

**Ivan Maloča univ.spec.oec.**

Interfilm d.o.o./CEO/Producer

Nova Ves 45, 10000 Zagreb, Croatia

Phone: +385 1 4667290; Fax: +385 1 4667022

ivan@interfilm.hr

**Stjepan Lacković**

Visoka škola za poslovanje i upravljanje Baltazar Adam Krčelić/Assistant,

Vladimira Novaka 2, Zaprešić;

Phone: +385 91 755 2597

stjepanlackovic@yahoo.com

**Arsen Oremović bacc.oec.**

Večernji list, journalist

Oreškovićeve 6H/1, 10000 Zagreb

Phone: +385 91 2010 330; Fax: +385 1 6300 676

arsen.oremovic@gmail.com

**VUKOVAR FILM FESTIVAL – CAPACITY FOR ECONOMIC AND  
TOURISM DEVELOPMENT OF THE REGION**

**VUKOVAR FILM FESTIVAL –  
POTENCIJALI ZA RAZVOJ GOSPODARSTVA I TURIZMA REGIJE**

**ABSTRACT**

*The goal is to explain the capacity of Vukovar Film Festival for economic and tourism development in the region, with entailed growth of cultural offer at local and national level. We witness large number of European festivals organized because of cultural, and economic reasons. The VFF, as a Danube region festival, has several distinct advantages – firstly, charisma of war tragedies allows the city to intrigue the region of the Danube countries in the way in which Sarajevo does with his festival at European and even global level. Geographically, Vukovar is located in the heart of the Danube region, and this region, despite the large number of festivals, does not have any significant Danube oriented film festival. To finance such a project the funds from Croatia are not sufficient. This paper includes comparative strengths and weaknesses of the festival and methods for placing the festival at the level it deserves. Such a project would allow branding the city in the international community and better utilization of tourism potential. By getting on the international film map, VFF could help use Eastern Croatian picturesque locations for international productions.*

**Key words:** *Vukovar, film festival, Danube, economy, tourism*

**SAŽETAK**

*Cilj je ovoga rada objasniti potencijale VFF-a za razvoj gospodarstva i turizma regije, uz samopodrazumijevajuće jačanje kulturne ponude na lokalnoj i nacionalnoj razini. Svjedoci*

*smo velikog broja europskih festivala koji se organiziraju iz kulturoloških, ali i gospodarskih razloga, a VFF kao festival podunavskih zemalja ima nekoliko izrazitih prednosti – najprije, karizma ratne tragedije omogućava gradu da regiju podunavskih zemalja (Njemačka, Austrija, Slovačka, Mađarska, Srbija, Rumunjska, Bugarska, Ukrajina) zaintrigira na način na koji je Sarajevo sa svojim festivalom to učinilo na europskoj, pa i svjetskoj razini. Geografski gledano, Vukovar se nalazi u samom središtu podunavske regije, a ciljana regija unatoč velikom broju festivala (s izuzetkom Berlina koji se nalazi izvan nje) nema nijedan koji ulazi na listu festivala A-kategorije.*

*Za financiranje ovakvog projekta ne mogu biti dostatna sredstva iz Hrvatske. U radu će biti obuhvaćen model na koji je način povezivanje s kulturnim centrima zemalja podunavske regije i posebno, te korištenjem EU fondova, festival moguće podići na primjerenu razinu. Takav projekt pridonio bi brandiranju grada u međunarodnoj zajednici, boljem iskorištavanju turističkih potencijala, a jačim upisivanjem na međunarodnu filmsku kartu VFF bi (uz Hrvatski audiovizualni centar) mogao biti i generator iskorištavanja živopisnih lokacija Istočne Hrvatske za međunarodne koprodukcije.*

**Ključni pojmovi:** *Vukovar, filmski festival, Dunav, gospodarstvo, turizam*

## **1. Introduction**

Events are an important motivator of tourism, and figure prominently in the development and marketing plans of most destinations. (Getz, 2007, 403). Film festivals, as other festivals of art, are a culture phenomenon that can have a very significant economic influence. That is evident from the fact that the official list of Croatian Audio-Visual Centre (HAVC) registers 54 film festivals in Croatia<sup>12</sup>. In this heavy competition it is particularly important, especially for events which strive for the international context, to create a unique and distinctive features that connect the image of the festival with local/regional characteristics that may ultimately result in increased interest in tourism offer, and thus strengthen the overall economy.

