for the City of Skopje towards meeting the needs and interests of citizens in the area of culture;
- preservation and affirmation of both the material and spiritual cultural heritage of the City of Skopje;
- preservation and affirmation of the cultural identity of the City of Skopje;
- creation of conditions for quality cultural life, in compliance with the Statute of the City of Skopje as the capital of the Republic of Macedonia and a separate local self-government unit;
- promotion and support of new ideas and projects that affirm the City of Skopje as a developed cultural center with European characteristics and with recognizable character;
- presentation and affirmation of the creators, interpreters and institutions from the cultural sphere, both in the country and abroad;
- intensification and enrichment of international cultural cooperation.

In the context of the proposed cultural policy, the Program for the Cultural Development of the City of Skopje for the period 2005 to 2009 is based upon:

- revitalization of the urban identity of the City of Skopje;
- reanimation of the spirit of the old Skopje mahalas and the mahala type of life and customs;
- the revival of the central city area through quality cultural and entertainment content;
- promotion of the protection and maintenance of the cultural monuments;
- the renewal and joint celebration of the traditional and religious customs and holidays of the citizens of Skopje;
- greater support for the well-known cultural events that have a longer tradition in Skopje and make the city recognizable;
- promotion of the city through many cultural events and activities hosted by the City of Skopje.

As the cultural identity of the City of Skopje is built upon the foundations of a rich historical past and its remaining material artifacts, the idea for the revitalization of the urban image of the City of Skopje encompasses their preservation and maintenance. The affirmation of the city as an European cultural center is foreseen to happen through various cultural events and activities, domestic and international, with a special emphasis on the central city area. However, the relation between the short-term initiatives and the long-term vision for the cultural development of the City of Skopje is not clearly developed. Furthermore, the criteria for awarding funds to the institutions, the organizations and individuals from the cultural field are not clearly established. This, together with the system for the evaluation and monitoring of the financed activities, which is not clearly defined, make the degree of implementation of the set objectives and the criteria for evaluation of the activities only declarative, and the Program for the Cultural Development of the City of Skopje itself less transparent. The City of Skopje, in past years, did not carry out any investigation into citizens' habits, needs and attitudes in respect of culture, with the result that there is no data available on local cultural consumption and the consequent needs of the population. Therefore, the efforts directed towards building a culture of participation through inclusion of citizens in the decision-making process in all areas, including culture, are only incentives for the future. This also means that there is a lack of common vision that would serve as a basis on which a consensus could be built and a cultural policy implemented.

Financing as a cultural indicator

Table 1 shows the finances from the budget of the Ministry of Culture invested in the eight local cultural institutions in the City of Skopje for the period 2002-2006.

Table 1

	The budget of the Ministry of Culture			The budget for earmarked grants for the City of Skopje	
	2002	2003	2004	2005	2006
Total (in euros)	2 012 996	2 184 305	2 095 107	225 896	516 512
% of the total budget of the Ministry	10.97%	-	10.14%	-	-

The above figures refer only to those eight cultural institutions that in 2005 were transferred to the jurisdiction of the City of Skopje, and represent 16.7 % of the overall number of local institutions in Macedonia. The percentage of allocated funds is some 10% of the overall budget of the Ministry of Culture and this has remained roughly the same for years. These funds have covered all of the operational and program expenditures of the cultural institutions up until 2005. With the beginning of the decentralization process in 2005, only earmarked grants are favored for financing from the budget of the Ministry of Culture. These earmarked grants are submitted to the Ministry of Finance as recommendations made by the Ministry of Culture. The funds in the form of earmarked grants are used by the local cultural institutions for: goods and other services (communal services, heating, electricity, communications and transport, insurance, travel and daily expenses, regular maintenance, as well as other services of this type) and for program activities that are of local interest. Table 1 above does not include the percentage of investments in the 24 national cultural institutions that are situated in Skopje - these represent 47% of the overall number of national institutions in Macedonia whose operational expenses are fully financed by the ministry.

The funds invested in the cultural institutions of the City of Skopje from the budget of the City of Skopje for the period 2002 to 2006 are shown in Table 2.

Table 2

	Planned budget for culture in euros			Realized budget for culture (in euros)	% of the realized budget of the City of Skopje
	Local cultural institutions	Cultural events and activities	Additional activities		
2002	-	16 226	3 462	93 437 (together with sports events)	4.74
2003	-	44 259	4 736	54 140	0.27
2004	-	34 263	14 684	90 285	0.35
2005	-	34 429	14 407	89 441	0.37
2006	217 714	146 565	27 796	ongoing	ongoing

Overall, the funds allocated for culture from the budget of the City of Skopje for the period 2002 to 2005 are increasing and the percentage of the budget aimed at culture has increased from 0.27% in 2003 to 0.37% in 2005. It is interesting that throughout the years the realized budget is always higher than the planned one, thus increasing the funds that are allocated for additional activities that are not foreseen with in the Program for Cultural Activities. For such initiatives the decision-making body is the City of Skopje Council's Commission for Culture, and these activities are usually activities performed by non-governmental organizations, individuals or through certain projects undertaken by the local cultural institutions.

Out of the city budget for the year 2006, 55.5% has been allocated to the local cultural institutions, showing that the funds allocated for cultural events and activities that are identified by the Program for Cultural Activities, have increased almost four-fold, and the funds for additional activities are almost doubled. Overall the funds allocated for culture amount to some 1.78% out of the 22 million euros of the planned budget for the City of Skopje.

The question that arises from this is: are the funds allocated for culture in the budget of the City of Skopje and the earmarked grants for 2006, with a total amount of 734 226 euros, sufficient for the normal functioning of the cultural institutions, considering that the minimum funds paid by the Ministry of Culture for the functioning of these institutions up until 2005 have amounted to 2 012 996 euros?

Non-governmental sector

In the Republic of Macedonia, as well as in many Southeast European countries, there was a rise in civic consciousness in the early 1990s, and with it the first civic initiatives, organizations, associations and foundations were established (see Varbanova, 2005: 127-129).

For the past 10 to 15 years the so-called third sector has been rapidly growing and has established itself as a true force of change. In the cultural arena, NGOs are playing an important role, both in Macedonia and in Skopje, and are most often at the forefront of cultural activities. In order to better understand the role and the position of the NGOs in the cultural field in Macedonia we can present a current picture of the overall conditions they work in and some of the problems they face.

Inadequate legislation is one of the continuing problems that NGOs in Macedonia are facing. The first Law on NGOs and Civic Associations and Foundations was introduced in 1998 (Government of the Republic of Macedonia, 1998), but the law has many flaws. It is true that the flexible legal framework enables a broad space for the organization of citizens, but this flexibility also creates a kind of legal vacuum that can easily be abused by some of the organizations. There are also numerous

irregularities and problems related to the taxation policy for NGOs which creates additional problems.

