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4.

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GOSPODARSTVO ISTOČNE HRVATSKE – VIZIJA I RAZVOJ

4th

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ECONOMY OF EASTERN CROATIA – VISION AND GROWTH

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4. MEĐUNARODNI ZNANSTVENI SIMPOZIJ
GOSPODARSTVO ISTOČNE HRVATSKE – VIZIJA I RAZVOJ

4th INTERNATIONAL SCIENTIFIC SYMPOSIUM
ECONOMY OF EASTERN CROATIA – VISION AND GROWTH

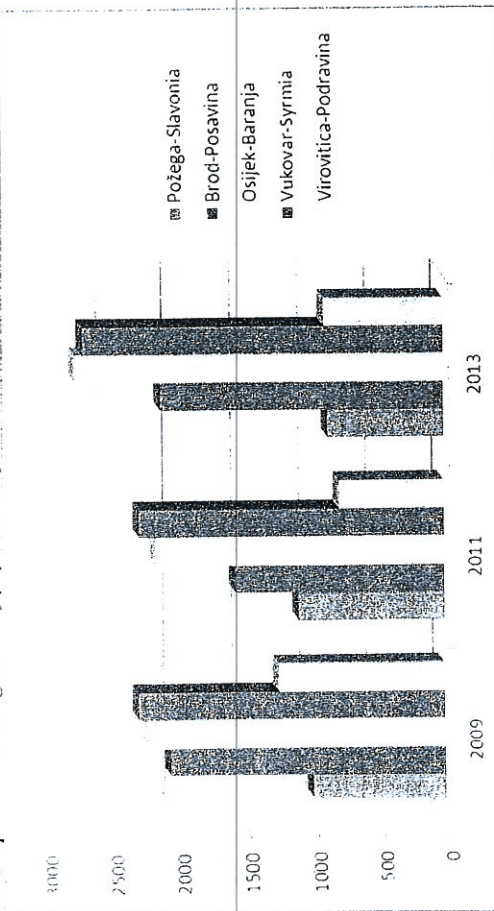
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In Croatia in 2013 emigrated 44,857 people (into another county 29,959 and abroad 15,262 person) while in five observed counties emigrated 9,341 people (into another county 6,169 and abroad 3,172 person). Accordingly, in this five counties emigrated 20.66 % of total emigrant population in Croatia (20.59 % into another county and 20.78 % into abroad).

Graph 4 Total emigration of population of the eastern Croatia in 2009, 2011 and 2013



Source: Made by Authors according to Statistical Yearbooks

Graph 4 shows that most people emigrate from Brod-Posavina, Osijek-Baranja and Vukovar-Syrmia County.

6. Conclusion

Today's national and religious structure of Eastern Croatia is the consequence of war events. The most homogeneous ethnic structure of the population and structure of the population by religion have Brod-Posavina County and the most heterogeneous is the Vukovar-Syrmia County. Analysis of population migration in the observed years, more precisely 2009, 2011 and 2013, showed a decline of immigrants and increase of emigrants in Brod-Posavina County, Osijek-Baranja County and Vukovar-Syrmia County.

Accordingly, the Counties of Eastern Croatia should become more attractive in order to keep their population. It is not easy because they were significantly affected by the War, but also a major economic crisis in the world.

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CLUSTER "SLAVONIAN BASKET" AS THE BACKBONE OF TOURISM DEVELOPMENT IN THE REGION OF SLAVONIA

TURISTIČKI KLASITER „SLAVONSKA KOŠARICA“ KAO OKOSNICA TURISTIČKOG RAZVOJA REGIJE SLAVONIJE

ABSTRACT

Today clustering can be defined as connection established between business entities to achieve common goals, including networking on geographical, horizontal as well as vertical level. Looking at the world level, organizational networking is becoming the dominant organizational form of the 21st century. In doing so, and in order to get substantial support from the state and public sector, besides economic subjects, various institutions such as government organizations, universities, etc., join clusters, thereby, along with the economic dimension, the social dimension of it gets promoted. In the tourism sector, the term "networking" usually refers to the cooperation between economic subjects with each other, but with the state or the public sector, too, which is, among other things, determined by demand uncertainty, supply instability, a compelling need for rationalization of costs, better use of human resources, greater efficiency of marketing activities and other. When it comes to the region of Slavonia as a tourist destination, as an example of good practice can be pinpointed the Tourism Cluster "Slavonska košarica", which was founded in 2011 as a part of the activities envisaged by the Master plan for Tourism Development of the City of Slavonski Brod, created by the Zagreb Institute of Tourism. In 2012 it became the regional cluster and it networks today more than a hundred producers of food, beverages and handicrafts; tourism service providers, as well as public institutions from five Slavonian counties. The objective of this paper will be, to determine through the primary research, conducted among the members of the cluster, if membership in the cluster, for which paying of the annual membership fee by each member is condition, justifies expectations of the networked subjects, and in which segment, when it comes to joint marketing activities, members expect increased efficiency.

