

ECONOMICS OF UNIQUENESS IN CROATIAN HISTORIC TOWNS: LOOKING FOR NEW URBAN MODELS*

Nataša Urošević**

Danijela Grubišić***

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Case study

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Abstract

The paper will elaborate on the current situation and development perspectives in selected Croatian historic towns, reflecting upon innovative models of urban regeneration and social revitalization. Looking for new urban models in the challenging global context, the authors applied the concept of cultural economy or the economics of uniqueness, which connects sustainable urban development with strategic mobilisation of unique local cultural resources. As a case

study, the current situation in the cities of Pula and Šibenik (Croatia) was elaborated, which are characterized by the transition from former military and industrial urban models to cultural tourism destinations.

Keywords: *economics of uniqueness, cultural tourism, historic towns, sustainable development, Šibenik, Pula, Croatia*

1. INTRODUCTION

A turbulent global context, marked by uncertainty, instability and unpredictability, due to the current pandemics, as well as economic and environmental crisis, requires the development of new models of innovative mobilisation and a sustainable reuse of limited, valuable and unique local resources. In such an unstable situation, which strongly affects countries dependent on international tourism, it is important to

also analyze the role of tourism as a major vector of globalisation and mobility, which allows, among others, the circulation of urban, architectural or policy models and labels. Through the attribution of different labels, namely, international organisations suggest good practice models and urban policy benchmarks, promoting projects that emphasize the uniqueness of places and sustainable urban development.

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** Nataša Urošević, PhD, Assistant professor, Juraj Dobrila University of Pula, Interdisciplinary Study Programme of Culture and Tourism, Preradovićeveva 1/1, 52100 Pula, Croatia, E-mail: natasa.urosevic@unipu.hr, ORCID: <https://orcid.org/0000-0001-8026-8987>

*** Danijela Grubišić, student, Juraj Dobrila University of Pula, Interdisciplinary Study Programme of Culture and Tourism, Preradovićeveva 1/1, 52100 Pula, Croatia, E-mail: dgrubisic@unipu.hr, ORCID: <https://orcid.org/0000-0001-8431-9841>

Given the current challenges, in this paper the concept of cultural economy or the “economics of uniqueness”, which connects sustainable development with strategic mobilisation of unique local resources, has been applied to two local case studies. According to this model, the most successful in attracting investment and business are the cities that meet the aspirations of their citizens, through an adequate valorisation of all key resources, including their heritage, while alleviating poverty and promoting inclusion (Licciardi & Amirtahmasebi, 2012).

Trying to find the optimal model of sustainable urban development, the authors analyzed the current situation in Croatian historic cities of Pula and Šibenik, characterized by the transition from a former military and industrial urban model to the cultural tourism destination.

2. THE ECONOMICS OF UNIQUENESS

In the analysis, the authors used the concept of the so-called *economics of uniqueness*, which emphasises the benefits of investing in unique local cultural resources as an aid to the quality of life, job creation and local economic development. Besides investing in key resources, such as historic city cores, the economics of uniqueness links investments in urban infrastructure with integrated conservation, socio-economic development with city branding, identifying the acceptable level of change and the extent of adaptive reuse, as well as a dialogue between the public and private sectors (Licciardi & Amirtahmasebi, 2012).

The analysis of the possibilities for urban regeneration and revitalization of the unique historic environment of Croatian historic towns (Šibenik and Pula) was based

on the broader concept of the historic urban landscape (HUL), which considers the urban area to be the result of a historic layering of cultural and natural values and attributes, extending beyond the notion of the “historic centre” or “ensemble”, to include a broader urban context and its geographical setting (UNESCO, 2011). The authors assumed that the specific historic urban matrix of Pula and Šibenik perfectly fits into the HUL approach, which sees and interprets the city as a continuum in time and space, which is aimed at preserving the quality of the human environment, enhancing the productive and sustainable (re)use of urban spaces (Ibid; Urošević, 2016).

