



# Zagreb Night-Time Economy: Hit or Myth

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**Abstract.** The concept of night-time economy is a relatively new and underexplored area in scientific and professional literature, encompassing musical programs that take place during evening and night-time hours and influence the life of the local community. Activities occur between 6:00 PM and 6:00 AM, including events that have partly derived through the development of cultural and creative industries alongside various accompanying activities that facilitate their execution. Considering that this topic is relatively unknown and has not been researched in the Republic of Croatia, the study aims to clarify the concept of the night-time economy and analyse the needs and possibilities for introducing a systematic approach to the development of the night-time economy in the city of Zagreb. The methods used in the research include the analysis of previous studies and examples of good practice abroad. Information on the state of the night-time economy in the city of Zagreb was collected through interviews conducted with owners of concert venues. The synthesis of research findings was prepared using the SWOT analysis method. The analysis of the night-time economy of the city of Zagreb points to the recognizability of Zagreb as a concert destination but also to a number of challenges, such as a general lack of knowledge of the night-time economy concept, traffic congestion, noise, and increased amounts of waste that the local population faces during the performance of music programs. The recommendations of the conducted research serve as guidelines for developing a management system for the Zagreb night-time economy through some of the proposed models, such as local action groups or the introduction of a night-time mayor system, which have proven to be successful models in some of the world's metropolises.

**Keywords:** Concert venues, Cultural and creative industries, Music industry, Night-time economy, Urban development.

## 1. INTRODUCTION

One of the often overlooked areas of urban development is the night-time economy. This concept entails a wide range of activities occurring between 6:00 PM and 6:00 AM (Beer, 2011), involving the consumption of offerings from the hospitality and entertainment sectors, including transportation activities, retail activities, and other services such as food and beverage consumption. In a broader sense, the night-time economy encompasses all business, educational, cultural, and entertainment activities taking place between 6:00 PM and 6:00 AM.

The drivers of night-time economic development are the cultural and creative industries, defined as all industries whose activities are based on cultural values or individual or collective creative expressions (European Commission, 2018). Cultural and creative industries significantly contribute to the development of the local economy. For example, in G20 countries, cultural and creative industries contribute to economies ranging from 0.7% to 3% of added value and, on average, employ 1% to 2% of the workforce, while in certain cities such as Austin, Guangzhou, London, Los Angeles, Milan, Seoul, and Tokyo, over 10% of the workforce is employed in cultural and creative industries (OECD, 2021). Additionally, cultural and creative industries are one of the economy's fastest-growing sectors and employ the highest share of youth aged 15 to 29 compared to other sectors (UNESCO, 2022).

Cultural and creative industries have also seen growth in the European Union – from 2013 to 2019, they grew annually by 2.6%, while the EU GDP grew at a rate of 2% (Ernst & Young Global Limited, 2021). In 2019, 3.7% of the total employed population in the EU was employed in cultural and creative industries (Eurostat, 2023). In the Republic of Croatia, cultural and creative industries accounted for 3.1% of gross domestic product, and from 2015 to 2019, they were a strong driver of employment as employment in cultural and creative industries in Croatia increased by 23.3% during that period (The Institute of Economics Zagreb, 2022). When it comes to Zagreb, it is a national centre of Croatian cultural and creative industries with an estimate of over 90% of the registered companies in all cultural and creative sectors while music is seen as the most relevant cultural industry in terms of profit and branding (Institute for Development and International Relations, 2012).

Live music performance, a key element of cultural and creative industries, holds immense potential for the night-time economy in Zagreb. It not only connects music with the broader cultural scene but also enhances the overall local cultural product. Given the size of the city of Zagreb and its status as the economic, cultural, and social centre of the Republic of Croatia, this paper aims to analyse the needs and possibilities for introducing a systematic approach to the development of the night-time economy in the city of Zagreb, highlighting the challenges and opportunities for further development with an active involvement of the local community. The potential benefits of a thriving night-time economy in Zagreb are numerous, from boosting the local economy to enhancing the city's cultural identity.

