



THE CREATIVE INDUSTRY, AN IMPORTANT FACTOR IN THE COMPETITIVENESS OF THE CITY OF NOVI SAD

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Abstract:

In recent decades, tourist destinations have increasingly faced intense competition in the world market. The process of globalization in tourism has become one of the biggest challenges for most tourist destinations and cities, requiring a unique strategic approach in the process of creating a tourist experience. Special attention to carriers of touristic policies and offers is aimed at a better understanding of the factors that will differentiate touristic offers more effectively compared to the competition and contribute to the increased market share. The creative economy is one of the fastest-growing sectors of the world economy today, a significant element of the profitability of most tourist countries. In essence, cultural and creative industries relate to different fields of activity. They are very multidisciplinary and affect the local and economic development of the country.

Keywords:

creative industry, tourist destinations, competitiveness, culture, Novi Sad.

INTRODUCTION

The development and implementation of new technologies, the intensive process of digitization and urbanization is established on creativity and imaginativeness. The expansion of the so-called modern economy, the knowledge-established economy as well as the growing demand for the economy of entertainment and free time caused an increase in the social importance of products whose cultural and creative elements represent the main content. Creativity is closely related to originality, innovation and imagination and as such is integrated into every segment of modern society. Contemporary economic development implies the synergy of numerous cultural activities and industrial sectors, with special reference to new ideas and their successful implementation in generated economic development. It was this realization, as well as numerous political and sociological changes, that led to the emergence of new terms such as “creative industry” and “creative economy”, which were modified and interpreted differently over time. These terms are often used as synonyms, although they have different connotations.

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The first author who defined the term “creative economy” was the British analyst and theorist John Hawkins in his book “Creative economy - how people make money from their ideas”, published at the beginning of this century. Hawkins pointed out the three most important elements of creative economy: creativity as an idea has the possibility to be economically valorised; the results of creative work and creative activity are creative products. In his work, Hawkins points out that only those activities that can be economically valorised can be considered part of creative economy (Mikić, 2008). In the UNESCO report, creative economy is established on the combination of science, technology and art with the formation of creative industries within it (UNESCO, Report, 2013).

The phrase “creative industries” was first mentioned in 1994 in the Australian Department report entitled “Creative Nation: A Common Cultural Policy” (Moore, 2014). Creative industries are based on the synergy of economy, technology and culture and represent a great potential for cultural and economic development at the local and international level. They include those activities that do not have the primary function of increasing GDP (Veličković & Veličković, 2014). The American economist and professor Richard Caves advocated the opinion that the creative industry includes a service and goods that represent a certain entertainment, cultural or artistic value (Caves, 2000). The first European country to define the term “creative industry” was Great Britain: “Creative industries are considered to be industries that do not originate in individual creativity, skills and talent and have the potential to create wealth and jobs through the generation and exploitation of intellectual property” (Classifying and Measuring the Creative Industries, 2013).

The United National Conference on Trade and Development (UNCTAD) defined the creative industry as a concept that connects human imagination, originality and creativity in synergy with modern information technologies (UNCTAD, 2008).

Creative industries are by nature interdisciplinary and include various fields of activity and as such, represent one of the main drivers of economic development for most countries. They have numerous economic and non-economic effects on the economic development of a country, with special reference to countries which own a great cultural and historical wealth, such as Serbia. They represent a significant element of the profitability of most tourist countries and to a large extent influence the positioning of the city’s culture as an attractive destination on the tourism market. The Government of the Republic of Serbia recognized the economic importance of the mentioned sector as well as the importance of its development in the future. In the period 2017-2021, the creative industry sector achieved a greater share in the GDP of our country, which is one of the most important indicators of the importance of the mentioned sector in the economy of our country. Investing and stimulating the development of the mentioned sector, additionally motivating young, highly educated, creative, talented, imaginative citizens to get involved will provide numerous economic and non-economic benefits (Vasić & Filipović, 2022).

One of the main producers and consumers of creativity are cities - be it culture, technology or other cultural activities. People, as social beings, constantly have a need for association, for belonging, for communication, and as a result of that continuous historical process, cities are created. Today, at the beginning of the third millennium, more than half of the world’s population lives in cities. From the former cities that had a few thousand inhabitants in a few years, we have come to large megacities with several million inhabitants, occupying an area of several thousand square kilometres. Urban population growth is faster than global population growth and predictions are that by 2050, more than 80% of the world’s total population will live in urban areas (Affairs, n.d.). The accelerated process of urbanization has led to major changes in the way cities are planned, built and the way they function. Economic planning and the development of cities increasingly rely on creativity and innovation, that is, on the search for new, unique ideas that will allow the environment to exude creativity and sustainability. Finding unique, unusual solutions is a major challenge that humanity is facing in the modern world, and creativity and imagination have become key to the successful growth and development of cities.