There are over 5 000 civic associations and foundations in Macedonia and the majority of them are located in Skopje. Presently, and according to our research, 20 of them are active in the cultural area. The most significant NGOs in the cultural area in Skopje are PAC (the Performing Arts Center) Multimedia and the Center for Contemporary Arts (the first independent cultural institution in the Republic of Macedonia), the Cultural Center "Tocka" (http://www.kontrapunkt-mk.org), "359º-Network of Local and Sub Alternate Hermeneutics", the Children's Theater Center, "Rubikon" and the Center for New Initiatives in Art and Culture "Lokomotiva", etc.

The main characteristics of the NGOs that work in the cultural area

The non-governmental organizations have managed to turn existing problems in the cultural field into challenges, under unfavorable conditions where the central government was completely closed to cooperation and dialogue with the civil sector, as well as under the constant influence of the political parties. Consequently they have developed into organizations with the following positive characteristics:

- NGOs employ well-educated personnel and show a high degree of professionalism in their work;
- they are creative generators with new initiatives;
- they work in compliance with the basic codes for human rights and democracy;
- they represent centers of excellence especially in the areas of knowledge transfer and know-how;
- they often have charismatic leaders;
- they show excellent abilities for fundraising and survival;
- they organize citizens' initiatives and foster openness and dialogue;
- they pursue the application of new technologies;
- they show communicativeness at all levels;
- they show transparency at all levels;
- they encourage and help mobility;
- they produce quality cultural products, often achieved in a short period of time and with very small amounts of money;
- they establish and maintain international communications;
- they network with regional (Balkan) and international networks.

However, there are a lot of problems and weaknesses that characterize the NGOs in the cultural sector in Macedonia, some of them shared by the NGOs in the region (Varbanova, 2005: 127-128).

- As most of the NGOs are financed solely through foreign foundations and donors, there is a problem with their long-term sustainability. This is due to a tendency for foreign foundations and donors to decrease their funds for Macedonia more and more each year. A non-published survey carried out by PAC Multimedia in 2002 shows that from the 20 analysed NGOs, 98% form their budgets with funds from foreign donations and grants (Performing Arts Center Multimedia, 2005:54-55) which brings into question the very survival of those organizations after the donor money is no longer available.
- Sponsorship in culture is still a grey area - there is no new legislation, though currently the draft of a new document is in the process of public debate.
- There is an increased presence and visibility of regional and international networks and projects, compared to Macedonian ones.
- There are insufficient coalitions and partnerships among the NGOs.
- There is an absence of quality contact and cooperation with the business sector.
- Entrepreneurship as an alternative for self-financing is underdeveloped.
- There is a visible feeling of superiority among NGOs with respect to the other institutions.

The private sector

The main characteristics of the transition period in the countries of the Southeastern Europe (just to mention a few that are most important for our discussion) are: the instability of political systems, unresolved economic problems, an unstable security situation, corruption and crime, increased nationalism, a search for identity, a quest for European integration, centralized authority and power with no transparency in governing, outdated legislation and inadequate administration, lack of adequate human resources that could foster development, and many more (Simjanovska, 2003).

In the early and mid 1990s the overall situation, as the central government in Macedonia reached the climax of its reticence and xenophobia - which can be argued is characteristic for the processes of change from a deeply rooted socialist system to a new democratic one -, the second most important segment of society, the business sector, created a new business elite, a class of *nouveaux riches* businessmen who made enormous fortunes overnight. The overall climate this new "business elite" has created is characterized by corruption and illegal profit-making, and large-scale tax evasion (ibid). We would like to argue that such a climate is unfavorable and even obstructive for the development of the cultural sector in Macedonia. Let us explain this: in 1996 a Law on Sponsorship in Sports and Culture (Government of the

Republic of Macedonia, 1996b) was introduced. However, under pressure from this new business elite the articles referring to culture were erased in order to allow for an even greater space for tax evasion and other kinds of financial manipulation by the business sector.

Because of this the relationship between the business sector and culture is characterized by the following:

- inconsistency of the relationship;
- nepotism and political influence;
- insufficient communication between these two sectors;
- insufficient interest in cultural activities by the business sector;
- insufficient information-sharing between the two sectors;
- unresolved questions inside the framework for the proposed (new) Law on Sponsorships in Culture.

Currently the new Law on Sponsorship in Culture is in the process of being publicly debated. This shows that a step forward in the direction of strengthening ties between these two sectors has been made.

Based on the above analysis of the current situation in the cultural field in Macedonia, with an accent on its capital Skopje, we would like to point out that there is a need for more structural planning of local processes of cultural urban regeneration which should favor the following:

- strengthening of the capacities of the existing cultural institutions;
- strengthening of inter-sectoral cooperation at a city level;
- creation of a favorable climate for the establishment of partnerships among the public, the private and the NGO sectors;
- encouragement of active citizen status and social inclusion of all citizens;
- encouragement of the diversification of programs and cultural activities in the city;
- creation of new urban cultural spaces;
- improved functioning of the public administration;
- creation of conditions for an improved mapping of culture as an important segment in the general arrangement of the city;
- development of cultural industries.

Past achievements and new initiatives

There are a number of positive initiatives in the cultural field in Macedonia but we are presenting only the most relevant ones.

– The PAC Multimedia carried out a project on the "Civil Initiative in the Determination of Possible Strategy on Cultural Development in the Republic of Macedonia". The project was finalized in 2005 and its results published (Performing Arts Center Multimedia, 2005; see also Dietachmair, 2005). The idea was initiated by the changes that were supposed to happen (but never did) in the country during the transition period, and that is for the cultural sphere to play the role it was expected to: to become a precursor of the new system of values and of new standards. The resulting general climate of criticism directed towards the Ministry of Culture soon became unproductive, and the project organizer decided to instigate cooperation and open a public dialogue between the three sectors regarding the key issues related to cultural policy. The initiative has brought together many intellectuals, representatives of the non-governmental sector. Four years after the commencement of the project, in 2004, and only after extensive public discussions and negotiations, the partnership between the Ministry of Culture and the NGO sector was established and signed for the first time.

The success of this project means that a step forward was taken and that some impact was made on the processes of democratization, since this initiative has opened many opportunities for cooperation between NGOs and the governmental sector. For example: a public tender for support of the NGOs was instigated by the Ministry of Culture for the first time, as the government, that is the Ministry of Culture, started recognizing the potential of the NGOs to serve as centers of excellence and as true partners in the implementation of the cultural programs. On the local level several municipalities have included NGOs in the decision-making processes related to culture.

– A continuation of this initiative by PAC Multimedia is the training program for 2005-2006 for the project "Strengthening the Capacities of the Local Cultural Institutions in Macedonia", implemented by PAC Multimedia in cooperation with the Ministry of Culture and the American Embassy, in which all of the local cultural institutions from Skopje are included. The directors and the employees in the local cultural institutions are the target group of this initiative, and part of the training is intended for the mayors and the heads of the units for culture or the culture consultants at the municipalities. The program includes many local and regional experts as instructors. The program is comprised of nine workshops that will cover the following areas: strategic planning in culture, management of culture, marketing and media visibility strategies and the use of new technologies in culture. The final product of the training program will, hopefully, be a

strategic plan for the development of these institutions for the next five years.

