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From enthusiasm to scepticism: tourism cluster initiatives and rural development in Slovakia

Rural regeneration is usually accompanied by diversification of the economy and creation of new employment opportunities. The cluster concept, introduced by Michael Porter at the beginning of the 1990s, and cluster initiatives are generally and uncritically offered as an adequate tool for the fulfilment of these objectives. This study describes the functioning of four tourism cluster initiatives from rural areas of Slovakia using the experience and knowledge from field work (supported by content analysis of newspapers and the Internet) and their (in)direct impact on selected regional indicators (net migration of population, number of tourists, overnight stays and unemployed persons). The data indicate the efforts of the tourism cluster founders in the initial years of activity are not automatically associated with broadly interpreted local and regional success. This result shows that cluster initiatives in tourism are not appropriate for all rural areas, economies and/or communities.

Keywords: tourism clusters; regional competitiveness; rural development; indicators of regional change, Slovakia

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Introduction

In response to dissatisfaction with existing rural development strategies, experiments with new approaches built on “flexible networks of interactive, trust-based relations that are thought to facilitate innovation” have appeared (Murdoch, 2000, p.414). Formation of networks and cooperation between the representatives of the public (e.g. local and regional self-governments) and private (e.g. entrepreneurs) sectors is perceived as a *conditio sine qua non* in order to achieve regional competitive advantage (Czernek, 2013). A strategy making use of cluster theory, according to which a geographically localised grouping of interlinked businesses (cluster) can increase competitiveness, improve productivity and consequently increase the economic well-being of the population living in the concerned territories (Porter, 1990), is based on the benefit of networking local and regional development actors.

Numerous studies point to the possibilities for improvement of the living standards of the rural population through the development of tourism, especially in countries and regions with economies characterised by a lack of capital and a poor employment situation (e.g. Jordan, 1992; Baum, 2011; Partalidou and Koutsou, 2012; Moric, 2013). On the other hand, the dangers of overexpansion of tourism include the high degree of seasonality (instability of employment and time-limited emigration) and negative impacts on the environment.

The topic of rural tourism clusters based on networking and active participation of the individual actors (Novelli *et al.*, 2006) has received much attention (Nordin, 2003; Jackson and Murphy, 2006; Baum, 2011; Belešová, 2012; Partalidou and Koutsou, 2012; Schejbal, 2012; Gonda and Csapó, 2012; Moric, 2013). The primary aim of networking (cluster initiatives and foundation of clusters) is the targeted, joint formation and marketing of a tourism destination brand designed to secure higher numbers of tourists and nights spent in accommodation facilities, and economic prosperity of the members (Rapacz, 2008; Belešová, 2012; Štetič, 2012; Moric, 2013). Tourists should be given a more comprehensive and more varied offer of services at attractive prices. Theoretically, the region profiting from tourists should generate new jobs and attract new in-migrants. Are these ideas reality or myth?

Tourism development in Slovakia lags behind other European Union (EU) Member States, contributing only 2.4-2.7 per cent to national GDP compared to an EU-wide figure of 4-5 per cent. Rural regions of Slovakia have attractive landscapes and traditions and the development of clusters in tourism is a new challenge for them in pursuit of economic success and/or sustainable development (Székely, 2010; Kleinová and Neománi, 2011; Lušnáková and Šajbidorová, 2011; Belešová, 2012). The first such cluster in Slovakia (Liptov) covers a territory of about 2,000 km², and its functional philosophy was established in 2008 following lengthy negotiations during which the attitudes and opinions of the actors concerned were presented (Székely, 2010). The original intention of the regional self-government unit was to establish one functional tourism cluster in the whole territory of the administrative region of Žilina, an area of more than 6,800 km². This plan was inconsistent not only with the document ‘Regionalisation of Tourism in the Slovak Republic’ (MH, 2005), as the territory is composed of five natural regions (Liptov, Orava, Turiec, Kysuce and Horné Považie), but also with the aspirations of the local public and private tourism actors, who were willing to cooperate only at the level of natural, old historic regions.

This study quantifies the possible effect of new institutional forms (‘clusters’, or ‘organisations of destination management’) of rural tourism on the socio-economic development of four regions in Slovakia. Three of the clusters (Liptov, Orava and Turiec) are located in the administrative region of Žilina while the fourth (Balnea) is from a small town of Dudince in the territory of district Krupina which is part of the administrative region of Banská Bystrica.