Keywords: clusters, tourism, regionalization, networking, marketing

Pod klasterizacijom danas podrazumijevamo interesno povezivanje gospodarskih subjekata radi ostvarenja zajedničkih ciljeva, uključujući umrežavanja na geografskoj, horizontalnoj i vertikalnoj razini. Gledajući u svjetskim okvirima, organizacijsko umrežavanje postaje dominantnim organizacijskim oblikom 21. stoljeća. Pri tome, a radi dobivanja većih potpora od strane državnog i javnog sektora, u klaster se često, uz gospodarske subjekte, umrežavaju i različite institucije poput vladinih organizacija, sveučilišta i dr., čime, uz ekonomsku, na značajce se odnosi na suradnju između gospodarskih subjekata međusobno, ali i sa državnim, odnosno javnim sektorom, što je, između ostalog, uvjetovano, nesigurnošću potražnje, nestabilnošću ponude, potebom za racionalizacijom troškova, boljim iskorištavanjem ljudskih potencijala, većom efikasnošću marketinških aktivnosti i dr. Kad je riječ o regiji Slavonija kao turističkom odredištu, kao primjer dobre prakse može se izdvojiti turistički klaster „Slavonska košarica“ koji je u sklopu aktivnosti predviđenih master planom turističkog razvoja, izrađenog od strane zagrebačkog Instituta za turizam, osnovao 2011. grad Slavonski Brod. Već 2012. klaster je postao regionalnim te danas umrežava više od stotinu proizvođača hrane, pića, rukotvorina; pružatelja turističkih usluga, kao i javnih institucija s područja svih pet slavonskih županija. Cilj rada bit će kroz primarno istraživanje koje će se provesti među članovima klastera utvrditi je li članstvo u klasteru, za što je uvjet plaćanje godišnje članarine svakog člana ponosob, opravdalo očekivanja umreženih subjekata i u kojem se segmentu, kad je riječ o zajedničkim marketinškim aktivnostima, očekuje povećanje efikasnosti.

Ključne riječi: klasteri, turizam, regionalizacija, umrežavanje, marketing

1. Introduction

Today is a widespread opinion that the cluster connection is the basis for ensuring success of certain areas in a global economy. Therefore, those who are responsible for creating the conditions to enable the development of the local economy often conduct a policy of clusters* stimulating that is in the public perceived as preferred. Therefore, the number of small and medium business entities joined in clusters has been growing.

In the modern economy entrepreneurs are becoming increasingly aware that the possibility of their global competition depends on the degree of their relationship to other entities who work in the local community. In the sense that better connection means at the same time ability to achieve greater efficiency, reduce costs, and recruit the best human resources. At the same time, interdependence becomes the key to success, while modern clusters are managed as a system of interdependent stakeholders.

MacGregor and Hodgkinson, with an illustration in Table 1, indicate that the hard networks relations have been based on cooperation, and the loose networks on collegiality, while the basis of cluster relations has been competition and cooperation. The very specificity of cluster reflects in fact that the foundation of the cluster decision making consists out of basic social norms, and it is the foundation for the occurrence of outward proximity (MacGregor, RC, Hodgkinson, A., 2007, 230).

Table 1 Different types of network

Type	Hard network	Loose network	Cluster
Relation	Cooperation.	Collegiality.	Competition and cooperation.
Membership	Closed.	Open.	None.
The basis of decision-making	Clusters.	* Majority.	Social norms.
The basis for the outside appearance	Shared functions.	Membership.	Vicinity.

Source: MacGregor, RC, Hodgkinson, A. *Small Business Clustering Technologies: Applications in Marketing, Management, IT and Economics*. Idea Group Publishing, London, 2007, 230

Economic operators are becoming increasingly aware that the possibility of their global competition depends on the degree of their relationship to other entities who work in the local community, in the sense that better connection at the same time means the ability to achieve greater efficiency, reduce costs, recruit the best human resources. Interdependence becomes the key to success, time of old-fashioned notions of hierarchy in which one member manages the activities of other, has expired, and the modern clusters are managed as a system of interdependent stakeholders.