– The next project of importance for the regeneration of the City of Skopje is the initiative by the Ministry of Culture: "Revitalization of the cultural monument Old Skopje Bazaar for the period 2004-2009". The Old Bazaar in Skopje is one of the largest and most beautiful bazaars in the Balkans, and the initiative proposes to include three working programs: the program for architecture, the program for urbanism and the program for protection of the cultural heritage (interventions in the facades, street fronts, horticultural arrangements and reconstruction of cultural venues and other amenities). It has been proposed that this be done through the revival and development of traditional crafts and old trades, and through the return of cultural activities, such as the Skopje Summer Festival, to the Old Bazaar. However, at the Donors Conference for the Revitalization of the Old Bazaar held in February 2005, out of 26 proposed projects only 10 received financial support, the least expensive project amounting to 2 000 euros, while the most expensive one was 280 000 euros, allocated for the restoration, conservation and adaptation of individual facilities and whole blocks in the Old Bazaar. The project will end in 2009 and so far there have been no reports released about any activities that were supposed to be implemented.

– The opening of the "Mala Stanica" Multimedia Center in October 2005 is considered as another important step in the cultural regeneration of Skopje. The completely restored venue is housed in a former Yugoslav Army facility dating back to 1922. The center is managed by the National Gallery and it receives no funds from the Ministry of Culture for its 2006 program. It is important to note, that in 2002 it was reconstructed with the original objective to serve as a "UNESCO Art House". However, with the change of the political party in power in 2003, the Minister of Culture established a committee that decided that "Mala Stanica" cannot be used because it doesn't meet basic construction and safety standards. From 2003 up to the present date, an additional 164 000 euros were invested for the necessary reconstruction. The Ministry of Culture has changed the decision about use of this facility on a number of occasions, the last one being to use it as a National Art Gallery, which proved to be another blunder due to the increased moisture levels. Today, "Mala Stanica" serves as a multimedia center with a contemporary gallery and multipurpose hall comprising some 2 000 square meters of exhibition space.

– The initiative from 2004 by the Ministry of Culture for the reconstruction of the Old Theater in Skopje should contribute to bringing back some of the

urban splendor that characterized the main square in Skopje before the earthquake in 1963. It is planned for the theater to be rebuilt as an exact copy of the old one but only its exterior, while the interior will be built in accordance with contemporary European standards. The ministry will call for investors through a public tender, and will prepare the project program. The construction of the new theater facility as an idea is also included in the National Program of Culture (Ministry of Culture of the Republic of Macedonia, 2004a) and is among the priorities for Macedonian culture for the next five years.

– The future construction of a new concert hall should solve the old problem the city has with housing the Macedonian Philharmonics. The new concert hall will, most probably, be part of the new complex of multipurpose halls for various cultural and sport activities. The construction of this complex is ongoing.

– The project "Digitalization of the Cultural Heritage" is ongoing in the conservation centers at local level and in the National Conservation Center, the former institutions for the protection of cultural monuments. Digitalization has been implemented for the first time with the assistance of the Council of Europe, and is based on a prior analysis of the overall situation. Another ongoing activity is the preparation of the necessary software that will be used for digitalization of the immovable heritage. All the digitalized material will go directly to the Directorate for the Protection of the Cultural Heritage, which will select the materials that will be posted on appropriate web pages that will offer the necessary and valuable information for the development of cultural tourism in Macedonia. In this context, the recommendations given by UNESCO's Regional Bureau for SEE are directed towards promotion of a public awareness campaign for the significance of one's own cultural heritage, introduction of content from the area of protection of the cultural heritage in the curricula for all educational levels, as well as the establishment of a specialized educational institution in the area of protection of the cultural heritage as the Referral Conservatory Center.

Challenges and objectives for a cultural future

There are many challenges for both the creation and implementation of cultural policy for the purpose of cultural revitalization and urban regeneration of Skopje, challenges that are also shared by other urban centers in Macedonia. We will outline only the most important ones.

- There is a need for strategic planning in culture and especially recognition of the significance of the planning processes.
- There is a need for social integration of artists, the public, the facilities and the decision-makers in a system of equal participation.
- Decentralization at many levels should be carried out: from the center to the periphery, from well-known (and secure) cultural facilities towards the new, the alternative, and the old and abandoned ones.
- The National Strategy for Information Society (Government of the Republic of Macedonia: Commission for Information Society, 2005) should favor the digitalization of the cultural heritage and development of digital libraries as well as the introduction of new technologies in education, science and culture.
- Creation of networks (community networks) for urban regeneration should be one of the priorities.
- Development of a public space policy should be initiated.
- A sound Law for Sponsorship of Public Activities should be created and adopted.
- Citizens' associations at various levels in local self-government should be encouraged.
- Social exclusion should be fought at local level.
- A partnership for the regeneration of rural areas should be formed with the local communities.
- Strengthening of cultural industries especially the ones connected with the revival of traditional crafts and old trades, and development of cultural tourism at a local level should be one of the priorities.
- The management of cultural wealth and culture generally must be improved in order to achieve all the above objectives.

The Council of Europe's recommendations related to the National Program for Culture (Ministry of Culture of the Republic of Macedonia, 2004a) that were addressed to the Ministry of Culture are also in this context. These are some of the recommendations.

- The Ministry of Culture needs to prepare a document that will define the long-term objectives for cultural policy.
- Changes in legislation should be made in order to decrease the minister's decision-making power.
- The ministry needs to initiate and foster the establishment of a market for cultural products.
- The use of cultural centers should be redefined.
- The ministry needs to actively lobby other state sectors as well the private sector for the protection of culture and the cultural heritage.

- The financial support given to some of the festivals should be rationalized.
- The ministry needs to stimulate the development of a variety of repertoires in the theaters.
- Campaigns should be initiated for an increase of the role of the media in culture.

Conclusion

In the end, it appears that things are moving in a positive direction mainly due to the increase of joint action of all sectors. However, some of the above-mentioned objectives can be achieved only if the decision-making regarding culture moves out of the hands of politicians and political parties and into the hands of the citizens. Furthermore, the NGO sector needs not only to establish a dialogue with the governmental and business sectors, but also needs to increase cooperation inside the sector itself, assessing their needs and acting accordingly.

Municipal authorities should recognize the role culture plays in economic revitalization and in addressing current multiethnic and multicultural realities, as well as recognize the contribution culture can make to social integration and emancipation. This should bring a desired development of the image of cultural identity of the city with which different ethnic and life style communities could identify. Furthermore, at the both national and local level it should be acknowledged that culture could play an important role in job creation. Because of that, any cultural policy created in the future should entail supporting more than the "high arts", and local governments should begin to be interested in popular and youth culture and in the cultural industries.

We would like to finish by saying that only through cooperation and understanding between all the players involved and the creation and development of strategies for cultural industries that build alliances between business and culture, can an effective cultural policy be created and implemented, a policy that will mean a better cultural future for not only Skopje but also for Macedonia.