Tourism clusters in rural regions of Slovakia – territorial comparison and indicators

The territories of the three clusters in the Žilina region are similar in geography (mountainous territory with valleys where economic activities are concentrated, occurrence of hot mineral springs), character and economic orientation,

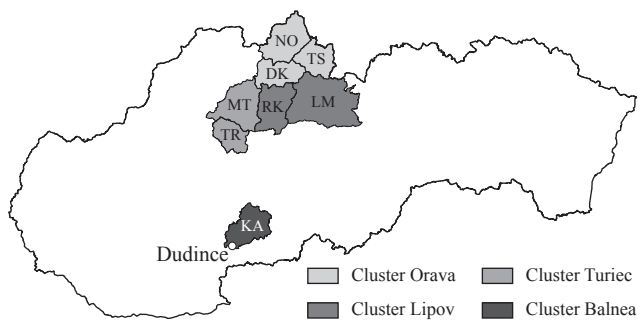


Figure 1: Geographical position of the rural regions and (rural) tourism clusters investigated in this study.

Cluster Orava - districts Námestovo (NO), Dolný Kubín (DK), Tvrdošín (TS)
 Cluster Turiec - districts Martin (MT), Turčianske Teplice (TR)
 Cluster Liptov - districts Liptovský Mikuláš (LM), Ružomberok (RK)
 Cluster Balnea - districts Krupina (KA)

Table 1: Indicators of the territories represented by the clusters investigated in this study.

Indicator	Regions of rural tourism clusters			
	Liptov	Orava	Turiec	Krupina district
Area (km ²)	1988	1661	1128	585
Population (2011)	130,641	134,889	113,489	22,927
Population density, persons/km ² (2011)	65.7	81.2	100.6	39.2
Share of rural population, % (2011)	48.0	67.1	36.9	58.5

Source: Central Statistical Office of the Slovak Republic and own calculations

and have common borders (Figure 1), but differ primarily in their capacities for tourism. These differences reflect the objective ranking of individual mountain ranges in terms of potential for skiing but also their subjective perception and popularity among actual and potential visitors. All three clusters offer similar tourism products. The character of their public and private actors is practically the same and their marketing activities are aimed at the same target group of potential tourists: young, active visitors whose priority is sports activities. The Balnea spa cluster is completely different. It is not only situated outside the main tourist regions of Slovakia but it is formed only by actors from a small town (in a rural region) and focuses on a different clientele (mainly spa guests and wellness clients) with its specific ideas about recreation time and particular demands.

The importance of tourism nationally and for those regional economies influenced by tourism cluster initiatives is different. Enterprises related to tourism (defined as 'Accommodation and food service activities' and 'Arts, entertainment and recreation') accounted for 4.58 per cent of all enterprises in Slovakia in 2008 and 4.85 per cent in 2013, according to data from the Central Statistical Office of the Slovak Republic. By contrast, in 2008 Liptov's tourism enterprises represented 7.85 per cent of the total number of enterprises, although this proportion decreased slightly to 7.55 per cent in 2013. During the period from 2008 to 2013, the share of tourism enterprises in the Orava region declined from 4.74 per cent to 4.46 per cent, and in the district of Krupina from 5.83 per cent to 5.15 per cent. Only the Turiec region registered an increase in the proportion of enterprises in the tourism sector (from 3.80 per cent to 3.99 per cent) and these figures could indicate a weaker position of tourism in the regional economy. Regional data are cited here because

data on the contribution of tourism to Gross Domestic Product are not available at district (LAU1) level.

The four territories also differ in spatial size and population (Table 1). According to the OECD classification of rural areas based on the percentage of the population of a NUTS 2 or NUTS 3 region living in rural municipalities (OECD, 1994), the territory of Liptov with three towns is 'significantly rural', as 48.0 per cent of the population lives in rural municipalities. Orava, with four small towns and a 67.0 per cent share of rural population, is 'predominantly rural'. The territory of Turiec is 'significantly rural' (36.9 per cent of rural population), and Krupina district with two small towns (one of them, the geographically 'artificial' town Dudince, which is the centre of cluster Balnea, has only 1,500 inhabitants) is 'predominantly rural' (58.5 per cent of rural population).

To understand how the establishment of tourism clusters has influenced the situation in the region in the first years of their existence, the periods before and after their formation were compared using four indicators of regional development (number of visitors in accommodation facilities, number of tourist nights in accommodation facilities, number of unemployed persons, and net migration of population). Based on the stated aims of individual tourism clusters, the hypothesis of this study was that clusters would be able at least to maintain, or even improve, the values of these indicators. Improvement was interpreted (again in the sense of the stated aims of the clusters) as increased number of tourists, more nights spent, reduced number of unemployed and improved net population migration in the form of reduced regional out-migration or increase of regional in-migration. These indicators were not selected at random. The founders of the clusters emphasised the quantitative increase in the number of tourists and nights spent in the region as specific aims.