The management of clusters can be implemented in various ways, most often in one of the following forms:

- private management, where representatives of the private sector manage the resource base and conduct coordination,
- collective-private management, where a key role in the management has been given to a formal institution that brings together the private sector and strategic coordination, such as the chamber of commerce, a professional association, etc.,
- governance, when resources are managed by public institutions (state or local authorities, research centers, etc.),
- combined control which is a combination of the above mentioned ways of management, with one dominant entity (Pitelis, C., Sudgen, R., Wilson, JR, 2006, 163).

The theory of networking in the tourism sector dates back ten years ago, when it was recognized that the relationship between economic operators has a stimulating effect on the exchange of knowledge between different subjects, which results in qualitative and quantitative benefits to a trader community and destination (Morrison, AM et al., 2004, 198).

At the same time, in the tourism sector networked small and medium-sized economic operators, so-called SMEs, can compete globally, cooperating locally, with obvious benefits to business in terms of increased flexibility, better marketing information, innovation, better opportunity to enter into other networks or clusters at the national level and through it, the development of resources and the transfer of knowledge between stakeholders (Novelli et al., 2006, 1143).

According to the Lisbon Strategy, the European regional policy is designed in such a way that the specific activities and the promotion of economic and social cohesion reduce the gap between the levels of development of different regions. This policy helps to finance concrete projects for regions, towns and their inhabitants. The idea is to create potential so that the region could fully contribute to achieve greater growth and competitiveness and, at the same

time, the exchange of ideas and best practices (Guide for information about the European Union, <http://www.entereurope.hr>, 2011).

2. Clusters in Croatia

When it comes to the current national policy that regulates and promotes the development of small and medium enterprises in Croatia, it should be noted that the same has been based on the provisions of the Strategy of development of entrepreneurship in Croatia 2013-2020 developed by the Ministry of Entrepreneurship and Crafts, with the main aim of increasing the competitiveness of small businesses in Croatia.

According to data from the Ministry of Entrepreneurship and Crafts, 2013 is the year of the first positive developments as a result of better and simpler entrepreneurial environment and facilitated operations in crafts pursuant to the provisions of the new Law on Crafts (Narodno pravno 143/2013). According to data from the annual financial statements, in this year the micro, small and medium-sized enterprises achieved positive financial results and operated with a net profit (Ministry of Entrepreneurship and Crafts, 2015, 5).

As networking, integrating SMEs into clusters, is activity that it is in function of increasing the competitiveness of the sector, and rationalizing the cost of networked business operators, primarily through the unification of certain business functions, in 2011, Croatian Parliament adopted the Strategy for Cluster Development in the Republic of Croatia, although in that time called Ministry of Economy, Labour and Entrepreneurship, already from 2005, through the project "Clusters-joint product", have been encouraging clustering in the following industries: wood processing; leather and footwear industry; printing; construction, ICT; tourism and hospitality; shipbuilding; production of medical equipment; production of municipal equipment; food industry; metallurgical industry.

Clustering has also been encouraged by the Croatian Chamber of Economy in which operates Clusters* Community established in 2007. Today, it networks sixty members and is a part of global network of TCI as a world-leading, non-profit governmental organization which brings together all the actors who work in encouraging and promoting clusters competitiveness, as well as the European Cluster Alliance, platform established to maintain a constant dialogue with national and regional public authorities responsible for the development of cluster policies in their own countries and/or regions.

Basic activities of the Clusters* Community were defined by the Work Program, and can be summarized as: representing the interests and providing technical assistance to cluster members; raising funds in the framework of government programs to encourage clustering, carried out by the relevant ministries and other institutions; introducing members with the activities undertaken in order to stimulate and strengthen clusters and creating the economic environment of sustainable development and encouraging members to, through professional associations, intensify their efforts and participate in creating strategies and implementing specific measures aimed at integration of the global market (Croatian Chamber of Economy, 2015, 1).

Ministry of Entrepreneurship and Crafts, through annual programs for the promotion of business and crafts, promotes and cofinances cluster activities. In 2014, through the measure 3: Entrepreneurship of clusters, activities of seven Croatian clusters were approved with a total of 3,570,052.03 HRK, where the average of aid granted, was 510,007 HRK and a share

of aid granted in the total number of entries 36.84%. The Program for the promotion of business and crafts "Business impulse 2015", under the Operational Program "Competitiveness and cohesion 2014 to 2020", also provides support for cluster activities through the program "Networking entrepreneurs", with a total planned funds available in the amount of 304,000,000.00 HRK, earmarked for supporting innovation clusters and other clusters and cooperatives in their initial investment, training and advisory services that are directly related to investments (Ministry of Entrepreneurship and Crafts, 2015, 15, 75).