## 2. THEORETICAL FRAMEWORK

Throughout history, people have evolved as diurnal beings, with most tasks carried out during the day while

nights were primarily for resting. For instance, in the Middle Ages, the night was believed to be rife with evil spirits, apparitions, and criminals (Ekirch, 2006). This belief led to the introduction of numerous rules of conduct at night, such as in the 14th-century Paris, where all houses had to be locked at night, and leaving the house at night was permitted only in exceptional circumstances (Schivelbusch, 1988), as the night was a time for gatherings of criminal or marginalized groups, and going out at night carried the risk of being accused of illegal activities (Shaw, 2010).

Night-time social and cultural life development began with street lighting, especially with the advent of gas and the first electric street lamps (Roberts, 2006), enabling residents to enjoy visits to theatres, operas, and various hospitality establishments (Shaw, 2010). However, the night-time economy as it exists today emerged in the 1970s and 1980s, with one of the direct catalysts being the decline of manufacturing industries (Zukin, 1995) in cities and the simultaneous revitalization of central business districts. The transition from a secondary, manufacturing-based economy to a tertiary service-based economy resulted in transforming industrial spaces into bars, clubs, and creative spaces (Roberts & Eldridge, 2009). This led to the strengthening of cultural activities, the development of creative industries (Lovatt & O'Connor, 1995), and the increasing role of music artistry as cities sought to attract a young, mobile, and highly educated workforce (Florida, 2012).

The development of the night-time economy was soon recognized as an essential part of the urban economy, and outings and social gatherings were identified as important sources of new jobs. The extended operating hours of hospitality establishments and the growth of concert offerings strengthened other sectors and, consequently, the urban economy (Bianchini, 1995). By increasing investment in the night-time economy, investment in cultural industries also increased, as they represented the foundation for attracting highly educated workforces and tourists, further impacting economic growth (Zukin, 1995). Finally, cultural and creative industries have been accepted as some of the most essential parts of urban economies due to job creation, promoting tourist activities, and transforming urban areas into attractive areas that appeal to citizens, tourists, and the business community (Porter & Shaw, 2009).

The night-time economy represents the potential for attracting tourists through music programs. The World Tourism Organization (UNWTO) believes music can become a travel destination like gastronomy. Music undoubtedly enriches tourists' experiences and can be used for destination promotion (Sound Diplomacy and ProColombia, 2018). For example, in 2016, London's music offerings attracted 3.2 million tourists (UK Music, 2016), while in 2019, 23% of tourists visited Berlin because of its music offerings (Goldmedia Gruppe, 2019).

The connection between music offerings and tourism development has been recognized through the "cities of music" brand. For example, Glasgow, as the first UNESCO City of Music, introduced tours of concert venues during which visitors can interact with legendary musicians (Perman, et al., 2017). At the same time, Austin, which was dubbed the "live music capital of the world" in 1991 (Bryant, 2018), published a list of 2,000 culturally significant locations in 2016 to facilitate the development of cultural tourism (City of Austin, Economic Development Department, 2018).

Effects of music offerings on local economic development were also observed in the 2010s. For example, the Bangor Waterfront concerts held in Maine in 2012 generated revenues of \$16 million and created 239 new jobs (Gabe & Lisac, 2013). Similar findings were reported in a 2021 study conducted in the United Kingdom, which showed that the spill-over effect of concerts held in small concert venues amounted to £48,349 GDP, with 62% remaining in the local community; the spill-over effect in medium venues was £252,521 GDP, and in large venues £425,000 GDP, of which 67% of funds remained in the local community (UK Music, 2021). Furthermore, the organization of local music festivals, besides generating additional income through visitor spending, also leads to increased investments by local authorities in urban development, tourism offerings, infrastructure, and transportation, contributing to local economic development (Felsenstein & Fleischer, 2003).

Furthermore, music impacts health and quality of life. A review of 63 studies on the impact of music on the immune system showed a connection between music and health and the potential of music to affect the immune system positively (Fancourt, et al., 2013). Research conducted in Sweden showed that individuals who attend cultural events more frequently tend to live longer (Bygren, et al., 1996).