Rural tourism clusters and changes in selected regional indicators

The founders of the four clusters are listed in Table 2.

Table 2: Founders of the clusters investigated in this study.

Cluster	Founders
Liptov	The towns: Liptovský Mikuláš, Liptovský Hrádok and Ružomberok, and the private companies: <i>Thermal Park Bešeňová</i> , <i>Aquapark Tatralandia</i> and ski resorts <i>Jasná Nízke Tatry</i> , <i>Skipark Ružomberok</i> .
Orava	The rural municipality Zuberec and ten regional tourism subjects such as Orava ski resorts, aquapark, hotels etc.
Turiec	The towns: Martin and Vrútky, and the private companies: travel agency <i>Fatra Ski</i> and ski resorts <i>Snowland</i> in Valčianska dolina, <i>Jasenská dolina</i> and <i>Winterpark Martinky</i> .
Balnea	The town of Dudince, <i>Dudince Spa</i> and the Dudince hotels.

Liptov cluster

The assessment of the effects of the Liptov tourism cluster differs slightly from that of the other three clusters, as one of the measurable founding objectives was to double the number of visitors and nights spent in the region between

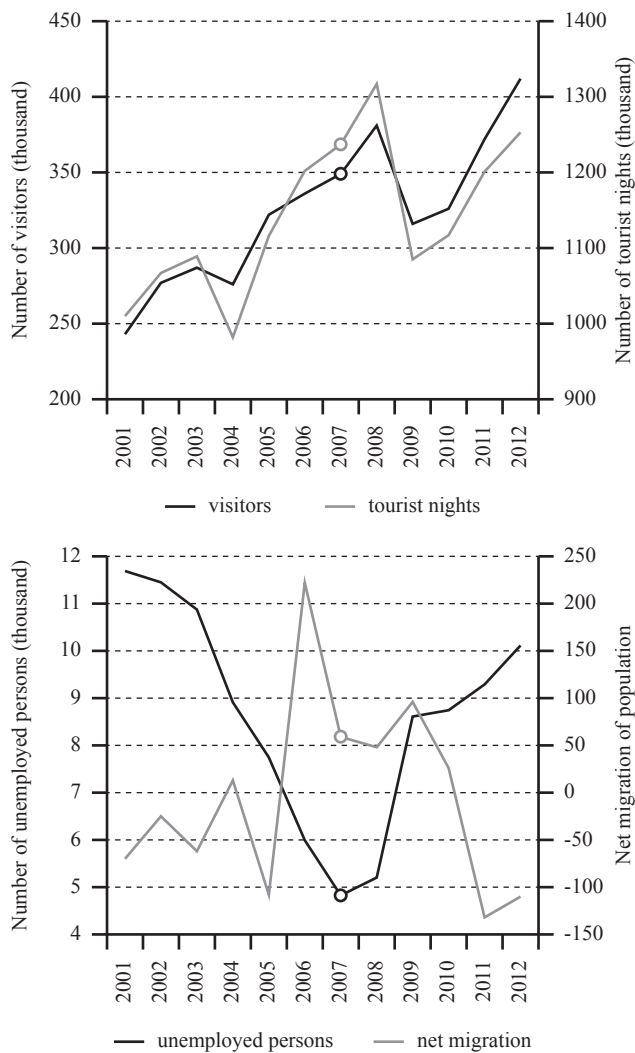


Figure 2: Liptov cluster and dynamics of regional indicators.

Markers indicate the year of formation of the cluster

Source: Central Statistical Office of the Slovak Republic and own calculations

2007 and 2013. Hence, 2007 was chosen as the base year for time comparisons (Figure 2).

Almost 350,000 overnight tourists visited Liptov in 2007, but in 2012 this number had increased by only slightly over 18 per cent to almost 412,000 and the declared aim of the cluster will most probably not be achieved. The number of tourist nights in accommodation facilities increased only by 1.3 per cent. It means that the overall average length of a person stay fell from 3.61 days to 3.04 days; this is a relatively short stay. Short-term stays and weekend stays together with stays without accommodation help to make full use of the existing capacities. Along with the economic position and solvency of the potential clientele together with its potential ability for recreation expressed by the number of its free days, the number of tourists and nights spent in the region may also be determined by the length of the season, which in turn depends on the regional weather conditions.