Given the specific characteristics of the region, Vukovar Film Festival as a festival of the Danube countries has a greater potential for bigger breakthrough and development than most other film festivals in Croatia, which, on the other hand, do not have so many opportunities to distinct themselves from the local communities. At the same time, it is affected badly by the socio-political relations, and by the failure to recognize its potential, primarily by the local community, both regional and national, and thus the festival remains without adequate support for international expansion.

## **2. Film Festivals**

According to Film Encyclopedia, a film festival is a periodic or occasional film event organized primarily in order to show films. One of the important functions of the festival is opening the film market - selling and buying movies, financial investments in new film projects, etc. (ed. Peterlić, 1986, 385). Film festivals have a large and important role in the world of film, especially in the recent years when differentiation between Hollywood cinema and so called art films increased. At a time of Hollywood domination in commercial cinemas and multiplexes, festivals are becoming an important form of distributing and promoting art films, discovering new talent, cinematography and trends. However, besides their important

---

<sup>12</sup> [www.havc.hr](http://www.havc.hr) (accessed 27 March 2014)

role in cinematography, film business, film community and their audiences, film festivals also have a great significance for their communities.

Film festivals also celebrate place: the city that hosts them, the nation and national/regional industries that often underpin them (Wong, 2011, 2). For a week or two, film festivals - through the mass media reports on the guest stars, through the raising of festival atmosphere and encouraging the competition between films, through criticism and reports on the winners - attract the attention of the wider national and international audience. Therefore, there is a large number of small, independent festivals, some of which are based solely on tourism (ed. Peterlić, 1986: 385), or which try to connect abstract "culture" and exact "economic" segments more equally.

## **2.1. Film Festivals and the influence on the economy**

Cultural processes of festivals are inseparable from economic processes and the material conditions in which they occur (Jackson, 1991, 226). They attract audiences, local residents and visitors, which requires infrastructure and services of their community. It brings advertisement, income, identity and acts invigorating and homogenizing in a community that participates in "their own" festival, in the active (organizing, volunteering) and passive mode (consuming cultural events, recreation). Festivals take place in a certain period of the year, they enter the calendar of events in the region and thus become part of the collective consciousness of the community. For example, almost every person from Pula has its own anecdote related to the Pula Film Festival, which has become a part of individual, but also common memory. In that case, we are talking about social impacts.

National governments and local authorities around the world are increasingly using cultural festivals and special events as key elements for regional development, as they provide an opportunity for the tourism promotion, commercial profits and attraction of foreign investment (Getz, 2007). For example, the city elders of Cannes, a fashionable resort on the French Mediterranean, started to host international film festival in the mid-1930s in order to extend the tourism season. Since the first festival in 1939 to this day, it has become leading in the world, with an annual budget of approximately 20 million euros.

Support for festivals and special events is thought to make a much more difference in peripheral regions and small communities (Kostupoulou, Vagionis, Kourkouridis, 2013, 175). As regional inequalities in economic and social conditions remain a high priority in regional planning, local governments tend to confront some of these problems by developing effective and appropriate event policies (Whitford u Kostupoulou, Vagionis, Kourkouridis, 2013, 175). Festivals and special events are being encouraged by public sector bodies as a positive form of community development, and thus, the need for a deeper understanding of events' contribution to regional development, place marketing and place-identity has emerged (O'Sullivan i dr. u Kostupoulou, Vagionis, Kourkouridis, 2013, 176).