Viewed in this context, urban heritage could also act as a catalyst for sustainable development, bringing economic, socio-cultural and environmental benefits to the local community. Sustainability or sustainable development could be elaborated as an aim to be permanently achieved, taking into account the integration and coordination of available resources, economic development, the conservation of resources, and social and cultural equity (Mega and Pedersen, in Richards, 2007).

Besides mobilisation and functional adaptive reuse of the key local resources, an important part of the economics of uniqueness are the local participatory democracy and the equal inclusion of all key stakeholders. Since the local community participation is the key principle of sustainable development, raising awareness and capacity building campaigns, educational and information programmes must be provided, allowing the local community to live in harmony and dignity toward its heritage, appreciating its uniqueness (De Camargo, in Richards 2007).

3. TOURISM AND THE CIRCULATION OF URBAN MODELS IN CROATIAN HISTORIC TOWNS

Tourism, as a major vector of globalisation and mobility, enables and contributes to the global circulation of people, concepts, objects, imaginaries, experiences, norms and models. In the context of constant circulation of transnational mobilities, it also reproduces different urban models, including objects, policies, urban planning doctrines, good practices and labels (Peyroux & Sanjuan, 2016). Through the attribution of different labels, international organisations and the European Union suggest good practice models and urban policy benchmarks, such as the European Capital of Culture, “creative city”, “sustainable city”, “smart city”, “resilient” or “inclusive” city. On the other hand, “developers and investors replicate success models in order to minimise risk, but contradictorily success depends on exploiting and promoting the uniqueness of places, rather than on its homogenisation” (Ashworth & Page, 2011: 4).

Many experts indicated sustainable development potential of emphasizing the uniqueness and universal significance of local heritage by heritage labels. According to Robinson and Picard, such recognition could rapidly transform cities into attractive tourist destinations, effectively allowing greater levels of the engagement of the local communities with the past, collective memory, identity and its meanings (Robinson & Picard, 2006: 19). In a similar way, the inscription on the World Heritage List could connect and motivate local stakeholders, increasing enthusiasm and reflecting the pride that such a recognition may bring: “Among the benefits conferred by the label are greater media coverage, the

prestige gained through association with UNESCO and the other prestigious properties already inscribed, and the hope of economic and local development via the future development of international tourism” (Gravari-Barbas et al. , 2018).

Croatian historic cities and World Heritage sites, such as the cities of Dubrovnik, Split, Poreč, Zadar and Šibenik, also use heritage labels to communicate their uniqueness and attract visitors, promoting sustainable cultural tourism as the main driver for heritage revitalization and protection. In historical cities, history has become heritage, and heritage has become an urban resource, which shapes the form and functioning of the tourist-historic city (Ashworth & Tunbridge, 2000), thus, influencing the circulation of urban models, as well.

Both Pula and Šibenik are members of the Croatian Association of Historic Towns, the platform aiming to identify and promote specific needs of local communities in historic towns, marked by a distinctive historical core, unique architectural heritage, quality and consistently maintained characteristics. The long-term objective of this association, based on the model of the European Association of Historic Towns and Regions (EAHTR), is to resolve issues in a systematic manner, and through the exchange of experiences between cultural heritage experts, local authority representatives, scientists and tourism professionals (HUPG, 2019). Croatian association also has at its disposal best practice models in sustainable heritage management of historic cities, promoted by numerous projects, implemented by the EAHTR, such as HERO, INHERIT, etc. (INHERIT, 2007).

To conclude, it could be useful for historic cities to use the potential contained in their unique cultural heritage by creating

cultural products that will include regional assets, differentiate one city from the other, making a strong narrative that reflects the local identity and implementing new values and philosophy. Using the best practice models and heritage labels mentioned in this chapter could help in such initiatives, by motivating local stakeholders to cooperate in projects related to sustainable heritage valorisation. In order to adjust such projects to the needs of the local community, the best approach is to start with bottom-up initiatives, or participatory decision-making in the destination.