As previously noted, networking and clustering are recommended in the tourist industry, and for the following reasons:

- heterogeneity of different activities related to accommodation, catering, transport, industry of external institutions etc. contributes to building quality structures destinations in the function of tourism development, because each subject has access to information, enabling better operational practices and joint problem solving,
- networking leads to transfer of knowledge and structural unification in the function of tourism development,
- as individual subjects bring in the new organization their skills, systems "best practices" are beginning to surface at the network or cluster level, increasing, through the ability, strategic competitiveness of destinations (Scott, N., Baggio, R., Cooper, C., 2008, 90-95).

Clustering of the tourism sector in Croatia is still in its infancy and has not reached a satisfactory level. It is particularly evident when talking about linking of tourism entities at the level of tourist destinations, as well. Although the Ministry of Entrepreneurship and Crafts, through its grant award programs, encourages networking, these measures so far have not produced significant results, and so far allocated funds were not generous. The solution is looming in educational programs that the ministry since recently has been organizing in individual regional areas, during which participants of business workshops learn about comparative advantages of clustering, as well as financial incentives that clusters can use.

Speaking of networking at the level of Croatian tourist destinations, as an inevitable positive example can be mentioned the example of clustering performed in Istria where, according to the Tourism Master Plan of Istria for the period 2004 - 2012, have been defined seven clusters: Umag-Novigrad; Poreč; Vrsar-Funtana; Rovinj; Labin-Rabac; Inland Istria and Pula-Medulin. This master plan defines a cluster as „a dynamic concentration and combination of tourist attractions, infrastructure, equipment, services, activities, people, etc., in closed geographical areas in which it is developing specific tourist experience" (Istrian Tourist Board, 2002, 7).

It should be noted that in Istria within the clustering project, the accent is given on the need for cooperation between the private and public sector in order to achieve consensus on the key issues of the functioning of destinations, both in terms of development directions, and in terms of the quality of the tourism offer.

The first example of tourist clustering implemented in the continental part of Croatia was establishment of the Croatian Tourism Cluster "Lonjsko polje", registered as an association in 2009. In association are networked 44 members and providers of catering services, travel agencies, producers of wine, cheese, eco-products and souvenirs areas of the Sisak - Moslavina County, as well as the Sisak - Moslavina Tourist Board, the Chamber of

Commerce, the public institution "Lonjsko polje", as well as the Sisak – Moslavina county (www.tk-lonjsko-polje.hr).

3. Network-ing in Slavonia

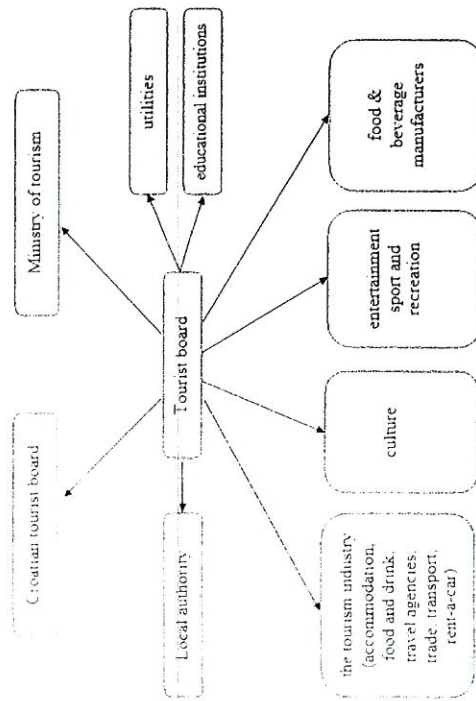
Regional clusters can be characterized as a production network strongly interrelated economic entities (including specialized suppliers), agencies that "produce" knowledge (universities, research institutes, institutions for technical support), institutions which "connect" (brokers, consultants) and customers, interconnected in the value added chain of production (Asheim, B., Isaksen, A., 2001).

When it comes to the region of Slavonia, the notion of developing tourism cluster should include the implementation of the regional network in regional development. In doing so, the regional development policy should aim at achieving a balanced development of all parts of the tourist region of Slavonia, and a way to get through networking favorable conditions for the transfer of knowledge, technology, entrepreneurship, financial resources and thus achieve economic or tourist prosperity of the whole area (Loncaric, 2012, 46, 47).