Tourism, a complex system made up of a number of economic and non-economic activities, is one of the key and more important indicators of the city’s economic development. Novi Sad, as the largest city of the Autonomous Province of Vojvodina and the second largest city by number of inhabitants in the Republic of Serbia, pays special attention to this sector. Historical data indicate that the city was founded in 1694 and that for a long time it was the centre of Serbian culture, which is why it was often called Serbian Athens. Thanks to the diverse cultural heritage of many peoples who have lived in it for centuries, Novi Sad exudes



creative energy and an interactive network of numerous scientific and cultural institutions. The high degree of multicultural and multinational environment influenced Novi Sad to win two prestigious titles in the field of culture - European Capital of Culture in 2022 and European Youth Capital in 2019. The subject of this work is the analysis of the connection between the creative and cultural industry and the overall development of tourism in the city of Novi Sad.

THE CONCEPT OF THE CREATIVE CITY

The founder of the concept of creative cities as a new paradigm for city planning was Charles Landry. In the 80s of the last century, Landry used the mentioned term for the first time, and his works “The Creative City” (1995) and “The Creative City: A toolkit for urban innovators” (2000) are taken as a starting point in planning and defining creative cities. He advocated the opinion that cities that decide to implement the mentioned concept must think differently, i.e. they must be creative and imaginative and open to experimentation while maintaining established patterns of management and thinking. It was also emphasized that being creative does not mean just making something new - but seeing things from a different perspective and being open to new ideas (Landry, 2012).

Based on the available literature on creative cities, which is listed in the list of literature, it is observed that there is no universal, generally accepted definition of a creative city. Authors like Vickery and Florida start from the Landry concept and look at the creative city as an idea that, with the help of innovation and creativity, numerous urbanization problems that cities in the modern world face every day can be solved. Thanks to accelerated urbanization, the concept of creative cities is becoming an increasingly important factor when planning city development and revitalization.

Numerous indicators that make a city creative are integral elements of the concept “creative cities”. A large number of authors in the mentioned field have different ideas about the order and importance of creativity indicators, which is shown in Table 1.

Table 1. Indicators of creativity of cities.

Authors	Indicator
<i>Charles Landry</i>	Culture, communication, cooperation
<i>Richard Florida</i>	Talent, technology, tolerance
<i>Verhagen</i>	Safe, clean, green
<i>Hawkins</i>	Collaboration, innovation, learning,
<i>Kageyama</i>	Functional, safe, cheerful, comfortable
<i>Fonseca and Urani</i>	Connections, culture, innovation
<i>Strickland</i>	Diversity, equality, justice
<i>Lerner</i>	Mobility, solidarity, sustainability
<i>Sorry</i>	Practice of "free" citizenship, socially complex environment, culturally dynamic areas, security

Source: Oliveira & Paulino, 2017.

The data from the table show that certain indicators are repeated, that is, that the opinions of the mentioned authors are somewhat similar and related. The increasingly intense process of globalization will lead to the development and change of cities, but also to a change in the very concept of a creative city and the aforementioned indicators. From the above, it can be concluded that creativity will be an indispensable element of adapting to the modern world.



One of the most frequently used methods for evaluating the creative possibilities and potential of cities is the index of creative cities developed by Charles Landry in collaboration with Jonathan Hyams (Creative Cities Index, 2023). In the modern world, many cities use the mentioned index and concept in their development plans and strategies in order to increase their attractiveness, competitiveness on the market, improve their traffic and tourist infrastructure and sustainability.

According to Jaime Lerner, former mayor of the Brazilian city of Curitiba, “A city will be attractive to tourists only when it is attractive to its residents. The city should not be prepared for tourists, but serve the residents and offer a better way of life, and then it will attract tourists” (Kliček & Vanić, 2015). The concept of a creative city indicates that cities should be unique, innovative, distinctive, attractive, healthy, sustainable, authentic, attractive to tourists, investors and local residents. A creative city is “a city that manages to tell a story about itself” (Verhagen, 2009).