Liptov, where the most important business entities of the Slovak economy active in the branch of tourist infrastructure invest, is among the most visited tourist regions of the country. High numbers of tourists represent a huge potential for profits, not only for the participating members of the cluster but also for the associated branches of the economy. Small

and medium entrepreneurs can provide the missing services and thus create jobs. However, these theoretical reflections depend on the specific conditions of the region on the one hand and on the concrete time period on the other. Data about the number of unemployed in the region of the Liptov cluster activity show this. In spite of the fact that the number of visitors and nights spent increased in individual years, as did the importance of tourism, the number of registered job seekers also increased, meaning that tourism and the related services were not capable of generating sufficient jobs for the local population. The cause may partly lie in the strictly economic behaviour of entrepreneurs who try to minimise their labour costs and maximise labour productivity, especially during the years of the global economic crisis that were characterised by a high level of uncertainty in all markets.

Liptov as a region did not become attractive for migrants either. The perception of it as a space worth moving into with the aim to improve one's quality of life is not widespread in spite of the uniqueness of its natural setting. Although the mechanical population movement is balanced, in the period 2007-2012 the number of people who moved out of the region was higher than that of those who moved in. The causes are various but the scarce offer of suitable jobs is probably the decisive factor.

Orava cluster

Orava cluster was founded in a territory that is considered a long-term source of labour in Slovakia. The region has one of the top birth rates, but also has one of the top emigration rates because investors are not interested in locating or relocating their companies here and it suffers from lack of jobs. This peripheral, mountainous and cool region of Slovakia with its traditional culture has invested great expectations but fewer funds in the development of tourism. In the opinion of the regional visionaries tourism is expected to become the 'engine' of economic growth, a branch the region "should live off". The plans of the founders of the Orava cluster were very ambitious. They planned to include Orava among the three most visited regions of Slovakia before 2015 but the statistics (Figure 3) show that the first years of the cluster did not bring any great changes in the number of visitors to the region and the nights spent in accommodation facilities.

In terms of the number of accommodated visitors, 2012 was worse than 2001. With the exception of 2008, the number did not surpass 80,000 and the proportion of 2.50 per cent of the overall number of overnight guests in Slovakia from 2001 was never repeated. When the cluster was founded (2009), this proportion was 2.04 per cent while the activities of the cluster contributed only 2.06 per cent to this proportion in 2012, with an increase of tourists of almost 8,000. An even greater slump occurred in terms of the number of tourist nights in accommodation facilities. While in 2001 there were more than 283,000 tourist nights, in 2009 there were little more than 204,000. At the national level, the proportion of the overall number of overnight guests in Slovakia fell further from 1.97 per cent in the year when the cluster was founded (2009) to 1.87 per cent after three years of its activity (2012). Continuous shrinkage of the mean length of stay, which dropped from 3.59 days in 2001 to 2.62 days in

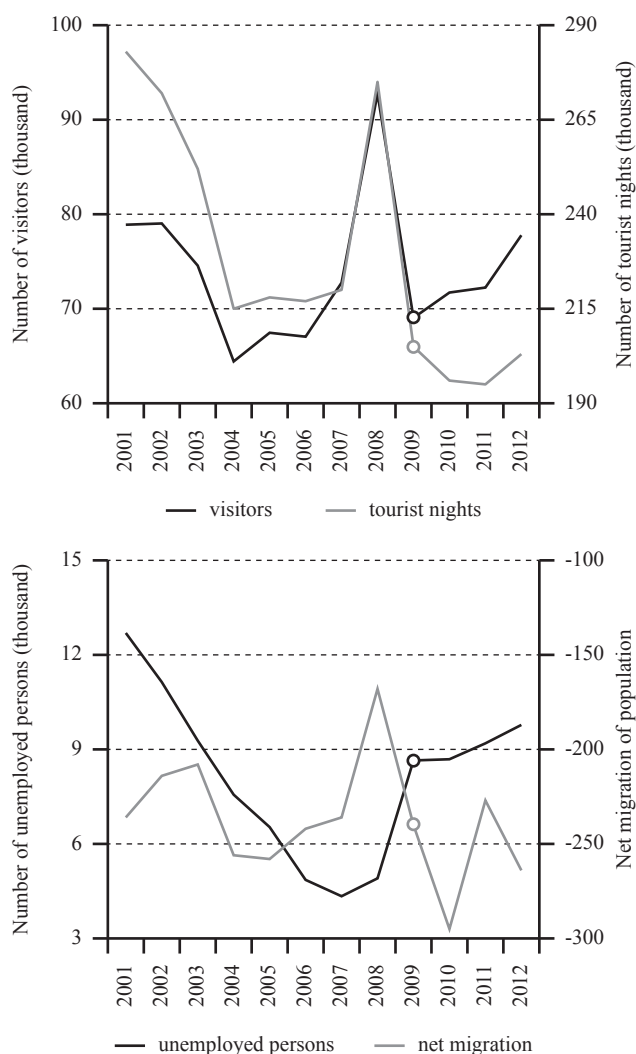


Figure 3: Orava cluster and dynamics of regional indicators.