4. THE CASE OF ŠIBENIK

Šibenik is the only city in Croatia with two UNESCO World Heritage Sites, after the inclusion of the St. Nicholas Fortress in 2017, in the framework of the transnational nomination of Venetian fortresses on the Adriatic on UNESCO's World Heritage List. The oldest native Croatian town on the Adriatic is unique also because of the Cathedral of St. James, built entirely from stone. Beside being the first city in the world with streetlights powered by a poly-phase system of alternating current by Nikola Tesla, another famous inventor, a polymath and bishop Faust Vrančić was born in the city (Total Croatia, 2019).

Instead of reproducing imposed urban models, the city of Šibenik chose its unique development pattern, using EU funding and projects for sustainable cultural tourism and community development. The Society of Friends of Šibenik Antiquities and the Society for Preservation of Šibenik's heritage "Juraj Dalmatinac" started with awareness raising and capacity building campaigns, documenting, analysing, interpreting and presenting the local heritage on a voluntary basis. A few years

later, in 2014 the Šibenik City Museum opened a department to lead the upcoming EU funded project of revitalization of St. Michael's Fortress. Its main goal was sustainable tourism growth, as well as the promotion of employment and development of small and medium-sized enterprises in cultural tourism. Two years later, in 2016, the Public Institution Fortress of Culture Šibenik was founded and separated from the City Museum. The institution today manages two revitalized Šibenik's fortresses, St. Michael's and Barone Fortress that was opened in 2016. Today, the Institution creates and develops new revitalization projects as cultural programmes. The Fortress of Culture is also a partner on the Revitalization project of St. John's Fortress area and will manage the site after the project ends. During the process of transformation (that included urban revitalization, changing the functions of existing buildings, building new infrastructure on new or existing sites), it was of great importance to enable continuous activities of the local population (Mrak, 2013). That way, participatory decision-making in space management includes the wider spectrum of stakeholders and is more relevant to its users. The local government and local community are the most important stakeholders in the process of urban renewal, which has become one of the important strategic goals of spatial policies and integrated models of preservation, planning, implementation and management of urban revitalization.

To detect local needs, opinions and attitudes, the city of Šibenik prepared a "Comprehensive Report on Local Needs analysis" in 2015, as a part of JEWEL (Joint Easily Wafted East Laboratory Model) project. The main task of the project was to create a place, in which the local community could exchange all the important information about urban changes

and has a significant role in decision-making (City of Šibenik, 2015). The main goal of the project was to revitalise the historic city core. Special emphasis was put on the socio-economic aspect and cultural heritage potential. The analysis involved all the relevant stakeholders: local community, entrepreneurs, cultural associations, experts in cultural heritage preservation and valorisation, and professionals in infrastructure development. Through seven focus groups and questionnaires (N=240), key stakeholders expressed their concerns and problems, but also ways of development and improvement of life, culture and infrastructure in the historic city core (City of Šibenik, 2015). This served as a basis for further development plans of the Šibenik historic city core in the means of city economy, culture and cultural heritage. JEWEL project is a great example of participatory approach to planning and developing a city: actions that are conducted follow local needs and there are multiple benefits. It serves also as a promotion tool through the word of mouth. Local community is a messenger of a good city management and puts a different

perspective on the city – instead of a city to drop-by, it became a place to be.

This example led to another use of participatory and bottom-up approach. The Fortress of Culture Šibenik is now well-known for its unique managing system that includes several stakeholders and it brings positive changes to the local community. To make a higher impact on the local community and its heritage, the Fortress of Culture has a Fortresses' Friends Club, with the main goal of further heritage preservation. In the period of 2016 – 2018, the members were involved in the preservation of cultural goods in the historical city core of Šibenik. Based on this, the city of Šibenik and the Public Institution Fortress of Culture Šibenik are successfully implementing the participatory approach for managing the cultural heritage. Moreover, city image is being improved, which creates a new strong narrative about the core values and identity of Šibenik and its heritage. International tourists, as well as the local community are aware and recognize the universal values and uniqueness of this regional asset.