The most common initiators collaborating stakeholders in tourism at the level of tourist destinations in Slavonia are tourist boards. Their links with institutions and tourist operators who participate in the creation of the tourism product can be stronger or looser, which varies from case to case and depends on many factors, and is clearly illustrated in Figure 1.

As Figure 1 shows, tourist boards that operate at the local level cooperate with the institutions "from the top" which supervise (and co-finance) their activities (the Croatian National Tourist Board and the Ministry of Tourism), and with other institutions at local level, whether with local executive authorities, companies dealing with communal activities and educational institutions, whether with entities that directly participate in the creation of tourism products (service providers in the tourism and cultural sector; holders of entertainment, sports and recreational activities; manufacturers of food and souvenirs).

Figure 1 Tourist boards and other entities that create or affect the creation of tourism product at the level of tourist destinations



Source: Modified according to Scott, N., Baggio, R., Cooper, C. (2008): *Network Analysis and Tourism*, Channel View Publications, Clevedon

As, in the conditions of globalization and increasing competition, cooperation and networking in tourism sector of tourist underdeveloped areas is a necessity for the survival on the tourism market, in the specific case of the tourist region of Slavonia, it was considered necessary to create the preconditions for the implementation of fast and efficient clustering at regional level, and to start from the following principles:

- build relationships of trust among all tourism entities which participate in the creation of the tourism product at the regional level,
- start with areas of common interest of all stakeholders such as unified marketing activities to promote the tourist region Slavonia and "sold" it as a whole,
- create and use a common database in terms of their analysis and implementation at the regional level,
- establish tourism leaders by individual tourism products at the regional level to cooperate with, and all other subjects in order to achieve common and mutual interests,
- focus on those areas in terms of tourism products, and in terms of market segments in which Slavonia region in terms of tourism has a comparative advantage,
- implement management of the region as a tourist destination gradually, initially focusing on simple tasks with which are easier to manage,
- implement continuous education about the benefits of tourism entity clustering and clustering initiators "provide" by in-depth knowledge about the benefits of association,
- use outsourcing as an opportunity, in the sense that tourism professionals execute strategic selection of core activities, i.e. those in which they achieve the best results in comparison to the competition and focus their resources to them, and all other activities entrust to those who carry them out better and cheaper,
- create partnerships at the regional level in various forms and between different entities, which guarantees high performance,
- operate efficiently, in the sense that it must be insisted on the view that any product or service offered on the tourist market has its value (modified according to Christensen, P., McIntyre, N., Pikholtz, H., 2002, 19-21).

In the tourism industry, especially when it comes to the regional level, public-private partnerships is becoming the preferred method of support and managing the development of local tourism activities and solving problems faced by small and new operators in markets with strong competition. In this sense, the clusters can be increasingly treated as forms to improve regional competitiveness and positive economic trends, especially for tourist activities in rural areas.

At the same time, throughout the country, not only in the region of Slavonia, but for intensive clustering lies in the fact that the funds for the activities of clusters coming from government sources in most cases are the only source of financing members interconnection. The possible financing of the majority of cluster activities from membership fees and donations will depend primarily on the extent to which and in what time cluster members will become aware of the benefits that networking brings to them, and, as it can be assumed, this would be only at the moment of the time of onset of economic performances.

Results of so far conducted researches showed that, for the tourism sector in the region of Slavonia, the most acceptable form of networking entities that create tourism products, is to join contractual vertical marketing systems. According to Kotler (1998, 472), it is a system that consists of tourism professionals who are legally speaking, autonomous and independent, but through certain contractual arrangements are connected, in order to be more effective in the tourism market.

4. Cluster "Slavonska košarica"

An example of good practice in the area of networking is for sure the tourist cluster "Slavonska košarica", organized as an association that was created through regionalization of the cluster "Slavonski Brod" established by the city of Slavonski Brod, the Tourist Board of Slavonski Brod and the Development Agency of Slavonski Brod, in the framework of project tasks established by the Master plan for tourism development of the town from 2010 to 2020. Today this cluster networks 117 members, manufacturers of food, beverages and handicrafts; representatives of the accommodation and catering sector; owners of travel agencies and tourist companies; representatives of local governments; tourist boards and other public and educational institutions from all over the region. It should be noted that the cluster has signed a strategic partnership with the Faculty of Economics in Osijek, as well as Slavonski Brod and Požega Polytechnics.