On the other hand, the music industry can have adverse effects, such as environmental impact through increased waste, traffic congestion, and noise. Music festivals can contribute to increased emissions of harmful gases into the environment, pollution of groundwater and waterways, increased waste, especially plastic and cigarette butts, impact on soil quality, and traffic congestion (Holmes, et al., 2015). Similarly, concert venues negatively affect the surrounding area by generating noise, traffic congestion, and waste disposal issues (Webster, et al., 2017). Furthermore, the consumption of alcoholic beverages, along with the physical characteristics of concert venues, such as comfort level, crowd density, lighting, ventilation, and cleanliness, can contribute to the occurrence of aggressive behaviour and violence (Koleczko & Garcia Hansen, 2011).

However, the biggest problem with concert venues is noise, as noise complaints disrupt people's life and work in their surroundings (Webster, et al., 2017). One solution to these problems is co-financing noise protection costs, as implemented in Berlin by the Noise Protection Fund established by the Club Commission (Clubcommission, n.d.). At the same time, in London, the concept of the Agent of Change was introduced, transferring responsibility for change to agents, i.e., residents of residential units around concert venues. The principle places the responsibility for managing the impact of a change to an area or business upon the person or

business responsible for that change. 'Agent of Change' should ensure that noise mitigation measures such as sound proofing are put in place before any issues over noise can arise (Greater London Authority, 2015) (Webster, et al., 2017). In New York, for instance, the MEND NYC Mediation & Conflict Resolution Program was established to mediate disputes regarding excessive noise, offering mediation services between residents and businesses (City of New York, n.d.)

Visitors to concert venues and the noise they generate when leaving them also pose problems for residents. Some cities have implemented potential solutions. In Amsterdam, the operating hours of nightclubs were extended to 24 hours a day, resulting in smaller groups of visitors leaving the venues instead of a large concentration of noise at closing time, leading to a gradual emptying of venues between 3 and 8 am, as well as a significant noise reduction (O'Sullivan, 2016). On the other hand, Prague initiated a campaign to raise awareness among tourists and encourage acceptable behaviour (Junek & Jánová, 2022). Introducing night wardens instead of police officers in London led to a more relaxed approach to maintaining order and peace in local communities, which in 90% of cases proved to be a faster and more efficient solution to problematic situations related to the night-time economy (Velinger, 2019).

### 3. METHODS

In the preparation of this paper, desk research analysis, semi-structured interviews, and SWOT analysis (analysis of strengths, weaknesses, opportunities, and threats) were utilized. Desk research analysis involved a detailed review of relevant scientific literature (books, articles) and available online sources. To collect results of relevant scientific research, scientific research platforms were extensively searched (e.g., Google Scholar, Science Direct, Social Science Premium Collection ProQuest, Springer Journals, Taylor & Francis) using keywords such as nightlife economy, night-time economy, concerts and concert venues, urban development. Furthermore, desk research analysis was used to analyse examples of good practice (cities of Berlin, London, Galway, and Vilnius) and the state of Zagreb's music industry, which served as an informed input for night-time economy development. These cities have been selected as good practice examples since they recognised the importance of the night-time economy for urban development and they have developed models the night-time economy.

Information on the state-of-play of the night-time economy in the city of Zagreb was collected through interviews conducted with owners of concert venues from the end of February to the end of March 2023. Out of seven interviews in total, five of them were performed with owners of private venues, one of them with a venue managed by the City of Zagreb and one of them with a venue managed by an NGO. Interviews aimed to analyse the concert offering in Zagreb, collaborations of concert venues with the city administration and other hospitality establishments, and problems encountered by owners of concert venues. Namely, they covered the assessment of the importance of concerts and concert venues for the development of the city, the contribution of the music industry and the development of cultural and creative industries, as well as general knowledge of the concept of the night-time economy. The city's interest and ability to contribute to the further development of the night-time economy was evaluated related to urban development strategies.

Interview results were used along with the findings of document analysis and examples of good practice as a basis for preparing the SWOT analysis of the development of the night-time economy in the city of Zagreb. By synthesizing all research findings, conclusions were drawn regarding the challenges and potentials of developing the night-time economy for local communities, along with recommendations for decision-makers in the city of Zagreb for the future development of the night-time economy.