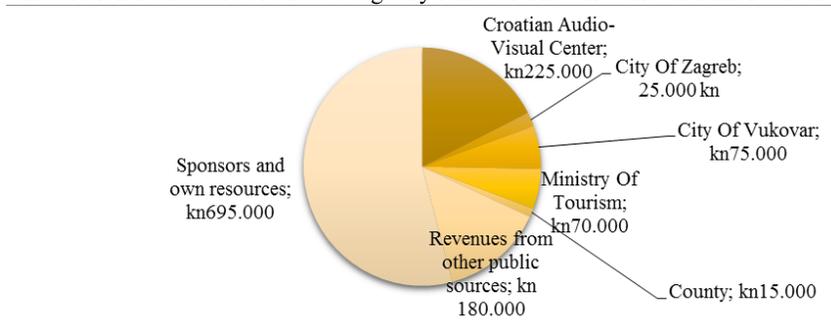
Festivals and events desiring the support or cooperation of tourism agencies, or simply looking for increased respect, tend to conduct tourism and economic impact studies to 'prove' their value in economic terms (Getz, 2007, 408). Or, even better, their strategy might be to first become a tourist attraction, then use that positioning to gain legitimacy or foster growth. In the context of stakeholder and resource dependency theory, events must secure tangible resources and political support to become sustainable, giving up a degree of independence in the process (Getz, 2007, 408).

### 3. Vukovar Film Festival (VFF)

VFF is an international competition film festival and one of the most famous and the most exposed in Croatia, next to festivals in Pula and Motovun. It is held at the end of July each year, from the 2007 and the program includes movies from countries linked by the river Danube: Germany, Austria, Czech Republic, Slovakia, Hungary, Croatia, Serbia, Bulgaria, Romania, Moldova and Ukraine. In 2013 the Festival featured 32 film titles in three main competition programs: feature film, documentary and short film, while another 55 films were shown in supporting programs that are not necessarily connected to the Danube region. Some of them are: *The World, Europe, open!, Planet partner: Earth* and others, whose names indicate that social engagement, given the history and symbolic status of Vukovar, gets special weight. Festival award is named Gold Barge and is given in all three official competitive categories. Festival director is Igor Rakonić, the owner of film distribution company called Discovery film, known for its distribution of cinematographic works from the so-called independent productions<sup>13</sup>.

The total budget of the 7th VFF's in 2013, according to organizers<sup>14</sup>, was 2.1 million kunas: of which direct costs amounted to 1,285,000 and indirect costs to 815,000 kunas which were settled by compensation.

Illustration 1 Structure of direct budgetary funds of The 7th Vukovar Film Festival



Source: Discovery Film

#### 3.1. SWOT analysis

Current status and potentials of the VFF, as well as the advantages and disadvantages compared to other similar events, are presented through SWOT analysis technique, widespread method of research in the field of cultural synergies and economic activity. SWOT analysis was named after the first letters of words:

*S – strengths*

*W – weaknesses*

*O – opportunities*

*T – threats*

The analysis, therefore, determines what strengths and weaknesses the observed project - in this case a cultural product VFF - has over the competition and what his development opportunities and threats are.

##### 3.1.1. Strengths

<sup>13</sup> Films made outside of Hollywood's major studios that dominate the box office.

<sup>14</sup> The festival director Igor Rakonić gave the data for the purposes of this paper.

Vukovar is geographically located in the very heart of the Danube region (Illustration 2), which entitles him to be named the center of the region included in the festival.

Illustration 2 Overview map of Danube region



Source: *Ama Waterways*

Given the recent history of war suffering and tragedy charisma, which Europe does not remember since the Second World War, Vukovar has the capacity to attract a very specific attention of the international community, as the strongest regional cultural festival yet - Sarajevo Film Festival – has already done. This is illustrated also by the evaluation of the Austrian Ministry of Education, Arts and Culture, which evaluated the VFF as medium important for tourism or cultural development of the Danube region, but highly important for the development strategy of the region<sup>15</sup>, with further explanation: „Vukovar was heavily destroyed in 1991. By analogy with Sarajevo Film Festival, Vukovar Film Festival has the potential to act as a driving force for regional development and to raise awareness of the rich cultural patrimony of the Danube region. Panel discussions, workshops and exchanges contribute to the professionalization and internationalization of the participants. Due to the above mentioned approach, it is suited to contribute to the development of civil society, social inclusion and cohesion.“

In media and advertisement terms, Vukovar, Ilok and some city sights included in the festival (Ružička House, Eltz Castle complex, Vukovar river island, Waterways Agency terrace...) had the incidence in the amount of 18,352,928 kunas via TV, radio, print and Internet during The 7th VFF (Source: MediaNet<sup>16</sup>).

The importance of the festival for the cultural life of this specific, quite divided city is extremely high. The festival has entered the consciousness of the population - regardless of the nationality, VFF is accepted as theirs. Social cohesion is one of the characteristics that this festival meets in large extent.