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Appendix 1
Report on the Postgraduate course "Cultural Transitions in Southeastern Europe. The Creative City: Crossing Visions and New Realities in the Region"

Report on the Postgraduate course "Cultural Transitions in Southeastern Europe. The Creative City: Crossing Visions and New Realities in the Region"

Jaka Primorac

This was the sixth in the series of postgraduate courses organized by the Department for Culture and Communication of the Institute for International Relations (IMO), Zagreb. The courses have been held at the Inter-University Centre (IUC) in Dubrovnik continuously from the year 2000.

The first course was devoted to the "Multicultural Contexts of Central European and Mediterranean Regions", and it was followed in 2001 by the course that dealt with the "Redefinition of Cultural Identities in Southeastern Europe". The impact of the third course entitled "Cultural Industries and Technological Convergence" concentrated on cultural industries, technological convergence, cultural consumption and on cultural identities in the Southeast European and Central European countries in transition. In the year 2004 the focus switched to "Managing Cultural Transitions: Southeastern Europe". The following year organizers merged two classical forms of work: the conference and postgraduate course. The course concentrated on the impact of creative industries in the SEE region, and the conference focused on the practical and conceptual issues of contemporary cultural cooperation in Southeastern Europe. This year's focus was to provide information and education concerning the impacts of the creative industries on urban cultural development models and cultural policies, and on the regeneration of cities in the SEE region. The work plan followed two general orientations: theoretical issues particularly centered on creative city concepts, and presentation of case studies that included the cities of Belgrade, Budapest, Dubrovnik, Ljubljana, Podgorica, Skopje, Split, Tirana and Zagreb. The presentation of some research programs was included as part of additional information issues.

The directors of this year's course were Nada Švob-Đokić, Institute for International Relations, Zagreb, Croatia, and Milena Dragićević-Šešić, University of Arts, Belgrade, Serbia. This year's project was realized in partnership with the European Cultural Foundation (ECF) and with the help of the Ministry of Science, Education and Sports of the Republic of Croatia, the British Council-Croatia, the City of Dubrovnik, and the Association of the Friends of Dubrovnik Antiquities.

The postgraduate course gathered together thirty-nine lecturers and postgraduate students, and was held over six working days in the premises of the Inter-University Centre in Dubrovnik. The schedule consisted of morning and afternoon sessions that included sixteen lectures and workshops, and three presentations of projects. An unofficial program included visits to Art Radionica Lazareti, a visit to the Museum of Modern Art and an excursion to the Elafiti islands.

At the beginning of the introductory session the Director of the British Council-Croatia, Adrian Chadwick, greeted the participants and expressed his pleasure that the British Council is a partner in this project, bearing in mind the involvement of the United Kingdom in promoting creative industries. Nada Švob-Đokić, director of the course, presented the project's short historical background and a conceptual overview of the program. After a short presentation of this year's course topics and aims, the participants introduced themselves, their current interests in the course and their expectations from the course.

The first presentation was devoted to the case study of the city of Zagreb and entitled "Zagreb - Urban Cultural Identities and City Growth". Nada Švob-Đokić showed that the city of Zagreb is culturally quite homogeneous. A multicultural aspect of the city is detected in the presence of "old" minorities (Serbs, Jews, Roma, Slovenians, Czechs, Hungarians, and others), and this is strengthened by foreign migrants of other nationalities. Their number is rather low. The only large migrant community in Zagreb is the Chinese community. The Chinese do not come to Croatia directly from China, but from Hungary, other ex-Yugoslav republics, or other neighboring countries.

There are special program themes for the culture projects of the traditional minority communities in Croatia. Their interest in specific cultural programs is not very strong, and particularities of their cultures in the city culture are not very visible. Expressions of cultural diversity at the city level are not a hallmark of Zagreb cultural life; different groups tend to integrate into the city culture, and such integration is presently going on within the increasingly metropolitan role of Zagreb. As the city of Zagreb has been growing quite quickly, the homogeneous nature of its cultural identity is preserved and strengthened by the fact that most immigrants are of Croatian origin, and come to the city from other parts of ex-Yugoslavia.

The next presentation was devoted to the case study of the city of Tirana entitled "TI-RAMA: My Creative City" in which Fatjon Dragoshi presented the changes in the city that were mainly caused by the work of the mayor of Tirana, Edi Rama - pronounced "World Mayor" in the year 2004. Artist by background, with a city budget of what he likes to call "nothing comma something", Edi Rama decided to make immediate visible changes. The coloring of the facades of the buildings (so-called "rainbow treatment") and the destruction of the "famous" kiosks have changed the atmosphere in the city and, in a way, made a trademark of it. He also introduced the idea of business organizations as actors in the city's regeneration. With many controversial decisions he has not made many friends, but the change in the city is evident. Before these changes, people did not believe in the value of public space and now they are making an effort to claim it again. The success of the "branding" of the city identity came from the fact that Tirana had no specific brand before.

The theme covered by Justin O'Connor was "From Margin to Center: The Role of Alternative Cultures in the Creative City". According to him, culture is central to a contemporary city, be it from the view of "culture-led regeneration", the "creative city" concept, or from the view of positioning the importance of creative industries in the city. After putting forward the good and bad sides of the concepts mentioned, O'Connor tried to present basic joint characteristics of the three models. He explained why cities were put into the spotlight, and why some cities were chosen to focus on rather than others. O'Connor presented Manchester as a successful case of the use of culture for the transformation of the image of the city and of the urban landscape. Culture was viewed as "the new (quick) fix", but it should be mentioned that not every type of similar regeneration was successful. When culture was perceived in a highly instrumental way, and as subject to economic policies, the issue was much more complex. O'Connor stressed that creativity and innovation (modernization) are interpreted as multidimensional processes that tend to exclude problems and difficulties, which nevertheless are present. He concluded that cities represent different types of divisions of labor, including imaginative work, and that we have to find out how these can work with each other.

In her presentation entitled "Cultural Policies and Urban Regeneration in Budapest" Krisztina Keresztély tried to examine the public policy measures which support sustainable social development. One of the major problems in the city of Budapest is the public administration. There are four local governments, and that is why it is difficult to create a common urban policy. Different city rehabilitation projects are promoted by each of the local governments. A common problem of the whole city is gentrification (that has been slowly happening since the end of the 1990s), a decrease of inhabitants in the inner zone of the city, pushing out the original population and changing neighborhoods. She explained that the flagship projects of

urban rehabilitation such as TRAFÓ, Inner Ferencváros and Middle-Ferencváros did not include programs of social integration. In conclusion, Keresztély noted that projects related to the cultural, social or physical aspects of urban rehabilitation are independent one from the other. There is still no coordination between cultural, urban and social policies of local municipalities. Consequently, the methods of cultural intervention for socially sustainable development are still not defined.