### 4. RESULTS

During the conducted research, challenges faced by analysed urban centres regarding the development of nightlife were highlighted, and examples of best practices were presented to leverage comparative advantages and address the issues encountered by concert halls in preparing and implementing their activities.

The showcased examples of best practices regarding the management of night-time economy include Berlin, London, Galway, and Vilnius.

The rapid development of the concert scene in Berlin began with the fall of the Berlin Wall, the emergence of new music styles, and a new club scene, along with an increase in the number of tourists specifically coming for concerts (Lücke, 2020). The fall of the Berlin Wall also led to an increased demand for housing, consequently driving up rents and causing the nightlife to shift from the city centre to previously neglected industrial and peripheral areas. The issues faced by concert venues were identified as a priority in 2000, leading to the establishment of the Club Commission in Berlin in 2001 to exert greater control over urban policies related to managing nightlife (Sisson, 2016).

In addition to the Club Commission, Berlin established the Berlin Music Commission and the Musicboard Berlin to ensure collaboration among all stakeholders in systematically managing nightlife (Baker, 2019). In 2019, the value of Berlin's nightlife was estimated at 1.5 billion euros, employing 9,000 people (Goldmedia Gruppe, 2019).

Like Berlin, London also faced population growth, leading to increased demand for housing, rising rents, and, consequently, increased operating costs for concert venues. This resulted in the closure of 50 concert venues between 2007 and 2016 (Greater London Authority, 2017). Unlike Berlin, the approach to addressing this issue in

London was initiated by the mayor, who established the Music Venues Taskforce. This taskforce concluded that local concert venues are crucial for the music industry's success, influencing London's attractiveness as a tourist hub and place to live, while also serving as cultural spaces and hubs for innovation. Furthermore, concert venues contribute to talent development and the connection of diverse social groups (Greater London Authority, 2015). In 2016, at the initiative of the Mayor, London appointed a "Night Czar." Although the Night Czar does not have executive powers, his/her task is to find solutions to issues facing concert venues and to find compromises between urban expansion and the operation of nightlife in London. (Roberts, 2016).

Like in London, in Galway, the driver of urban nightlife development is the city itself, namely the Galway City Council. In 2021, the council established a working group to increase city revenues during and after the COVID-19 pandemic by developing urban nightlife and plans for managing bars and nightclubs, improving transportation services, and ensuring safe cultural spaces (Department of Tourism, Culture, Arts, Gaeltacht, Sport and Media, 2021). The initiative of the working group led to collaboration among local entrepreneurs, community representatives, and cultural groups to assess the contribution of nightlife to urban development and make recommendations for improvements.

The development of Galway's nightlife was based on five pillars that ensured safety for all users of nightlife services, a range of options for safe public transportation, a variety of products and services attracting a wide range of users, the development of multi-purpose public spaces contributing to the attractiveness of the area, and fostering collaboration among sectors, agencies, service providers, and policymakers as keys to achieving thriving night-time economy. (Executive Committee and Membership of the Association of Irish Local Government, 2021). One of the goals of the working group was to appoint a "night-time advisor".

In mid-2023, the Galway City Council decided to develop a Night-Time Economy Action Plan in collaboration with entrepreneurs, residents, and tourists in Galway who participated in the research on the main obstacles to enjoyable night outings and night-time business operations for companies (Galways City Council, 2024). The collaboration between social, cultural, and economic activities in developing the Action Plan aims to promote nightlife activities for all stakeholders involved.

Unlike the cities mentioned earlier, Vilnius began its development as the cultural centre of Latvia with a fight for independence and experienced cultural flourishing in the first ten years of independence. Concerts, particularly music festivals, have been a significant part of Vilnius' tourism offering, representing a national identity expression in the Baltic countries since the late 18th century. The first music festival in Vilnius was held in 1924, featuring folk songs as a symbol of resistance against the Soviets. This festival tradition in Vilnius has persisted on a much larger scale, with even the opening of the European Capital of Culture in 2009 in Vilnius being held at a music festival (Stankute & Vitkute, 2008).