### 3.1.2. Weaknesses

Croatian part of the Danube is relatively short (4.5 percent of the total length of 2,850 km), but the bigger problem is the poor inclusion of the Croatian Danube region in its busiest tourist sections operated by tourism operators, which cover mostly the area of Germany, Austria and Hungary to the west, and Romania and Black Sea to the east. However, at this time, the major problem is the financial side of the festival. The current budget of 2.1 million kunas is too small to make a significant step forward in the international community. For

<sup>15</sup> Festival Director presented the document to the authors

<sup>16</sup> Agency for media analyzing MediaNet made a calculation based on media content collected by the company Presscut, and the data (with this table) was given to the authors by the festival director Igor Rakonić

example, the Sarajevo Film Festival has a budget of 1.3 million euros<sup>17</sup>. Consequently, the festival director Igor Rakonić objects to the amount of grants given to the VFF by HAVC; this remark stands, but taken into consideration that the largest festival grants go to 500,000 kunas, it is still not enough to significantly improve the financial side.

Also, the weaknesses include a wider social context within which the festival is trying to build its international image because the government failed to present the war tragedies of Vukovar and tourist attractions of the region abroad in the way Sarajevo has.

Despite the good media coverage, the festival is still primarily visited by the local population, and the total income of the 2013 Festival amounted only to 21,886 kunas. Only nine out of ninety shows were charged, and the ticket was 15 kunas. There are no exact data on consumption in the region during the festival considering the number of guests, but according to HKG information for 2012, the region had 4,000 overnight stays<sup>18</sup> during the 6th VFF. Zoran Šesto, the director of a private travel agency Danubium Tours in Vukovar, states his opinion: "There are no big groups here, or spending guests, who stay two or three days. People who do stay overnight are generally those for whom the festival provides it, for some interests and purposes."

### 3.1.3. Opportunities

VFF extensively uses tourist sites and attractions of the Vukovar region to create its appearance and visual brand. The award is named Gold Barge, and shows the film camera on a riverboat. The visuals use motifs of Vučedol Dove and less formal programs are carried out on Vukovar river island. Foreign guests are taken on tours of war locations such as Vukovar hospital, fairgrounds and other, but also to the beautiful landscapes such as Ilok wine cellars, Kopački rit, rural tourism locations and other. However, there is still room for improvement and better exploitation of the Danube specifics. For example, instead of the red carpet, it would be very original for the stars and the audience to walk on - the blue carpet. The association is, of course, to the legendary The Blue Danube Waltz by Johann Strauss, which should be more used in the audio-visual presentation and branding of the festival. More so as it is really a popular and loved composition with recognition throughout Europe and beyond.

---

<sup>17</sup> Data is transferred from an interview with the director of SFF Mirsad Purivatra for magazine Screen Daily, <http://www.screendaily.com/features/one-on-one/mirsad-purivatra-sarajevo-film-festival/5059311.article> (accessed 27 March 2014)

<sup>18</sup> Source: Discovery. Data refers to the total number of stays in the county at the time of the VFF. There are no reliable statistics on the number and percentage of figures associated with the festival.

Illustration 3 A potential poster for the VFF inspired by "The Blue Danube Waltz"



*Design: Studio Grafikon in collaboration with authors<sup>19</sup>*

In terms of the program, a great potential lies in the opening of the first Vukovar CineStar multiplex, with three movie theaters and total of 415 seats, as the programs so far were held in somewhat improvised conditions. That opening and the involvement of multiplex in the Festival is very important technological progress. Multiplex is ready for the following 8th VFF and, in the words of Damir Milinić<sup>20</sup>, the executive director of Blitz-CineStar Ltd: "This festival, with which we are interested to cooperate, helped in our decision to open a multiplex here, although it was not decisive. CineStar sole interest is to help cultural townscape, what we are now managing to do by combining different content. CineStar Vukovar is not financially profitable project, but it is certainly the crowning glory of our work." So, this case also shows the stimulating influence of VFF, which is still primarily of a social importance, less economic. But, with clever program and marketing activities, it can be changed. Being that stars largely help the recognition, strength and the image of the festival, the VFF in this segment also has premises for development. This region has no great or even mediocre Hollywood stars who are interesting (and expensive), but German, Czech, Hungarian and, in

<sup>19</sup> The poster was created for the purposes of this paper

<sup>20</sup> Interpolated from talking to authors

recent times, Romanian cinematography have a very interesting film names whose arrivals would have quite a meaning in the region. For example, festival should include filmographies of some great directors who would attend the festival as well, starring Michael Haneke (Austria), Werner Herzog (Germany), Milos Forman (Czech-USA), Cristian Mungiu (Romania), István Szabó (Hungary) and others. It is also possible to organize individual or "movie waves" marathons (Czech new wave, Romanian new wave) that would result in more prominent guests at once.