Table 1. Fortress of Culture Šibenik in numbers

Fortress of Culture Šibenik (2018)	Number of full-time employees	Number of visitors	Number of events	Number of Members in the Fortresses' Friends Club
	25	210 100	45	5000+

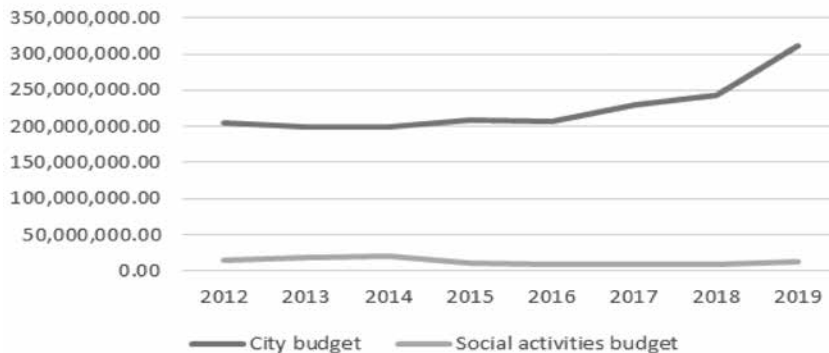
Source: Final Annual Report by the Fortress of Culture Šibenik 2018.

Urban regeneration and valorisation of cultural heritage in Šibenik have a big impact on the local community. There has been a long ride from perceiving it as “a city between Split and Zadar” to “a city as a stage”. Along the way, several effects were produced: satisfying local cultural needs through diversified and almost year-long cultural programmes and creation of a bigger number of social interactions resulted in feelings of belonging and fulfilment,

being the backbone of the quality of life. Speaking about positive changes, local community is not the only one that is affected by them. Local economy records several growing variables, such as more financial resources in the city treasury that are used to decrease city's debt and direct the further investments into the cultural and tourism sectors, as well as ensure a higher employment rate in the sector of culture.

Based on official budget documents of the city of Šibenik, budget plans from 2012 until 2019 are presented by Figure 1.

Figure 1. Šibenik city budget (in HRK)



Source: Authors, based on official budget documents of the city of Šibenik (retrieved from the City of Šibenik web page)

The figure follows the trends represented in the city's budget: the general and the specific one, i.e. the social activities budget. Although the city's budget for social activities is not significantly higher, some bigger changes can be observed in 2014. In that year, the city funded the project of the Fortress of Saint Michael when the formal institution the Fortress of Culture was not established yet, which happened just two years after, i.e. in 2016. Since that year, the city budget has been continuously growing and the budget for social activities has been slowly increasing, as well.

Additional explanation can be provided by analysing arrivals and overnights in Šibenik in the period 2012 – 2018. The number of tourist arrivals is used as a basic indicator to measure the success of

the tourism sector. In addition, many data sources can be used as indicators measuring sustainability, such as overcrowding, seasonality, variety of attractions, black market accommodation, along with others. Indicators that measure sustainability can be analysed for each destination, having in mind its unique character and problems. Such indicators are also the reference point for business decisions and investments. In 2019 (January - July), Šibenik was marked as one of ten ("Top ten") most visited tourist destinations in Croatia for domestic tourists. In the first seven months of 2019, Šibenik had 156.469 overnights by domestic tourists. It is two percent more than in the same period in the previous year. The numbers of arrivals and overnights in Šibenik in period of 2012 – 2020 are shown in Table 2.

Table 2. Arrivals and overnights in Šibenik 2012 - 2018

	Arrivals			Overnights		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2018	340 311	50 112	290 199	1 597 831	170 246	1 427 585
2017	326 758	45 886	280 872	1 591 804	156 108	1 435 696
2016	291 242	53 264	237 978	1 526 777	183 189	1 343 588
2015	276 523	53 459	223 064	1 415 040	203 307	1 211 733
2014	244 476	43 920	200 556	1 311 839	155 180	1 156 659
2013	225 606	39 533	186 073	1 243 848	152 056	1 091 792
2012	207 673	32 492	175 181	1 118 173	115 218	1 002 955

Source: Authors, data retrieved from the Croatian Bureau of Statistics.