Even during the COVID-19 pandemic, Vilnius' nightlife experienced growth as the mayor recognized the necessity of activities during quarantine to maintain jobs in hospitality and enable the functioning of the urban economy. Consequently, Vilnius was transformed into a giant open-air bar in April 2020, allowing restaurants, bars, and cafes to set up tables outdoors while strictly adhering to social distancing rules (Nofre, et al., 2020). Even after the end of the COVID-19 pandemic, city authorities continued to work on developing urban nightlife, which employs more than 6% of Vilnius' population and generates over €165 million in revenue each year. Therefore, in 2023, the "Night Bureau," a non-profit organization 100% funded by the city budget, was established with the aim to develop strategically managed nightlife (Lithuanian National Radio and Television, 2023).

The analysis of good practice examples of managing the night-time economy is summarized in Table 1.

**Table 1:** Models of managing the night-time economy in the analysed cities.

City	Model of managing the night-time economy
Berlin	The Club Commission, in collaboration with the Music Commission and the Music Board
London	Night Czar tasked with monitoring the development of the night-time economy and suggesting concepts and solutions
Galway	Night-Time Economy Advisor and Action Plan for the development of the night-time economy
Vilnius	Night Bureau as a non-governmental organization tasked with planning and managing the night-time economy

Zagreb, the economic, social, and cultural hub of the Republic of Croatia, stands out with its 40 public institutions of cultural significance. The city boasts 2014 registered cultural associations and 202 private companies registered to perform activities in the fields of art, entertainment and recreation, making it a vibrant cultural and creative hub (Institute for Development and International Relations, 2023). Notably, Zagreb is home to 98% of Croatian cultural and creative industries, a testament to its leadership in Southeast Europe. This status, however, is not a product of a planned cycle but a result of the centralization of cultural life and business opportunities (Jelinčić & Žuvela, 2013).

Concert venues play an important role in Zagreb's cultural and creative industries, generating positive economic, social, and cultural impacts. They not only contribute to the city's brand but also foster a sense of belonging, notable examples being the former nightclubs Kulušić and Jabuka. Currently, the city is home to 37 concert venues, offering a diverse range of live music performances. The research focused on venues that consistently offer concert programming, excluding restaurants and similar establishments that occasionally

organize concerts as it is not their primary activity. Of the 37 venues, four are concert halls, nine are mixed-use facilities, and 24 are nightclubs or bars. Concert venues in Zagreb are predominantly concentrated in the central part of the city, following a north-south axis. In contrast, only a few venues are found in the eastern and western parts.

Desk research revealed the need for stronger promotion of the available concert content in Zagreb. This is particularly significant for informing and attracting tourists, especially young ones. A 2016 study conducted on young tourists in Zagreb showed that hospitality offerings and entertainment are not the primary motivators for young tourists visiting Zagreb, but still nightlife, events, and cultural content are the most highly rated attributes of Zagreb's tourist offer [53]. Additionally, a 2019 study by the Institute for Tourism showed that tourists in Zagreb rated personal safety, hospitality, atmosphere, and overall stay in Zagreb very highly. However, they indicated a need for more information and visibility regarding concert offerings and other events. Therefore, although some critical prerequisites for systematic development of the night-time economy have been met, there is a need for further improvement in event offerings and more vigorous promotion of entertainment and nightlife to expand the tourist offer and increase the city's tourist attractiveness [54]. The same study was conducted in 2022, and the results showed that tourists are still most satisfied with the personal safety, overall stay, atmosphere, and hospitality of the local population. Also, they are more satisfied with the entertainment and nightlife offered and the number of events [55].

The results of the interviews show that not all of the interviewees are familiar with the term of night-time economy: four of them are aware of it but three of them is not.

All interviewees deem concert venues/halls as platforms with a positive effect on the development of artists and see their relevance in the development of the local music scene. They believe that concert venues/halls can serve as cultural locations and as bearers of local identity.

When asked whether the concert offer and live music performances attract tourists to the City of Zagreb, 5 out of 7 interviewees answered positively. However, 4 interviewees think that the share of tourists among the guests of concert venues is up to 10%, that is, that the programs are not interesting to tourists or are interesting only to a small number. Two interviewees answered that the share of tourists is 20% or more, which means that there is still plenty of room to increase the visibility of the venue and the concert offer. Only 1 interviewee assesses that the share of tourists 30% or more.