The principal activities of the cluster are determined by annual work programs adopted by the Assembly consisting of representatives of all 117 members, with maintenance of educational workshops for members; development of interactive web portals; participating in fairs and organizing special presentations on certain tourist markets and benchmarking trips, as the most significant.

Table 2 Income of the cluster "Slavonska košarica" in 2014.

On	Income sources	Plan 2014.	Execution 1.1.-31.12.2014.	Execution n/Plan	Structure in %
1.	Membership fees	20.000,00	10.640,00	53	10,30
2.	Founders grants	10.000,00	15.800,00	158	15,28
3.	The Brod-posavina county grants	10.000,00	10.000,00	100	9,67
4.	Government institutions grants	200.000,00	63.451,67	18	61,36
4.1.	Croatian Tourist Board	-	39.316,57	-	-
4.2.	Ministry of Agriculture	-	24.135,10	-	-
5.	Other incomes	4.000,00	3.502,81	88	3,39
5.1.	Public sector income grants	2.000,00	-	-	-
5.2.	Private sector income grants	4.000,00	-	-	-
5.3.	Interest income	-	16,81	-	-
5.4.	Revenue from the provision of economic activity	-	3.486,00	-	-
6.	Total revenue	244.000,00	103.394,48	42	100

Source: Cluster "Slavonska košarica" (2015); Report on tourist cluster "Slavonska košarica" in 2014, 8

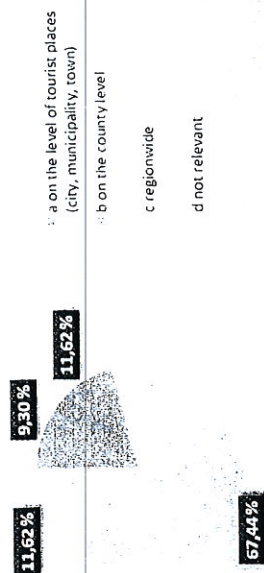
In 2014 cluster's "Slavonska košarica" revenue was 103,394,48 HRK. In its structure is evident largest share of grants from the state level, and that of the Ministry of Agriculture and the Croatian Tourist Board. Revenue from membership fees amounting to 200.00 HRK per year per member, with the possibility of installment payments in quarterly periods, achieved 10.640.00.00 HRK, with a share in the structure of 10.3% and the index of achievements of 53 (Cluster "Slavonska košarica, 2015, 8).

5. The results of primary research

To determine the satisfaction of cluster members with membership in the cluster and realize their attitude on the activities to which should be given emphasis, in February 2015 was conducted primary research, which involved 85 members of the cluster, which makes 71.4% of the total membership. The research results are given below:

Figure 2 Networking in tourism sector, questions and answers of the respondents

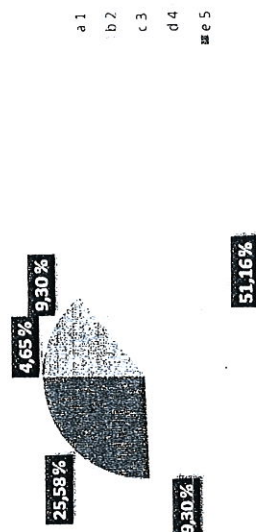
When it comes to tourist region of Slavonia, at what level is the most appropriate to implement networking in the tourism sector?



Source: Independently conducted research, February 2015

Figure 3 Brand recognition in domestic tourist markets, questions and answers of the respondents

Rate on a scale from 1 (lowest) to 5 (highest level) brand recognition of "Slavonska košarica" in domestic tourist markets.



Source: Independently conducted research, February 2015.

Figure 4 Brand recognition in the tourist markets of neighboring countries, questions and answers of the respondents

Rate on a scale from 1 (lowest) to 5 (highest level) brand recognition of "Slavonska košarica" in the tourist markets of neighboring countries.



Source: Independently conducted research, February 2015

Figure 5 Concept of networking, questions and answers of the respondents

Rate on a scale from 1 (lowest) to 5 (highest level) concept of networking, according to which, one association networks producers; service providers and public and educational institutions.



Source: Independently conducted research, February 2015

Figure 6 The past cluster activities as expected by cluster members, questions and answers of the respondents

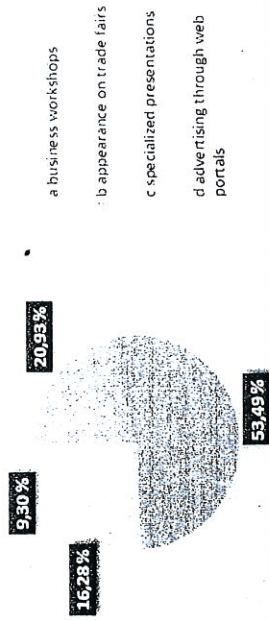
Did the past cluster activities justify your expectations?