"Cityscape and Cinema", a presentation by Nevena Daković, dealt with an overview of contemporary film production in Serbia. She stated that there are four types of film production in Serbia: the European co-productions/europuddling and *Euroimage* stories; the no-budget (experimental and buddy-buddy) movies; mainstream or "A" production movies; and commercial quickies. The funding background of these movies is divided between the ministry (firm criteria), the city (loose criteria), the technical participation of RTV (Radio-Television of Serbia) and *Euroimage*. Different sources of funding are reflected in the choice of topics that a particular funder chooses. The firm but rather controversial selection criteria of the ministry resulted in the fact that no feature film was funded in the years 2004 and 2005. The funding for script development resulted in support of mainly urban "middle European" topics, while films that were funded by *Euroimage* preferred Balkan exotic at its best. In this rather difficult situation of film production in Serbia, one positive thing emerged, and that is the creation of the so-called "New Belgrade School" of young film directors whose films depict urban escapism, and which are rich in postmodern saturated text. As a cultural industry, film production affects overall cultural life in Belgrade by supplying new brands that reflect the present transitional phase of city life and regeneration.

Nevena Daković also presented the TEMPUS JEP ADAM project entitled "Assisting Democracy - Reconceptualizing Postgraduate Programs in Art and Media" whose main beneficiary is the University of Arts in Belgrade, Serbia. The aims of the project are the re-conceptualization of the curriculum of MA and PhD studies at the Group for Art and Media Studies, an establishment using a long-distance learning (LDL) system, and the implementation of the Bologna standards.

After speaking briefly about the beginning of Comedia and its projects, Charles Landry gave a lecture on "Creative Cities and City Regeneration". He stressed the importance of the "creative ecosystem" that is essential for the building of a creative city. The cities we like are mostly the cities we cannot create any more due to urban planning rules. The city is an emotional experience, Landry stresses, while on the other hand urban planners prefer certainties that are not present in creativity. What often occurs is the strong desire for shopping and spending in the cities - what he calls the "geography of desire and blandness". We have to create the right conditions for

talent in the cities, and in this way we have to change our thinking: we have to start making creative cities FOR the world and not IN the world. It is enough to make a network of small projects that become a bigger one; it is not necessary to create a major project immediately. The condition for successful creative city project is making it more like a jazz band session than a symphonic orchestra exercise. He also stresses that "environmental psychology" needs to be included more in urban project creation. For Landry, urbanity means having a space that stimulates and that has tranquility at the same time.

Inga Tomić-Koludrović and Mirko Petrić gave two presentations; the first one on "New Cultural Tourists in a Southeast European City: The Case of Split" in which they presented results from the survey on tourists in Split. They noted that in Split, rather than in other cities, there is a visible change in the profiles of tourists coming to Croatia. The tourists in Split are searching for the "total experience", not only physical products anymore. Tomić-Koludrović and Petrić note that these are "new type of tourists" and not "cultural tourists" or "post-tourists" (the former searching for diversity, and the latter being the ones that make no difference between tourism, entertainment or lifestyle). These tourists are interested in "culture" in a wider sense of the word (Williams), they are interested in public space (where everyday life takes place) and they want to be absorbed into the urban structure and to be a part of the authentic "scene". One could say that unlike mass tourists that have everything planned in advance, and belong to the so-called "hard tourism", these tourists belong to "soft tourism" - individual, spontaneous, driven by personal interest, and in a way ambivalent. Bauman would say that the ambivalence is a fundamental trait of modernity. One could call these tourists "postmodern cultural tourists" although this definition is still debatable due to the difficulties with the definition of postmodernism. These "postmodern cultural tourists" come to Split mainly to see Diocletian's palace, cultural monuments, to visit restaurants with authentic local cuisine, and to experience the everyday life of the city. These facts are important in the creative cities context because cities are becoming more important in a globalized, that is, "glocalized" world (Robertson). As Beck stresses, local politicians should strive to reaffirm the identity of their cities. Tourists want a "practiced" city: a city should be (re)created by tourists and the local population and not used just as a channel for placement of creative industries products.

The second presentation by Tomić-Koludrović and Petrić dealt with the "Creative Economy in a Mixed Society: Approaches to Measuring its Potential", in which they examined the existing models of cultural industries, creative industries, the creative economy, and creative class in relation to the SEE region. They find an "audit of cultural resources" to be a method most adaptable to the region. However, the question is whether it is possible that one model should cover all the countries and their diversities in the "SEE region". That is why Tomić-Koludrović and Petrić are

advocating the "city" approach to problems of the sector in the region. Societies of the countries in transition are not ideal-typical "post-industrial societies" (Daniel Bell) or "post-industrial modernized societies" (Ulrich Beck), but they are rather "mixed societies" - having traditional structures, but encountering globalization processes. Tomić-Koludrović stressed that in Croatia there are two modernization processes going on simultaneously. Therefore "mixed societies" is a better definition of what is at work: transition goes "from-to", while for "mixed societies" what we start from is the outcome of the analysis. As Bauman would say, one should further study mixed societies to be able to interpret them.

The presentation "Developing Cultural Strategy in the City of Dubrovnik" by Ana Čuvela was devoted to the overview of the current situation of the cultural sector in Dubrovnik. After underlining the importance of the single official strategic document on culture in Croatia "Croatia in the 21st Century", she underlined that little has been done about further amending and implementing the proposed strategy text. It is intriguing that, provoked by the delay in decentralization, the independent organization Clubture started an initiative for decentralization. Along the same lines, an NGO from Dubrovnik - the Art Workshop Lazareti - is working on the strategic document for the city of Dubrovnik.

For a city of its size, Dubrovnik has a significant number of cultural institutions and programs, and the percentage spent on the budget for culture is somewhat higher than in other Croatian cities. It should, however, be underlined that on average 90% of the cultural institution's budget is spent on salaries and maintenance costs. Although it is constantly stressed that culture is a central asset of the city of Dubrovnik, it is usually neglected in the context of urban strategies. In this situation, the NGOs are taking over the initiative to draw up the city's cultural strategy. All these questions are paramount in a city where the current mayor states that "tourism is Dubrovnik's main industry".

The presentation by Ivana Jašić dealt with the topic "Cities on the Global Market - Territorial Marketing Planning Strategies". The strategies of territorial marketing, as used in the positioning of a city/place/region in the global market, were presented. These strategies can be described as a vehicle for the "translation" of local resources into marketable and visually stimulating language that can communicate local values to the global market. From the start, the debate was orientated towards global causes for territorial competitiveness in the market, the territorial marketing answers to it, the main goals in competition and the strategies implied. In presenting the typical marketing tools and techniques Jašić demonstrated the valorization of territorial resources from the point of view of the cultural capital, with special emphasis on Palmers' evaluation study of the European cultural capitals. Case-study strategic marketing documents (propositions, contributions, guides and manuals) presenting

the sectoral (culture, tourism) developmental strategies were given to participants for review in relation to their territories/cities of origin: Dubrovnik, Split, Rijeka, Zagreb, as well as in relation to their private/public design. These documents were approached in comparison to similar EU manuals and plans (for instance those created in Italy) where comparison is aimed at assuring their marketability, financing and their authenticity. The concluding part of the presentation stressed the contribution of territorial marketing strategies to the design/visibility, potential for branding and general planning of the territory. These strategies are aimed at communication of territorial resources as "values" in the new global economy.