From Table 2, it can be seen that the number of arrivals increased by almost 100,000, with arrivals of foreign tourists recording the highest growth. During the period of five years, overnights also took a positive turn and have been growing constantly. However, it is visible that the trend was slowing down in the period of 2017 - 2018. It means that tourists prefer to stay for shorter periods of time in Šibenik, rather than spend longer holidays in the destination. This can be explained by the majority of events (such as concerts, festivals) that usually last less than a week and attracts bigger groups, which prefer not to stay in the destination after the event finishes.

In addition, local community has more income, because it turned to tourist activities, such as renting apartments during the season. Another example of raising income is opening SMEs that offer (tourist) products in the destination, which represents one of the current trends and needs in tourism: local enterprises that are authentic and represent regional values. The programme “Local products for local tourism” was introduced in the action plan from the *Strategy for the development of innovative tourism in the city of Šibenik* (Institute for Tourism, 2015). The goal of the programme is to renew local food production and

distribute it to catering and accommodation facilities, as well as to the local community. Integrating authentic local products in the tourist offer was recognized as an opportunity in the *Tourism Master Plan of Šibenik-Knin County* (2017), as well. This shows that the city of Šibenik approaches tourism strategically and has taken into account all the relevant stakeholders that could benefit from tourism. Cultural institution *Fortress of Culture* works with local enterprises on several occasions: it buys food from local producers for the gastro centre on the Barone Fortress, it uses private accommodation for artists, rents musical equipment from local enterprises and sells souvenirs that are made locally. All this brings the city of Šibenik one step closer to the sustainability of the destination. It also leads to a multiplication effect in tourism, where one sector acts like an engine to start running the ones that are related to it. There are more human resources being hired in the cultural tourism sector that raises the purchasing power of the local community. In turn, increased purchasing power means higher personal consumption, which is the biggest component of the gross domestic product, and as such is changing the picture on the national level. On the other hand, creating and selling tourist products in the city of Šibenik raises “invisible” net export.

Cities with a strong identity, different assets and ways of its interpretation have more opportunities to succeed in the global tourist market. This means that constant adjustment and investment are needed, in order to meet the current market requirements. As the generations are changing and more people can be described as digital natives, implementing digital technologies in cultural tourism has become *a must*. Digitalised exhibits, user-friendly and interactive displays have become a competitive advantage. There are not enough cultural tourism products, developed by an integrated holistic approach, so they represent attractions. Therefore, the institution *Fortress of Culture* has been recognized as an example of good practice and has received numerous awards: Croatian cultural attraction of the year 2016, the best digital content in the category of Innovative use of technology on MIXX 2016 Content – DK Festival, international Plautilla award in 2017 for quality and creative interpretation of cultural heritage. The Barone Fortress uses augmented reality content as a part of the project *Barone: Rediscovering the rich past - The path to a successful future*. Content includes the character of the narrator Frane Divnić and the attack of the Turks on the Barone Fortress, presented through the AR glasses and smartphones (Fortress of Culture Šibenik, 2019).

Another example is the smart table with the Šibenik history timeline with augmented reality components. Part of this project has been funded by the European Regional Development Fund under the Operational Programme “Regional Competitiveness” for Croatia 2007 – 2013. In Saint Michael’s Fortress, 3D video mapping projection has just been introduced, as a part of the project *Fortress ReInvented* INTERREG – IPA CBC (Croatia, Bosnia and Herzegovina, Montenegro). The Saint Michael’s Fortress

will also get multimedia guides (tablet computers), with digital and audio content that will turn on without user intervention at the moment of passing a location, giving the visitor the impression of traveling through time (Fortress of Culture Šibenik, 2019).

To sum up, the city of Šibenik is using its potential held in cultural heritage. It is used as a tool of urban regeneration and social revitalization, a lever for tourism development and the medium for promotion. With a participatory approach and creation of a unique development pattern, using EU funds and projects for sustainable cultural tourism and community development, Šibenik is on a path to becoming fully sustainable tourist destination.