Source: Independently conducted research, February 2015

Figure 7 Segments of the past cluster activities as expected by cluster members, questions and answers of the respondents

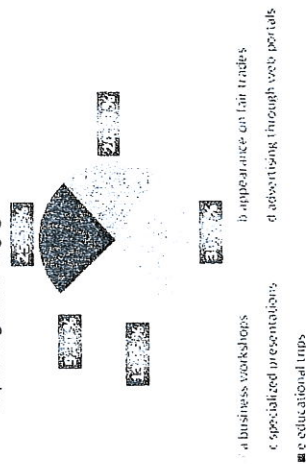
Which segment of the past cluster activities mainly fulfilled your expectations?



Source: Independently conducted research, February 2015

Figure 8 Segments of the cluster activities to be provided accent to, questions and answers of the respondents

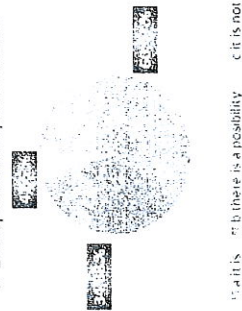
In which segment, during the oncoming period, do you expect a greater engagement of cluster?



Source: Independently conducted research, February 2015.

Figure 9 expectations of cluster members with regard to support of the Ministry of Entrepreneurship and Crafts, questions and answers of the respondents

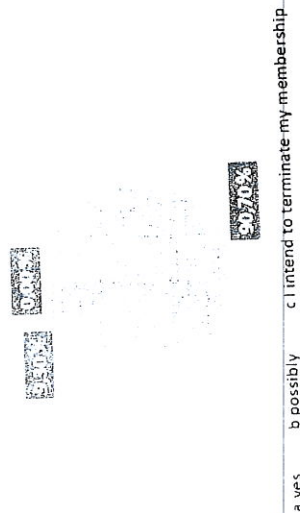
Is it realistic to expect that the cluster "Slavonska košarica" will in 2015 receive support for its work from the Ministry of Entrepreneurship and Crafts?



Source: Independently conducted research, February 2015

Figure 10 Cluster membership, questions and answers of the respondents

Do you plan to remain a member of the tourist cluster "Slavonska košarica"?



Source: Independent research conducted, February 2015

Results of primary research showed that:

- 67.44% of respondents believed that it was most appropriate, when talking about tourism sector, to implement networking at the regional level,
- by quarter of respondents recognition of brand "Slavonska košarica" in domestic markets was assessed as "excellent", while just over half of respondents cluster brand in domestic markets evaluated as "good",
- average score of respondents with regard to recognition of brand "Slavonska košarica" in the tourist markets of neighboring countries was 2.61%
- almost half of the respondents concept of networking, whereby in one association networked producers; service providers and public and educational institutions assessed as "excellent".
- past cluster activities justified the expectations of 67.77% cluster members partially, while quarter of cluster members was fully satisfied with the results of cluster activities in the previous period,
- performances at fairs was activity that had largely fulfilled the expectations of the majority of the cluster members (53.49%), while greater involvement of the cluster was expected just in this segment of activity by nearly one third of respondents,
- 60.47% of respondents believed that in 2015 the cluster would be supported by the Ministry of Entrepreneurship and Crafts, while slightly more than one third believed that this is possible,
- more than 90% of respondents intended to remain in cluster membership in the future.

6. Conclusion

Regardless of the form of networking, competitiveness strategy should be primarily based on the connections established between economic and non-entities within a specific area focused on meeting the needs of tourists. Thus, the by using of cluster models it is possible to reduce regional imbalances, and to emphasize entrepreneurial activities and create mutually organized and linked groups of tourist attractions, infrastructure, services etc. These are updated with the aim of greater success in the market, and at the same time form an integral tourist product. In doing so, and to get greater support by state and public sectors, clusters often, with economic operators, include a variety of institutions, such as government

organizations, universities, etc., what, along with the economic significance, has social dimension.

According to McGregor and Hodgkinson (MacGregor, RC, Hodgkinson, A., 2007, 227), clusters are agglomerations of small and medium-sized business entities (SMEs) located in a relatively limited geographical area which are engaged in the production of related or complementary products. These two authors advocate a modern approach to clustering that gives importance to the role of social capital, i.e. the social (create a trust relationship between economic operators, the inclusion of institutions that provide infrastructure such as government, educational institutions, etc.), and not only the economic dimension.