In 2004, UNESCO founded the Network of Creative Cities with the aim of strengthening cooperation and interconnection between cities of different countries that recognized creativity and innovation as the most important factors in urban development and achieving a competitive advantage. The network includes 295 creative cities and covers seven creative fields such as design, film, crafts and folk art, literature, music and media arts (UNESCO, 2023).

Tourism in a creative city is primarily sustainable urban tourism with a certain degree of creativity and innovation. According to the World Tourism Organization (UNWTO), sustainable tourism is: “Any type of tourism that contributes to the protection of the environment, social and economic unity and the promotion of natural and cultural values on a sustainable basis” (UNWTO, 2023).

Tourism today is one of the fastest growing and the most profitable industries in the world, whose progress is expected in the coming years. As such, it can greatly influence and help communities to be sustainable and find a balance between intensive urbanization and environmental protection. Unfortunately, in recent years, the so-called over tourism has been increasingly mentioned - a synonym for “mass tourism, which is often characterized by environmental degradation due to an excessive number of tourists, destruction of cultural and historical heritage, noise and the like.” Cities that implement the concept of a creative city can develop and improve the environment, preserve cultural community and improve social conditions within it. Creativity is a key element in stopping over-tourism.

THE CONCEPT OF THE CREATIVE CITY OF NOVI SAD IN THE DEVELOPMENT OF TOURISM

The European Strategy - Development of European Tourism 2030 indicates the importance of including medium-sized and small cities in order to avoid rural depopulation and enable balanced territorial development both in Europe and in the world. The European Capital of Culture project is a project of the European Commission for Culture. The project was launched in 1985 thanks to the initiative of the Greek actress and Minister of Culture, Melina Merken. The goal of the project is to highlight the European cultural wealth so that people from different European countries can connect, cooperate and develop a sense of belonging to the European cultural heritage. Additional research has shown that the project realized additional positive economic effects such as an increase in the number of visitors, strengthening the image and brand of the destination on the domestic and international tourism market, as well as additional investments in traffic and tourist infrastructure. In recent years, obtaining the status of the European Capital of Culture has become increasingly prestigious because of a chance for rapid economic development of the chosen city (Union, 2023).

Candidate cities have the obligation to submit their proposals and plans related to the implementation of projects in the form of an application book six years before the official year of the title, while the European Commission, based on the submitted documentation, makes a decision on which cities become European Capitals of Culture. The submitted planned projects should meet certain criteria such as fostering European values, affirming young artists, raising the city's infrastructural capacities and modernizing the city's cultural heritage (Commission, 2022).



In 2017, Novi Sad started implementing the project under the slogan “For new bridges”. What makes Novi Sad even more special is that it is one of the few cities of candidate countries for the European Union that has received this title. The success of the city can be seen in the report of the European Commission from 2019, which declared Novi Sad one of the most successful European capitals of culture in the preparation phase, while the famous British travel portal Lonely Planet declared the city one of the top three world tourist destinations. Awards and accolades followed, so in a very short time Novi Sad was declared the best European trend brand in culture. The COVID-19 virus pandemic has disrupted the entire world, causing a series of negative effects on the global economy and cultural events around the world. Although Novi Sad, together with other capitals of culture at the time (Efelim - Greece and Timisoara - Romania), was originally declared the capital of culture in 2021, the titular year had to be postponed to a year later, in 2022. The pandemic did not prevent Novi Sad from being the first in the region to manage to hold certain events online, adapting to the only way of communication at the time. The online presentations proved to be very successful and interesting both for the local population and foreign visitors.

Thanks to its favourable geographical position, Novi Sad has good traffic connections with the rest of Europe, which enables it to have significant comparative advantages on the tourism market. Thanks to its location in this part of Europe, Novi Sad has been an enigma for people from different geographical areas for centuries. The city on the banks of the Danube, also known as Gibraltar on the Danube, represents an oasis of cultural creativity of Serbs and many other peoples. It represents the centre of Serbian culture with Matica Serbian, the oldest Serbian cultural, literary and scientific institution. An ideal combination of old and new, modern and ancient - a city of turbulent past and rich future.

The largest infrastructural investment in culture, both at the level of the city of Novi Sad and the entire country, are the so-called legacy spaces, a unique example in this part of Europe. The famous network of eight cultural stations created with the aim of redirecting events from the city centre to the outskirts of the city and its surroundings - Svilara, Edšeg, Barka, Mlin, Rumenka, Bukovac, Liman and Karavan. The goal of including these locations in cultural flows is greater cultural engagement of citizens and improvement of social interaction.