Milena Dragićević-Šešić gave a lecture on "Urban Cultural Policies and Development of Creative Industries", with special emphasis on the case of Belgrade and its creative industries. She outlined some historical facts about the creative sector in Belgrade and its development. The current cultural policy traits are too routine, sectorial and concentrated on institutions, and in this way static. Following this line, the tasks for the city's public policies are: (re)defining city identity, based on: collective memories of people, cultural heritage (built and intangible), and on a vision of the future. For this to be achieved a consensus among the main political agents and public opinion makers has to be achieved.

When looking at the creative industries sector in Belgrade, one has to note that small private firms (bookstores, galleries, etc.) and NGOs are oriented towards the cultural/artistic market, and they want governmental assistance in approaching customers, resources and other organizations. They need more information, training in skills that are needed in transition from a protectionist to an open market system. Regarding work space, their perception of their own position is not realistic: they want more space at lower rates of subsidized loans or rents. This means that in reconstructing an old industrial site or constructing a new building for creative industries, huge assistance would be needed from local institutions and banks. To make such projects sustainable, creative industry people should be encouraged to widen their market and be trained to operate under more competitive conditions.

At the beginning of her presentation "Forces and Trends Shaping the Contemporary City - the Creative Sector in Creative Cities" Čaklina Gligorijević gave a historical overview of the importance of the public space for the development of a city. She underlined some key examples of successful public spaces, and what are the reasons for their success: accessibility, comfort, providing people with activities, and sociability at their core. After giving an overview of trends in urban development based on the examples of New York, Bilbao, Barcelona, Providence, etc., Gligorijević concentrated on the city of Belgrade, asking if some of the lessons from other cities could be used in its context. Gligorijević started approaching the subject from the urban recycling method that she was involved in, in Belgrade of the 1990s.

Some of the projects were successfully implemented, but unfortunately there is no overall strategy for urban recycling in Belgrade. The reason why there is no recycling strategy implementation arises for several reasons: transition, ownership problems, market driven development, rigid regulations, lack of cultural policies, lack of legal tools and mechanisms for (at least temporary) use of the existing structures, and the fear of misuse or destruction. In conclusion one should stress that there is still a lot of work to be done in Belgrade in order to turn it into a true creative city.

Dona Kolar-Panov, Violeta Simjanovska and Katerina Mojančevska presented the example of the "City Regeneration Policies and Practices. Case Study: Skopje". After a brief outline of the social, political and economic image of the city, they described the major problems in city regeneration policies encountered by the national and local institutions, the NGO sector and the private sector. A special emphasis was given to the analysis of the NGO sector in Macedonia. Cultural industries are seen as an important sector for culture-centered city development and regeneration. The municipal authorities should recognize the role culture plays in economic revitalization and in addressing current multiethnic and multicultural realities, as well as recognize the contribution culture can make to social integration and emancipation. Any cultural policy created in future should support more than the "high arts" and local governments should begin to be interested in popular and youth culture and in the cultural industries. Only through cooperation and understanding between all the players involved and through the development of strategies for cultural industries that build alliances between business and culture, can an effective cultural policy be created and implemented, a policy that will provide for a better cultural future not only for Skopje but also for Macedonia. At the end of their presentation a short movie *A Portrait of the Young Artist in the 21st Century* by Macedonian filmmaker Borjan Zafirovski was shown to illustrate an artist's view of the Macedonian cultural scene.

Another city case study was offered by Maja Breznik, who presented the changes in the city of Ljubljana in her lecture "The Role of Culture in the Strategies of 'City Regeneration'". The erosion of the city's functions and atmosphere occurred as part of an urban plan. Urban planners see Ljubljana's highways as the "circulation of blood" through an organism, and therefore the main institutions and shopping malls are put alongside. The critical points of cultural productions in Ljubljana are: local community centers, which are rather marginal; youth centers, mainly those that are taking care of children up to ten years old, and not other youth groups (e.g. Metelkova, that produces 40% of all music concerts in Ljubljana); ethnic minorities' activities which are rather marginalized (e.g., in *Delo*, the daily newspaper, there are no announcements of their activities). The orientation towards creativity, Breznik stresses, implies concepts of city regeneration, creative industries and a "creative class". She contested Florida's definition of a creative class, and called for its reevaluation. After the critical examination of the Ljubljana case, Breznik stresses that in the strategies of city regeneration culture is, unfortunately, seen through the

de-politicization of society, gentrification; and the growth of economic and social tensions.

Examples from Slovenia were also used as an illustration in presentation by Aldo Milohnić entitled "Culture in the Age of Economic Rationality. On City Regeneration and City Privatization". At the beginning he stressed how recently a fierce debate had opened on the topic of the relationship between culture and the economy in Slovenia, where several young economists asked for the revaluation of investments in culture. Their requirement was that culture should offer convincing arguments (meaning acceptable to economists) proving the benefits of culture for society as a whole, and for the economy in particular. Milohnić stressed the danger of such thinking, and he gave a historical overview of some of the key texts for the understanding of this topic. In the end he concluded with Christopher Madden's words: "Art and culture are not means to economic ends (as advocated by 'economic' impact arguments), but the economy is a means to artistic and cultural ends."

In her presentation "Attitudes of Cultural Workers towards Creative Industries Development and the City in Southeastern Europe", Jaka Primorac offered some preliminary data on her research project CPRA (Cultural Policy Research Award) 2005 entitled "The Position of Cultural Workers in Creative Industries". The research is based on interviews with cultural workers in creative industries in SEE, in the context of research on the current position of creative industries in Southeastern Europe. There are three different models of the strategies of cultural workers that can be deciphered: those that ask for a radical change of the system; those that think that the changes should be made, but some positive features of the system should stay; and those that have an orientation towards the global market. In the context of the urban surroundings that are influencing their work, one can note that there are those that like the metropolitan buzz as an inspiration and basis for their work (cities such as Belgrade and Zagreb), and there are those who like smaller cities such as Podgorica and Split for the quality of life lived in them, although they lack the (cultural) infrastructure. Jaka Primorac concluded that, all in all, cultural workers perceive the need for an overall strategy for the development of the cultural field: the need for changes in the existing structures and institutions; the necessity for strict criteria and transparent evaluation and funding; regulation of piracy and a law regarding discipline; the need for allowing sector changes in relation to the market; the need for changes in the statistics so that evaluation of the field would be improved; the alteration of attitudes towards the field of culture; and education of cultural managers and cultural producers.

Janko Ljumović spoke on "Cultural Industries in Podgorica" and gave a short introduction on how the "Creative Podgorica" project started, with the encouragement of the British Council Serbia and Montenegro, under the UKSEE Creative Industries strand. Up till now some brief research has been carried out, as

well as the production of a booklet with data on creative industries in Podgorica and a conference on the same topic. As a closure of the project, a film of the same title was prepared, that was shown as part of the presentation.