5. THE CASE OF PULA

Pula is a typical Mediterranean city, which owes most of its urban identity to the heritage of the classical antiquity, from the time of the creation of the Roman colony, with the Amphitheatre as an iconic symbol of the city. After a period of decline during the Venetian rule, a period of the most intensive modernization and urbanization began in 1856, with the opening of the Arsenal, after the city was chosen to become the main port of the Austro-Hungarian navy (Balota, 2005). Since the military function defined the city’s identity for 150 years, there was no need for beautification projects and investments in the historic city core in this period (besides the necessary rehabilitation of historic monuments after the air raids in WW2). The city experienced demilitarization and deindustrialization at the beginning of the 21st century in a very neglected state, so there is an urgent need to valorise in a proper way the valuable industrial and military heritage from the period of the city’s greatest

prosperity: the former Arsenal (Uljanik Shipyard), as well as the well-preserved fortification system, unique in Europe.

Green, inclusive and smart urban growth, which will valorise rich cultural heritage as the main attraction in sustainable cultural tourism and a tool for community development are the main strategic goals of the *Strategy of Urban Development of the Pula Urban Area* (2017). The Strategy recognized 60 protected locations as the main potential for branding the city as a unique cultural tourism destination. It suggested urban revitalization through European funds and programmes as one of the development priorities. *Cultural Strategy of the City of Pula 2014-2020* (2013) evaluated potentials for urban regeneration, by using cultural heritage and creative industries as main drivers of sustainable transformation. The conducted analysis emphasized key problems: neglect of the city, inadequate coordination and communication between the main stakeholders, as well as a lack of a proper model of heritage management. To resolve this situation, the *Cultural Strategy* proposed establishing the Coordination for the Public Space of the City of Pula, as a management body which

would coordinate and supervise efforts and projects of sustainable valorisation of the city's unique cultural landscape, prepare EU projects, organize participatory platforms and formulate common urban narratives to support social cohesion and inclusion (although its founding was planned for 2014, it still has been not realized and the same problems still exist).

The Strategy of Tourism Development of the City of Pula 2016-2020 (2015) analysed the current situation and potentials for strategic repositioning of Pula as a destination of special interest tourism, with emphasis on cultural tourism, urban and congress tourism, and active holidays (including nautical, sports and recreational, health, wine and gastro tourism, and ecotourism). It recognized the great potential in revitalizing the rich cultural heritage with festivals (Pula is presented as a city with the largest number of festivals, some of which belong to the best in Europe, among them the Pula Film Festival, but also music festivals in local fortifications). This synergy of ancient heritage and contemporary culture and creative industries is seen as a generator for the city development.

Table 3. Arrivals and overnights in Pula 2013 – 2018

YEAR	ARRIVALS			OVERNIGHTS		
	Total	Domestic	Foreign	Total	Domestic	Foreign
2013	240005	30588	209417	1273881	95921	1177960
2014	263462	30959	232503	1363474	92997	1270477
2015	282732	31963	250769	1441850	101097	1340753
2016	330950	41599	289351	1606582	123809	1482773
2017	381534	37522	344012	1878244	97618	1780626
2018	413686	40993	372693	1998479	110023	1888456

Source: Authors, data retrieved from the Croatian Bureau of Statistics.

The analysis indicated the main problems, typical for many Adriatic destinations: extreme seasonality and overtourism during summer months, with most manifestations concentrated in July and August and, on the other hand, a deserted town during the winter. The neglected city core and a lack of key tourist and cultural infrastructure are accompanied by inadequate accommodation and hospitality facilities (a lack of quality themed hotels and restaurants). Although tourism sector has showed

constant growth in the last decade (cca 5% per year), it was mostly classical summer holiday model, with an average stay of 5.4 days. Most tourists arrive from Germany, Italy, Croatia, Austria, the United Kingdom and Slovenia, but there is a potential and growing number of tourists from Central European countries, such as Poland, the Czech Republic and Hungary. It is interesting to note that domestic tourists spend in Pula on average 3 days (mostly excursions), and foreign guests 5 days.