When asked about the help from the City of Zagreb, 5 owners answered that they never received any help from the City, while 2 owners answered that they were supported by the City of Zagreb during their work, and it should be noted that one space is owned by the City, while the other acts as an association, which allows it to compete for support on public calls for cultural support published by the City of Zagreb.

The most significant problems for the development of the night-time economy are the noise it produces, which interferes with the citizens' quality of life, followed by poor traffic services and increased amounts of waste. Increase in violent behaviour was only mentioned but not considered as a serious issue.

So far only two concert venues managers cooperate with the city of Zagreb, but it should be taken into account that one is owned by the City of Zagreb. However, all the interviewees expressed their interest in strengthening mutual connection and cooperation with the City of Zagreb in relation to solving common problems, and in joint efforts to increase the visibility of their venues and the offer in tourist promotional materials. All of them express the need for a systematic approach to the development of the night-time economy, which is seen as a prerequisite for a possible strategic approach to the development of the night-time economy. This is also important in the context of cooperation with other surrounding catering establishments: 4 owners stated that they do not cooperate with other catering establishments, while 3 owners stated confirmed such a cooperation. All owners of concert venues are unanimous on the need for systematic management of the night-time economy and the importance of concert halls for the development of artists and culture in the area of the City of Zagreb.

Therefore, the main findings of interviews conducted with concert venue owners show their partial familiarity with the concept of night-time economy and attitudes towards a systematic approach to developing a night-time economy in Zagreb. The need for collaboration is recognised, not just with the City of Zagreb, but also with other owners of hospitality establishments surrounding the concert venues. This collaborative effort is crucial to address common issues such as noise, transportation problems, waste, and violence or undesirable behaviour, and to create a more vibrant and sustainable night-time economy.

The findings of the desk research and interviews conducted with the venue owners, analysing the needs, potentials, and challenges faced by venue owners, form the basis for the SWOT analysis of concert venues in Zagreb, as presented in Table 2.



**Table 2:** SWOT analysis of concert venues' capacity in the city of Zagreb for the development of the night-time economy.

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>• A rich concert offering and concert venues that could significantly contribute to attracting tourists to the city, especially young people</li> <li>• Accessibility of concert venues via public transportation</li> <li>• Concert venues as significant contributors to the cultural development of Zagreb strengthening the local identity</li> <li>• The awareness among concert venue owners regarding the importance of their role in the development of the local music scene</li> </ul>	<ul style="list-style-type: none"> <li>• Insufficient visibility of the concert offerings among tourists</li> <li>• Inadequate cooperation with owners of hospitality establishments in the vicinity of concert venues</li> <li>• Noise causing disturbances to residents</li> <li>• Traffic congestion around concert venues</li> <li>• Insufficient familiarity with the concept of night-time economy and the potential benefits of a systematic approach to its development</li> <li>• Limited awareness of opportunities for cooperation and collaboration with the City of Zagreb regarding the resolution of everyday issues</li> <li>• Lack of systematic support from the City of Zagreb for the development of the night-time economy, especially the concert scene (apart from venues owned by the City and civil society)</li> </ul>
<b>Opportunities</b>	<b>Threats</b>
<ul style="list-style-type: none"> <li>• Increased number of tourists in Zagreb</li> <li>• Concert venues as a platform for local artists' development</li> <li>• Promotion of concert offerings through various platforms, enhancing visibility and fostering recognition and development of new artists</li> <li>• Increasing the visibility of concert offerings in the city centre of Zagreb and the periphery</li> <li>• Additional funding through public calls from the Ministry of Culture and Media of the Republic of Croatia and the City of Zagreb</li> <li>• Emphasis on the development of cultural and creative industries at the EU level</li> <li>• The concept of the night-time economy allows for organizing events in local communities from 6:00 am to 6:00 pm</li> </ul>	<ul style="list-style-type: none"> <li>• Possible negative impacts of concert offerings and night-time economy on the local community, such as increased noise levels, traffic congestion and waste production</li> <li>• Potential violence and undesirable behaviour</li> <li>• Potential epidemics and pandemics leading to possible closures of concert venues and hospitality establishments</li> </ul>