According to Horvat and Bogdanić, M. (Horvat, Đ., Bogdanić, M., 2014, 312), clusters represent organizational forms that connect business subjects of one economic sector whose motives are to merge for the benefit of efficiency in placing products and services. A model of cooperation which involves these three sectors is called triple – helix model.

In doing so, the clusters should be promoted systematically, because individual promotional initiatives undertaken by commercial entities can not be coordinated and balanced-in-scope, message, and regularity in reporting. Therefore, the promotion of clusters, economic entities in the cluster and their products should include the institutions that give support such as research institutions, chambers of commerce, local authorities, etc., and that thus is in the function of the valorization of the image of the cluster in the domestic and international markets.

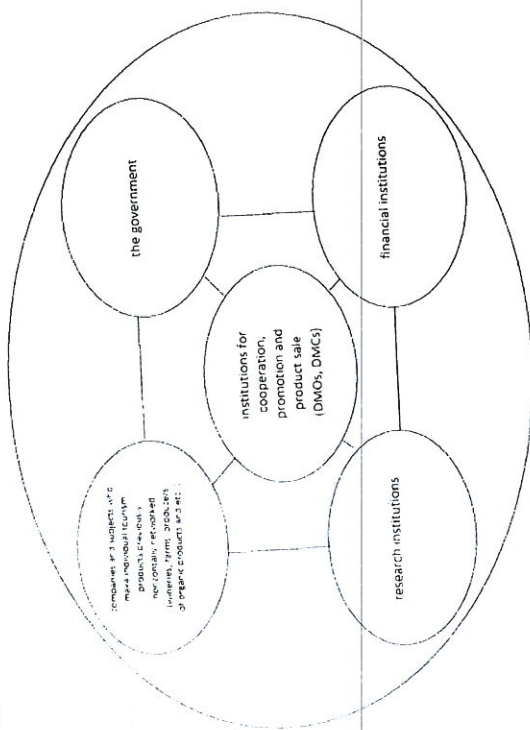
When it comes to networking at the regional level, it is evident that it has become the practice in international settings, including the tourism industry, where there are frequent connections between the small tourist entrepreneurs, development agencies, regional tourism organizations and authorities. For example, according to Porter (Porter, ME, 1998, 78, 88, 89), clusters are geographically concentrated, interconnected businesses entities and institutions in a particular area in which many include government and other organizations such as universities, development agencies, training institutions, trade associations, etc., that provide services including education, special training, information, research and technical support.

At the same time, economic operators belonging to a geographical cluster can share resources, responsibilities, communication and marketing, have a collective local brand, collective management and/or consulting. They can also plan joint activities involving analytical, strategic and operational marketing primarily as joint promotional activities undertaken by both the private and public sector.

According to the Tourism Development Strategy of the Republic of Croatia by 2020 (Ministry of Tourism, 2013, 28), one of the ten basic principles of Croatian tourism by 2020 is to create partnerships, because understanding „the tourist product“ as an aggregate category, its development implies horizontal (interdepartmental) and vertical (national - regional - local) co-operation, but also co-operation between public authorities and the private sector (businesses), the civil sector, institutions in the field of environmental protection, culture, transport, health, safety etc.

Figure 11 shows the possible members of a comprehensive geographic clusters in the region of Slavonia, among which would, along with previously horizontally related entities that create tourism products; research and financial institutions and local authorities, a significant place should belong to institutions for promotion (County Tourist Board operating in the region and the regional tourism organization that is formed at the regional level), or the companies for the sale of tourism products (receptive travel agencies in operation destination management company) (Lončarić B., 2012, 333).

Figure 11 Potential members of the geographical region cluster of Slavonia



Source: Lončarić, B.: *Marketing in Tourism of Slavonia and Baranja*, PhD thesis, 2012, 333

Organizationally, but also economically, the tourist cluster "Slavonska košarica" is a good example of networking and joint marketing activities of various stakeholders of tourism development in the region of Slavonia, regardless of the modest financial resources and a limited number of sources from which financed its activities. It is also shown in the results of the study.

In the coming period, based on the view of Figure 11, the board of clusters should focus its efforts on lobbying the ruling state structures for the entry of state officials in membership of the cluster, which would (at least to be expected) increase the state's interest to support clustering in financial terms. On the other hand, membership in the cluster of some of the financial institutions (banks) for sure would also be a function of how greater liquidity of membership, as well as implementation of various benefits in the area of improving business conditions of membership.

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