At the financial level, there is the possibility of greater utilization of various EU funds. Firstly, the funds that are primarily engaged in financing film activities – eg. MEDIA – as well as better cooperation with the cultural centers of other countries that would help with the organization, guests and programs which are related to their national cinema.

Growth of the festival and a better integration into international production could help the Vukovar region and the whole of Eastern Croatia's picturesque locations to participate in international productions.

#### 3.1.4. Threats

Poor financial situation of the country and the region is a real danger that can inhibit the growth of the VFF, but there are the social circumstances too. Vukovar region has still very sensitive political sphere. Places with such social history and cultural heritage often have a political dimension, and the individual characteristics of cultural goods can be (mis)used as elements of political action (Jelinčić, 2010, 9), which was clearly shown after closing the 7th VFF: at a time the guests were leaving the city, the riots on placing the cyrillic plates had just been started. These scenes certainly do not contribute to the development of cultural events and tourist activities, as well as higher level of political criteria rather than constructive action which is, the impression is, already in force in this region. From his own experience, the director of Danubium Tours, Šesto says: "The name Vukovar itself is a great advantage because there are still guests who respond positively to commemorate Vukovar and, in some way, want to help the 'hero town' in his development (suffering, war, return, coexistence, new hope, etc.). Unfortunately, that is not utilized enough because of excessive political interference in the town, while tourism should be left for those who can meet its challenges. Due to recent events (political, issue of minorities), Vukovar is loosing this advantage, from a war victim it is becoming a place with unresolved problems, and when it comes to the nationality problems, the word travels fast. "

At this point, VFF organization largely relies on infrastructure and staff of distribution company Discovery without which, according to Igor Rakonić, "The festival would never have arisen, would never have continuous growth, would never have such a quality program and, with this kind of support from HAVC, would never reach its eighth edition." Therefore, any possible weakening of this business would have a big, if not crucial impact on the survival of the VFF.

Also, the launch of a similar festival of Danube countries, while VFF waits for more favorable conditions, could greatly reduce their chances for future development.

## 4. Conclusion

Cultural festivals are a great potential of cultural and economic (tourism) growth of the region. Vukovar Film Festival, as one of the biggest cultural events in Vukovar County has great development potential, but for now, his strength has more social (social cohesion) than economic character. A stronger breakthrough and branding in the area of the Danube countries does not seem possible with this current budget, but due to the very specific and, unfortunately, tragic war charisma, the festival has all the predispositions for it, as well as the

opportunities in the Danube region which is specified as an area of action. Therefore, a greater support of community, cultural institutions and EU funds is needed.

## REFERENCES

Getz, D. (2007): *Event tourism: Definition, evolution, and research*. Tourism Management 29: pp. 403–428

Jackson, P. (1991): *Mapping meanings: a cultural critique of locality studies*. Environment and Planning A 23: pp. 215–228.

Jelinčić, D. A. (2010): *Kultura u izlogu*, Meandarmedia, Zagreb

Kostopoulou, S., Vagionis, N., Kourkouridis, D. (2013): *Cultural Festivals and Regional Economic Development: Perceptions of Key Interest Groups*, in: *Quantitative methods in tourism economics*, ed. Álvaro M., Peter N., Manuela S., Heidelberg, Physica-Verlag, pp. 175 – 194.

Peterlić, A. (ed). (1986): *Filmska enciklopedija A-K*. Jugoslavenski leksikografski zavod Miroslav Krleža, Zagreb.

Wong, C. Hing-Yuk. (2011): *Film Festivals: Culture, People, and Power on the Global Screen*, Rutgers University Press, New Brunswick, NJ & London