Table 4. Average stay in Pula from 2013 to 2018

PULA			
YEAR	Average stay	Average stay of foreign guests	Average stays of domestic guests
2013	5.31	5.62	3.14
2014	5.18	5.46	3.00
2015	5.10	5.35	3.16
2016	4.85	5.12	2.98
2017	4.92	5.18	2.60
2018	4.83	5.07	2.68

Source: Authors, data retrieved from the Croatian Bureau of Statistics.

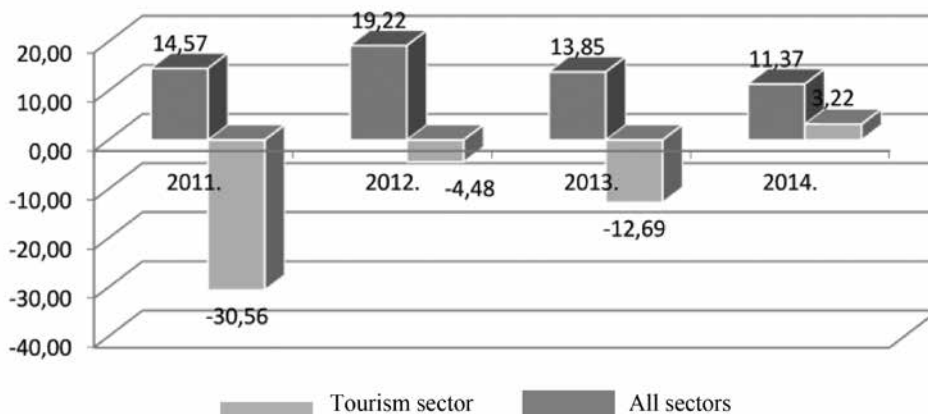
Besides traffic and infrastructure, the quality and availability of accommodation in the city centre is also problematic: most of the 20 hotels in the urban area of Pula are based in tourist villages on the periphery (Verudela) and on the Brijuni Islands (4 hotels), and only 6 of them have four or more stars. Apart from 10 hostels for younger visitors, there are 240 private accommodation objects in Pula. It is obvious that the unique cultural history of the city could be better used, as to create attractive offers or themed hotels, hostels and restaurants, which would valorise all cultural layers, urban narratives and intangible culture: from the Mediterranean (Roman, Venetian), to the Central European, Balkan and world culture.

After the process of demilitarization, due to declining local industry and closure of the well-known Uljanik shipyard (which was the most successful one in Croatia and a symbol of modern Pula), it seems that cultural tourism is becoming very important for the city economy. Investing in key cultural tourist attractions, such as the historic core, fortified and industrial heritage will be key priorities in the following period. Due to the current crisis, the local, regional and national budget revenues are very limited and the only opportunity of funding such investments is through European programmes and projects. Although private investments could help, it is important to ensure continuous investment in the public space and key cultural and tourist infrastructure from the available sources, such

as the EU structural funds. As already mentioned and suggested in key strategic documents, establishing a managing body (agency, city department, etc.) responsible for coordination and communication between key stakeholders and preparation of EU

projects and management plans, will be the first and the most important step. European and local best practice models, such as the aforementioned example of Šibenik, could be very useful in this process.

Figure 2. The growth / decline rates of the total revenues of the tourism sector and the total economy of the city of Pula, 2011-2014



Source: Strategy of Tourism Development of the city of Pula, 2016-2020

Tourism presents 18% of the total revenue of the city of Pula, and due to the process of deindustrialization, this percentage will grow. Figure 2 shows the importance of the tourism sector in the urban economy, especially in the situation of declining total revenues, due to the current crisis. On the other hand, it is important to ensure sustainable tourism development and avoid mistakes of overtourism and uncontrolled over-construction on the coast. Since unique cultural heritage is already recognized as a basis for urban development, it should be adequately valorised and presented through available European funds and projects, which could also employ young experts, extend the tourist season and rebrand the destination.