Another legacy to the city that continues to develop even after the year of the European Capital of Culture title is the Kaleidoscope of Culture. During the five weeks of duration, programs from five areas of art (performers, applied, visual arts, architecture and literature) alternate in order to promote a culture of togetherness.

The tourist traffic of the city of Novi Sad achieved in 2022 was the most favourable of the tourist traffic for the observed period. In 2020, a drastic decrease in the number of tourists and the number of overnight stays caused by unfavourable trends in the world (the COVID 19 pandemic) can be observed. Growth in the number of tourists and the number of overnight stays was recorded in 2021, but not enough to achieve the results from 2019. In the year of the title, tourist traffic was the highest for the observed period, which indicates that Novi Sad is an increasingly attractive destination on the tourism market. The average length of stay of tourists ranged from 1.9 to 2.6 days. The structure of total tourist traffic can be seen in Table 2.

Table 2. Volume and dynamics of tourist traffic in novi sad from 2017 to 2022.

Year	The number of tourist in 000	Chain index	Number of nights in 000	Chain index	Average length of stay
2017.	195	-	368	-	1,9
2018.	214	109,7	453	123,1	2,1
2019.	222	103,7	425	93,8	1,9
2020.	76	34,2	179	42,1	2,4
2021.	134	176,31	336	187,7	2,5
2022.	219	163,4	561	166,9	2,6

Source: Author's calculations based on Reports of Statistical Office of the Republic of Serbia, UT10, 2017,2018,2019, 2020,2021, 2022.



In the structure of total tourist traffic in 2022, domestic tourists participated with 38.5% of the total number of arrivals and 30.5% of the total number of overnight stays, while the participation of foreign tourist traffic amounted to 61.5% of the total number of tourists and 69, 5% of the total number of overnight stays. During the observed period, the deviation was recorded during 2020, when domestic tourists absorbed the majority of the total number of tourists and the total number of overnight stays. This difference is a consequence of the COVID-19 virus pandemic and the ban on movement outside the country (Table 3).

Table 3. Structure of tourist traffic for novi sad in %.

Year	Domestic tourists		Foreign tourists	
	Number of tourist	Number of nights	Number of tourist	Number of nights
2017.	38,5	33,4	61,5	66,6
2018.	35,4	34,8	64,6	65,2
2019.	35,5	34,3	64,5	65,7
2020.	54,4	54,0	45,6	46,0
2021.	47,9	45,6	52,1	54,4
2022.	38,5	30,5	61,5	69,5

Source: Author's calculations based on Reports of Statistical Office of the Republic of Serbia, UT10, 2017,2018,2019, 2020, 2021, 2022

Numerous promotions, events, manifestations, guest appearances and awards certainly contributed to 2022 being one of the most prosperous years when it comes to tourism in this city in the north of Vojvodina. The cooperation between the Tourism Organization of the city of Novi Sad and numerous other cultural institutions enabled more intensive promotion of the city on the domestic and international tourism market.

CONCLUSION

Culture and creativity are the basis of regeneration and revitalization of cities. The creative economy represents a significant factor in the profitability of a destination and affects its competitiveness on the tourism market. Based on all of the above, it can be concluded that Novi Sad has all the predispositions for the intensive development of the creative and cultural industry. The priceless cultural wealth of the city, the presence of a large number of creative creators from various fields of the creative industry are only part of what can make the city the centre of the creative and cultural economy of this part of Serbia and Europe.

The creative cities programs of the European capitals of culture and the UNESCO Creative Cities Network influence the development of tourist destinations, increasing the number of tourists and income. The connection between creativity and economy is necessary and indicates that tourism of the 21st century is impossible to imagine without creativity and innovation. The city of Novi Sad is on the right path of creative and cultural development, which is confirmed by the title of European Capital of Culture, but continuous improvement and the introduction of certain innovations in the management of the creative industry are necessary.

In the coming period, it is necessary to work on additional networking, that is, on strengthening cooperation between the creative sector and other stakeholders, as well as on marketing. For the most successful promotion of the creative industry, more intensive marketing campaigns are necessary, which, in addition to promoting the creative sectors, will also promote all the advantages of the city of Novi Sad and its surroundings, thus influencing the increase in the number of tourists and income.



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