The potentials that concert venue owners encounter include an increasing number of tourists in Zagreb throughout the year, recognition of concert venues as bearers of culture and local identity, stakeholders' awareness of the importance of concert venues in the development of the local music scene and Zagreb's culture, collaboration with the City of Zagreb and other hospitality establishments, as well as additional sources of funding through grants from the City of Zagreb and the Ministry of Culture and Media. The fact that creative industries are fostered through different EU programmes is also beneficial for the development of the night-time economy.

Finally, the challenges faced by concert venue owners are multifaceted. Primarily, they include noise issues, followed by transportation problems after the daily working hours of the public transportation services, waste management issues, and potential violence or undesirable behaviour. While transportation, waste, and violence or undesirable behaviour have not posed significant problems in the operation of concert venues so far, noise has been identified as a problem of medium intensity. Furthermore, given the unprecedented challenges brought by the COVID-19 pandemic, including the closures of concert venues, hospitality establishments, and other cultural and artistic institutions, concert venue owners are also grappling with the potential risks of new epidemics and closures, as well as potential halts to their operations.

## 5. DISCUSSION AND CONCLUSION

Analyses of previous research have shown that the night-time economy, through spill-over effects, plays a significant role in the growth and development of local communities. Alongside the increase in local community revenue, often neglected industrial and warehouse spaces in urban areas are revitalized, new accompanying businesses and services are launched, and new jobs are created. However, night-time economy's development can also cause problems related to traffic congestion, noise, environmental pollution, undesirable visitor behaviour, and disturbing the local population.

The process of deindustrialization in the 1970s and 1980s, transitioning the economy from manufacturing to service activities, led to the growth of cultural and creative industries in urban centres. Today, cultural and creative industries, especially the music industry and concert offerings, represent the cornerstone of local night-time economy development. The increase in employment and income within the local community, coupled with spill-over effects such as the growth of secondary activities like food and beverage service, accommodation services, parking and transportation around concert venues, contributes to the growth of the local economy. Furthermore, ticket sales, property rental, and sales through taxes also affect the revenues of local and state authorities, giving concert activities a multiplier effect as they stimulate additional spending through direct consumption of the arts.

In addition to the economic benefits of night-time economy development, it also brings social and cultural benefits to the entire community by creating social capital, connecting heterogeneous groups within communities, strengthening identity, fostering pride in local musical achievements, and promoting creativity, talent, and innovation. However, given that the night-time economy faces numerous challenges, such as rising operating costs, noise pollution, transportation issues, potential violence and undesirable behaviour, as well as environmental impact, primarily through increased waste generation, it is necessary to manage its development systematically. Some management models are illustrated through the examples of Berlin, London, Galway, and Vilnius, which have also faced all the challenges associated with organizing such events.

The transition from manufacturing to a service economy has not bypassed the city of Zagreb, which, with its 98% share of cultural and creative industries, stands as the cultural centre of the Republic of Croatia. Furthermore, as an economic hub, Zagreb attracts a young and educated population, serving as a critical force in the city, which complies with conclusions made by Roberts and Eldridge (Roberts & Eldridge, 2009) and Lovatt and O'Connor (Lovatt & O'Connor, 1995). This has contributed to the tourism development in Zagreb, especially since Croatia acceded to the European Union in 2013. However, despite being the hub of cultural and creative industries in Croatia, Zagreb still needs a systematic approach to managing its night-time economy.

Findings from desk research and interviews conducted with concert venue owners have shown that noise, transportation, violence, and waste are still not of high-intensity problems, unlike conclusions made by Holmes, et al. (Holmes, et al., 2015). However, with the increasing population in Zagreb and the growing number of tourists, there is a need to systematically evaluate and manage the night-time economy to address these issues promptly.

Based on the findings mentioned above, it can be concluded that Zagreb requires a systematic approach to the development of its night-time economy through collaboration among all relevant stakeholders: concert venue owners, concert program organizers, the City of Zagreb, and the local community surrounding the concert venues.

