

Innovation, digitalization, urbanization

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Research on innovation shows a trilateral connection between innovation, society and technology. All three determinants have positive feedback from each other. From the first industrial revolution to nowadays, innovations have been a generator of technological growth, but at the same time they have influenced society, as well as individuals, when it comes to meeting their needs. Alongside of a more comfortable lifestyle, there have been noticed changes in the demographic picture. The world population recorded a linear growth until the 1970s. After that period, population growth has entered a progressive phase, and from 3.5 billion in 1970, the population today has doubled to 7.8 billion, according to UNCTAD. Such population growth has influenced the processes of urbanization. The system of functioning of big cities has become more difficult. In order to improve citizen satisfaction, city governments, thanks to the fourth industrial revolution and digitization processes, invest in infrastructure models and mechanisms that improve productivity and efficiency while affecting sustainable growth and development. As a result of previous developments, the modern concept of city management is a “smart city”. According to Scot Madden, a “smart city” is the city with a network of digital control center sensors, internet-of-things technology and automation in all segments, all aimed to improve the quality of life. This model leads to reducing costs, improving and speeding services, efficiency and effectiveness in building a sustainable development strategy. “Smart city” represents the development of innovation in different potentials and segments of the city, from maintenance of infrastructure, transport, utilities, health services, energy efficiency, to water and waste management, security, economic development, mobility, security. The result is a greater involvement of citizens in the community. Smart cities are a fertile ground for entrepreneurial activities based on the principles of the circular economy, as well as for synergy between the private and public sectors.

In 2008 McKinsey Global Institute report “Smart Cities: Digital Solutions for a More Livable Future” pointed to the importance of the “smart cities”. The aim of this paper is to point out the benefits of the “smart city” concept that encourages everyday common and individual innovations and provides a higher level of life quality while supporting the concept of sustainable development. Considering the elements of the concept of “smart city”, it has been made the following assumption: the more elements are integrated into the city management system, the satisfaction level of service users and population is higher, as well as efficiency of institutions and businesses, and the result is visible in a synergistic effect of growth and development.

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