Lidia Varbanova gave two short presentations, one being the presentation of the LabForCulture project, and the other presentation entitled "Our Creative Cities Online" that dealt with the online data on the creative cities. Generally, when looking at creative cities online one can see that there is an absence of online classification of the terminology linked with the creative cities, and also of relevant online artistic and creative images to reflect the creative city concept. There is no lively vibrant website to accommodate creative cities research and practice, and there are no forums and debates online on the topics, no community groups or email lists. The creative cities concept for Southeastern Europe is absent and presentation of cities is done from the tourist point of view, with little creativity in individual websites about cities. The presentations of concert halls, theaters, galleries are static; they give addresses and events only. There is an absence of artistic profiles and creative processes, as well as poor visibility of the websites in some cases (examples of Sofia, Belgrade). In this respect one should stress that there is a lot of work to be done on the creative cities online.

In conclusion, this years' course presented nine case studies from the region, showing a diversity of problems and solutions. Numerous discussions among participants underlined key problems of urban cultural policies, and of (the lack of) city regeneration policies in SEE. The deficiency of training of public administrators on these issues has also been stressed, as well as the lack of education programs for cultural managers in the creative industries. The cultural institutions are still in a bad condition, and their administration and program management is rather static. The funding for these institutions is spent on salaries and buildings rather than on cultural programs. Preservation of the status quo in the ministries prevents better programming and more efficient funding. Culture is far from becoming a central point of city regeneration, and there is an evident absence of city cultural policies and strategies. In many countries of the region culture has been, and still is, perceived as consumption, rather than production potential. In theory, creative industries may be seen as central to changing attitudes, but then different approaches and models should be analysed and tested, which is not the case in SEE. The fast growth of local cities demands more profiled and more professionalized policy responses that are able to reach beyond a purely instrumental view of the role of culture in city development and regeneration. It is obvious that the whole issue is new and challenging for the SEE cities, but also that responses and efforts are few and often inadequate.

Appendix 2
Authors in this volume

Authors in this volume

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Maja Breznik works as an independent researcher. She received a Master's degree in Sociology of Culture and a PhD from the University of Ljubljana, Faculty of Arts, Ljubljana, Slovenia. From November 2002 to November 2004 she was a post-doctoral researcher at the University of Padua, in the Department of Sociology. Recent publications: *Artisanry and Erudition. Topography of Renaissance Theater Practice* (2003) *Annales*, Koper, *Cultural Revisionism* (2004), Peace Institute, Ljubljana, and *The Book Culture* (with S. Novljan, J. Jug and A. Milohnić) (2005), UMco, Ljubljana.

Nevena Daković
Nevena Daković, PhD, is Professor of Film Theory/Film Studies at the Department of Theory and History at the University of Arts, Belgrade, Serbia, and co-coordinator of Art and Media Studies (Interdisciplinary Studies /PhD level/University of Arts). She is the author of two books: *Melodrama is Not a Genre* (1995), and *Dictionary of Film Theoreticians* (2002); editor of the multimedia publication *The Representation of the Serbian Cultural and National Identity* (2004) and co-editor of another two with Professor D. Derman and Professor K. Ross (*Gender and Media* (1997) and *Media(ted) Identities* (2001)). Nevena Daković publishes widely in the national and international framework (UK, Turkey, Slovakia, France, US), participates at conferences and is a frequent visiting professor (Oxford, Nottingham, Warwick, Ankara, Ljubljana, Istanbul, etc.). Her research is focused on the issues of identity (mainly national, multicultural) representations in cinema. She has presented her work at a number of conferences on similar themes and she is a member of research groups (Serbia, UK, Bulgaria).

Milena Dragičević-Šešić
Milena Dragičević-Šešić is an ex-President of the University of Arts in Belgrade, Serbia; Chairholder of the UNESCO Chair in Cultural Policy and Management, University of Arts Belgrade; Professor at the Faculty of Drama (Cultural Policy and Cultural Management, Cultural Studies, Media Studies); Chair of Art and Culture Sub-Board, Open Society Institute (Soros fund), Budapest; President of the Orientation Board of the European Diploma in Cultural Project Management (Foundation Marcel Hicter, Brussels); member of the Executive Board of ELIA, Amsterdam; lecturer at Moscow School of Social and Economic Sciences, MA-AMEC, Utrecht School of the Arts, CEU Budapest, Lyon II, Iagelonian University Krakow; expert/consultant in cultural policy and management for European Cultural Foundation, Council of Europe, UNESCO, Foundation Marcel Hicter, Pro Helvetia, British Council, etc; author of more then ten books and a hundred studies translated into fourteen languages.

Fatjon Dragoshi
Fatjon Dragoshi is the founder of the STINET Association, Tirana, Albania. He finished UNESCO Program in Cultural Management and Cultural Policy in the Balkans at the University of Arts in Belgrade, co-organized by Université Lyon II and the Institute for Political Sciences in Grenoble, France.

žaklina Gligorijević
Žaklina Gligorijević is the Deputy Director of the General and Spatial Planning Department in Belgrade Town Planning Institute, Serbia. She worked as a project manager and author of projects such as: "Revision of Belgrade Master Plan 2021", Kraljevo Municipality Master Plan, urban design for Perast old town, Montenegro, listed by UNESCO as a World Heritage site as well as various other urban regulatory plans and urban designs in Serbia and in Montenegro. Active in professional organizations such as Urban Planners Association and the Association of Architects of Belgrade, she also works on special studies as a professional expert in international projects. She was granted an academic year at the Department of Urban Studies and Planning, MIT, Cambridge, MA, as SPURS Fellow, Hubert H. Humphrey Fellowship program.

Ivana Jašić
Ivana Jašić received a Master's in Management for Culture and Arts – Cultural Districts, from the Universita' degli Studi di Siena, Italy, 2004. She developed and taught cultural product design as part of the Dubrovnik Centre for Entrepreneurship licensed courses and she contributes as a fundraiser to a series of cultural projects in Croatia.

Krisztina Keresztély
Krisztina Keresztély received her PhD from the Ecole Normale Supérieure de Fontenay-Saint Cloud, France. Until 2006 she worked as a senior research fellow at the Central and North Hungarian Research Institute at the Centre for Regional Studies, Hungarian Academy of Sciences, Budapest, and in 2006 she was an invited professor at the Ecole des Hautes Etudes en Sciences Sociales in Paris. Since 2006, she has been working as an urban research consultant involved in research projects in Paris and in Budapest, in the framework of the MTA-VITA Foundation of the Hungarian Academy of Sciences, and ACT Consultants Agency in France.

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Snežana Krstanović received an MSc in Cultural Management from the Department of Interculturalism, Management in Culture and Cultural Policy in the Balkans, University of Arts, Belgrade, Serbia. She works for FreeZoneBelgradefestival, REX Cultural Centre, Belgrade, Serbia. Her special interest fields include cultural and youth policy, local development and organizational change.