The first step in establishing systematic management of the night-time economy involves developing cooperation between representatives of the City of Zagreb and representatives of crucial areas, cultural centres, schools, museums, and local councils in order to alleviate the problems of night-time economy development and reduce pressure on residents and tourists in the city centre. This would also contribute to a more balanced tourism development in Zagreb, like it happened in Glasgow (Perman, et al., 2017) and Austin (City of Austin, Economic Development Department, 2018).

Furthermore, increasing the visibility of concert offerings in the city centre of Zagreb and the periphery is necessary. Additionally, in planning concert offerings, as well as systematic management of Zagreb's night-time economy, it is necessary to ensure a multidisciplinary approach that will involve stakeholders from the tourism sector, businesses, and cultural and scientific institutions to more easily identify the problems of night-time economy development and find higher quality ways to overcome them. Also, to establish systematic management of Zagreb's night-time economy, it is necessary to ensure collaboration among stakeholders from the cultural sector, owners of hospitality establishments, residents and city authorities. The results from Galway and Vilnius have shown that the collaboration between relevant stakeholders is necessary to ensure night-time economy sustainable development (Executive Committee and Membership of the Association of Irish Local Government, 2021) (Lithuanian National Radio and Television, 2023).

Examples of good practice in managing the night-time economy have shown the achievable goal for the city of Zagreb, and it is proposed, following the example of Galway, to develop a joint action plan for the development of the night-time economy for all stakeholders. Such an action plan should also inform whether the appointment of a night-time mayor or commission would be beneficial, following the example of other cities such as London, Berlin, and Vilnius. Other solutions could also be sought for establishing a new system for developing concert and other offerings in cooperation with the local community for the benefit of all interest groups and citizens of the city of Zagreb.

Additionally, conducting more profound research with stakeholders from the creative and cultural industries, such as music, dance, theatre and museums, would be desirable to understand their needs and problems and take the first step towards systematic management of the night-time economy. The research conducted was limited since it did not include residents. Over time, additional stakeholders, such as residents' representatives, will need to be involved to make systematic management of the night-time economy as transparent and socially responsible as possible. Consequently, systematic management of the night-time economy could improve the quality of life in Zagreb and create an image of Zagreb as a centre of cultural tourism, like it happened in Amsterdam after extending operating hours (O'Sullivan, 2016) and in London after introduction of night wardens instead of police officers to maintain peace and order (Velinger, 2019).

To contribute to creating such an image, targeted tourist campaigns should be conducted, or the presence of music offerings should be increased in promotional campaigns and materials aimed at tourists to increase their interest in concert venues, which complies with the results obtained by Velinger (Velinger, 2019). Research by the Institute for Tourism has shown that tourists believe that the nightlife in Zagreb needs improvement. At the same time, owners of concert venues have stated that the proportion of tourists in the total number of visitors to concert venues is relatively low. It is evident that tourists need to be sufficiently aware of the offerings in Zagreb,

so greater visibility of concert offerings is necessary. Additionally, in promotional materials aimed at tourists, it is necessary to emphasize the musical heritage of Zagreb, following the example of other cities such as Glasgow.

Systematic planning of the night-time economy is crucial in today's high real estate prices for residential and commercial spaces, like it was a problem in London (Baker, 2019) and Berlin (Lücke, 2020). To address this issue, the solution lies in the numerous brownfield sites in the city of Zagreb, which could be adapted to the needs of cultural and creative industries through systematic and responsible development, possibly also contributing to the geographic dispersion of the night-time economy out of the mere city centre.

Finally, for the quality development of concert offerings, as well as cultural and creative industries in general, a severe and consistent approach is required that will impact the quality of life of citizens, as well as the identity and image of the city. So far, the night-time economy of Zagreb has been an underexplored area, and it is difficult to assess its economic and cultural impact on the local community due to the lack of data alongside a systematic governance. Therefore, it is crucial to establish cooperation between local authorities and key stakeholders to develop a quality and systematic way of managing the night-time economy. A participatory development of an Action Plan, following some examples of good practice, could be one of the first steps towards systematic management of the night-time economy in Zagreb.

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