After the pilot project ADRIFORT (Adriatic Fortresses and Military Areas, 2012-2015), aimed to create documentation

and a feasibility study on the fortified system valorisation (Urošević & Afrić, 2017) and the HERA project, co-funded through the IPA Adriatic CBC 2007-2013 programme, which provided the visitor centre in the central city fort - Kaštel, the most important recent strategic project aimed at revitalization of the city's fortified landscape is *The Pula Fortification System as a New Cultural and Tourist Product*. Through an integrated territorial investment mechanism, the City of Pula has been awarded co-financing of nine million HRK in grants from the European Regional Development Fund, while the total value of the project stands at just over 23.3 million HRK. The project, being implemented under the "Competitiveness and Cohesion 2014-2020" operational programme, which involves the main cultural attractions in the historic city core, such as Kaštel and the

Small Roman Theatre, is to be completed by November 2022. Besides a new visitor centre, a historical exhibition with a complete view of the Pula fortification system, is to be set up. This intervention would enable the whole area to be further opened up to both tourists and locals, especially to individuals with reduced mobility, for whom the plans will greatly facilitate access. At the same time, with the help of modern multimedia technology, the rich military history of Pula will be revived and visibly presented in the authentic ambience of the premises and in the underground tunnels of Zerostrasse, which themselves formed a part of the former defence system of the City of Pula (City of Pula, 2020). The project aims to increase the supply of educational and other facilities for the benefit of all residents of Pula and their guests. The ITU mechanism responds to the economic, environmental and social challenges, affecting entire urban areas and seeks to address them through an integrated, territory-based approach. From an urban point of view, this is a good example of implementing European projects at the local level.

The Šibenik's example showed that sustainable urban tourism development, which respects unique local assets and involves all interested stakeholders, is possible. Pula and other Croatian historic towns could learn from Šibenik and other successful European historic towns and use this best practice to regenerate and revitalize their own historic cores and urban landscapes, although each city must also respect its uniqueness and valorise it in its own way.

6. CONCLUSION

Global turbulences in economic, social, environmental and political terms require re-thinking of new management models

and a sustainable reuse of unique local resources. In order to achieve it, all key stakeholders, including local communities, should be properly involved in the decision-making processes. Awareness campaigns, educational activities and information programmes are crucial for the success of new management models, building their sense of identity and making a connection to their own culture. The most successful cities are the ones that meet the needs of both the local citizens and other stakeholders such as local government and investors. By investing in historic city cores, economic activities lead to job creation, development of infrastructure and services, as well as city branding. Recognizing uniqueness and universal values of cultural heritage, they could be easily transformed into attractive tourist destinations and stronger meanings to the past, local identity and community itself could be created. Implementing different, but interconnected development policies, such as cultural and tourism ones, could help to create a desirable and attractive place to live, work, visit and invest in. The cases, presented in this paper, reflect how the City of Šibenik accomplished its regeneration by revitalising its fortified heritage and made it the symbol of the region. Its success could become the best practice model for other Croatian historic cities, such as Pula, which are trying to revitalize their unique urban environment by using the available European funds.

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EKONOMIJA JEDINSTVENOSTI U HRVATSKIM POVIJESNIM GRADOVIMA: POTRAGA ZA NOVIM URBANIM MODELIMA

Nataša Urošević

Danijela Grubišić

Sažetak

U radu je prikazana trenutna situacija i perspektive razvoja u odabranim hrvatskim povijesnim gradovima, promišljajući o inovativnim modelima urbane obnove i društvene revitalizacije. U potrazi za novim urbanim modelima u izazovnom globalnom kontekstu, autori su primijenili koncept kulturne ekonomije ili ekonomije jedinstvenosti, koja povezuje održivi urbani razvoj sa strateškom mobilizacijom jedinstvenih lokalnih kulturnih resursa. Kao studija slučaja prikazana je trenutna situacija u gradovima Puli i Šibeniku (Hrvatska), koje karakterizira prijelaz s nekadašnjih vojnih i industrijskih urbanih modela na odredišta kulturnog turizma.

Ključne riječi: *ekonomija jedinstvenosti, kulturni turizam, povijesni gradovi, održivi razvoj, Šibenik, Pula, Hrvatska*