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Katerina Mojančevska is a postgraduate student at the Institute for Sociological and Political-Juridical Research at Ss. Cyril and Methodius University in Skopje, Macedonia. She is the Assistant Project Manager at PAC MULTIMEDIA, Skopje, Republic of Macedonia.

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Mirko Petrić is a Senior Lecturer in the Department of Sociology, University of Zadar, Croatia. His research is in the fields of semiotics, cultural and media theory. He is the leader of the research team currently auditing the cultural resources of the city of Split (as part of the Creative Industries Strand of the UK-SEE Forum).

Jaka Primorac
Jaka Primorac is a research fellow at the Department for Culture and Communication, Institute for International Relations, Zagreb, Croatia. Her research interests include research in the field of creative and knowledge industries, cultural transition and cultural production. Jaka Primorac holds an MA in Sociology, Central European University, Budapest and Warsaw, accredited by Lancaster University, United Kingdom (2003). She is the winner of 2005 Cultural Policy Research Award (www.cpraward.org) awarded by the European Cultural Foundation (ECF) and Riksbankens Jubileumsfond.

Violeta Simjanovska
Violeta Simjanovska is the Executive Director of PAC (Performing Art Centre) MULTIMEDIA (www.multimedia.org.mk), Skopje, Republic of Macedonia. She is currently finishing postgraduate studies in Cultural Policy and Cultural Management in the Balkans, University of Arts in Belgrade, Serbia.

Nada Švob-Đokić
Nada Švob-Đokić is Senior Researcher (Scientific Advisor) at the Department for Culture and Communication, Institute for International Relations, Zagreb, Croatia. Her research areas include global and national cultural and scientific development, transformation and transition, development and transitional policies and strategies. She has been particularly involved in problems of multiculturalism, intercultural communication and management of cultural differences. She is the author of numerous books, studies and articles. Nada Švob-Đokić delivers lectures on university postgraduate courses and international courses.

Inga Tomić-Koludrović
Inga Tomić-Koludrović is Associate Professor and Head of the Department of Sociology, University of Zadar, Croatia. Research interests are in the fields of contemporary sociological theory, media, gender, and lifestyle sociology. She is also a member of the research team currently auditing the cultural resources of the city of Split (as part of the Creative Industries Strand of the UK-SEE Forum).

Lidia Varbanova
Lidia Varbanova has twenty years of professional experience in the management, advancement and research of national and international cultural policy development programs, capacity building and project management for cultural organizations in Europe, Central and Eastern Europe, Central Asia, Canada and the US. She has extensive experience internationally on diverse issues related to international cultural cooperation, cultural policy and arts management. In the period 2000-2003 she served as the Program Director of the Arts and Culture Network of the Open Society Institute. In her professional and academic career, she has received numerous awards and fellowships, such as: the Fulbright Fellowship in cultural economics; a fellowship grant from the Japan Foundation; a project grant from the North Atlantic Treaty Organization; an ARTSLINK visiting fellowship, a scholarship from the Webb Memorial Trust, Oxford. She has a PhD in Economics and an MA in Industrial Management with a Minor in Journalism. Currently Lidia is the Website Manager of the www.labforculture.org (the Laboratory of European Cultural Cooperation - an initiative of the European Cultural Foundation and partners). She also runs the Center for Intercultural and Social Development in Montreal.

Ana žuvela Bušnja

Ana Ćuvela-Bušnja holds an MA in Cultural Policy and Arts Management, University College Dublin. She works as a research fellow at the Department for Culture and Communication at the Institute for International Relations in Zagreb, Croatia. Her research interests include cultural transition and development, cultural management and development of cultural policies and strategies, cultural democracy and interconnections between standing cultural policies and the arts. She is currently involved with the independent arts organization Art Workshop Lazareti in the project "Developing Cultural Strategy in the City of Dubrovnik, Croatia". She is also active in operational and fundraising activities of the Culturelink Network.

Appendix 3
Program
List of Participants

Cultural Transitions in Southeastern Europe
The Creative City: Crossing Visions and New Realities in the Region

Program

Sunday,7th May, 2006

Arrival of participants

Monday, 8th May, 2006

9:30 – 10:15 a.m.

Introduction to the course

- a brief history of work and publications
- announcement of the present program and work methods – The Creative City: Crossing Visions and New Realities in the Region

Introduction of participants

Coffee break

10:30 a.m. – 1:30 p.m.
Nada Švob-Đokić: *Zagreb – Urban Cultural Identities and City Growth*

Fatjon Dragoshi: *TI-RAMA: My Creative City*

Discussion

Lunch break

5 – 7 p.m.
Justin O'Connor: *The Alternative Cultures and the Making of the Creative City*

Discussion

Welcome drink at the 'Sesame'

Tuesday, 9th May, 2006

9:30 a.m. – 1:30 p.m.
Krisztina Keresztély: *The Urban Cultural Policies and Urban Regeneration in Budapest*

Nevena Daković: *Cityscape and Cinema*

Short presentation of TEMPUS JEP ADAM project:
Assisting Democracy – Reconceptualizing Postgraduate Programs in Art and Media'

Lunch break

5 – 7 p.m.
Charles Landry: *Creative Cities and City Regeneration*

Discussion

Wednesday, 10th May, 2006

9:30 a.m. – 1:30 p.m.
Inga Tomić Koludrović and Mirko Petrić: *Creative Economy in a Mixed Society: Approaches to Measuring its Potential*

Inga Tomić Koludrović and Mirko Petrić: *New Cultural Tourists in a South East European City: The Case of Split*

Discussion

Lunch break

5 – 7 p.m.
Ana Čuvela Bušnja: *Developing the Dubrovnik City Cultural Strategy*

Ivana Jašić: *City on a Global Market – Territorial Marketing Strategies*

Discussion

Thursday, 11th May, 2006

9:30 a.m. – 1:30 p.m.
Milena Dragičević Šešić: *Urban Cultural Policies and Development of Creative Industries*

Čaklina Gligorijević: *Forces and Trends that Shape Contemporary City – Creative Sector in Creative Cities*

Discussion

Lunch break

5 – 7 p.m.
Dona Kolar-Panov, Violeta Simjanovska and Katerina Mojančevska:
City Regeneration Policies and Practices. Case Study: Skopje

Discussion

Friday, 12th May 2006

9:30 a.m. – 1:30 p.m.
Maja Breznik: *The Role of Culture in the Strategies of "City Regeneration"*

Aldo Milohnić: *Culture in the Age of Economic Rationality. On 'City Regeneration' and City Privatisation*

Discussion

Lunch break

5 – 7 p.m.
Jaka Primorac: *Changes in Cultural Strategies: Cultural Workers' Views*

Janko Ljumović: *Cultural Industries in Podgorica*

Discussion

Saturday, 13th May 2006

9:30 – 11 a.m.
Lidia Varbanova: *Our Creative Cities Online: Making Connections, Improving Visibility and Sharing Knowledge*

Discussion

11:30 a.m.
Boat excursion

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