Markers indicate the year of formation of the cluster

Source: Central Statistical Office of the Slovak Republic and own calculations

2012, has contributed to this situation. This value is very low and its increase is the biggest challenge for all participating members of the cluster. The problem is the competition of the neighbouring Liptov region, whose tourism offer is very similar to that of the Orava cluster: attractions for winter sports and swimming in thermal waters.

The *Roháče-Spálená* ski resort and other ski resorts in Orava (*Ski park Kubínska hoľa*, *Orava snow – Oravská Lesná* and others) are not amongst the top ski resorts of Slovakia. The categorisation of ski centres, which is the product of a multi-criterion assessment by a Commission, is not only a question of prestige contributing to a positive image of the resort concerned but also a direct promotion with an impact on the overall number of visitors and nights spent. It is very important in terms of competition for clients and their direct or indirect financial contributions to the development of localities and regions via various leisure activities and taxes. Comparison of the more poorly equipped and lower category ski resorts of Orava with those of neighbouring Liptov and its top resorts is adverse for Orava, which consequently loses in competition for clients and profit. The water parks of both Orava and Liptov also compete for a share of the clients in the market in the same way with the same result.

Despite the high natural population increase, there was a reduction in unemployment in Orava of more than 8,000 between 2001 and 2007, but since 2007 the number of unemployed has increased. Although this trend has slowed since the foundation of the Orava cluster, the activities of the cluster clearly have not generated the number or type of jobs that would meet local needs. The wages of people employed in tourism and in supporting services that employ mostly women are among the lowest. The generation of suitable, well-paid, attractive jobs for the male population in the region is a problem solved by many via out-migration to economically more advanced regions and better remunerated branches of the economy (e.g. construction).

The mechanical population movement data confirm that Orava is not attractive for permanent residence. In the period from 2001 to 2012 Orava lost 3,000 inhabitants through net migration. The establishment of the tourism cluster does not appear to have altered the perception of Orava as a desirable place to live and the dream about tourism as the ‘engine’ of social and economic development has not yet been fulfilled.

Turiec cluster

The foundation of clusters is based on cooperation between the local municipalities and entrepreneurs where a high level of mutual trust is presumed. Negotiations aimed at achieving a consensus between all participating actors are sometimes very complicated. Falt'an (2005), who mentions only inter-municipal cooperation, asserts that the start of such cooperation is not simple at all: “Inherently there must be willingness and readiness to cooperate, but ... also the aptitude and power to overcome distrust to potential partners. It requires the capacity to cooperate, seek compromises, respect the partners and overcoming of historical stereotypes and loads often carried over to presence” (pp.285-286).

The process of founding the Turiec cluster confirms Falt'an's words. After the initial negotiations between the potential members in 2009, problems concerning the decision-making mechanism (and the power of individual voices) emerged as the big ‘actors’ in terms of population size, i.e. the big urban self-governments, were preferred. For this reason the deputies of the district town of Turčianske Teplice (population 6,700 in 2011, c.f. 57,400 in Martin) initially did not agree to join the cluster. They requested a change to its statutes, arguing that a great proportion of guests coming to the town seek balneotherapy, and for a greater weight for Turčianske Teplice's vote. Prior to the negotiations the biggest private company in tourism in the southern district of Turiec, the spa *Slovenské liečebné kúpele Turčianske Teplice*, was also uninterested in joining the cluster and the lobbying of its representative regarding the inconveniences of the decision-making mechanism was probably the reason why the municipal deputies did not approve the membership.

An analysis of the numbers of visitors (accommodation tourism) justifies the arguments of the concerned entities in Turčianske Teplice district. While in 2001-2012 the number of accommodated guests in Turiec declined by more than 10 per cent (Figure 4), in its northern part (Martin district) it fell by almost 23 per cent and in the south (Turčianske Teplice district) it increased by more than 20 per cent. While at

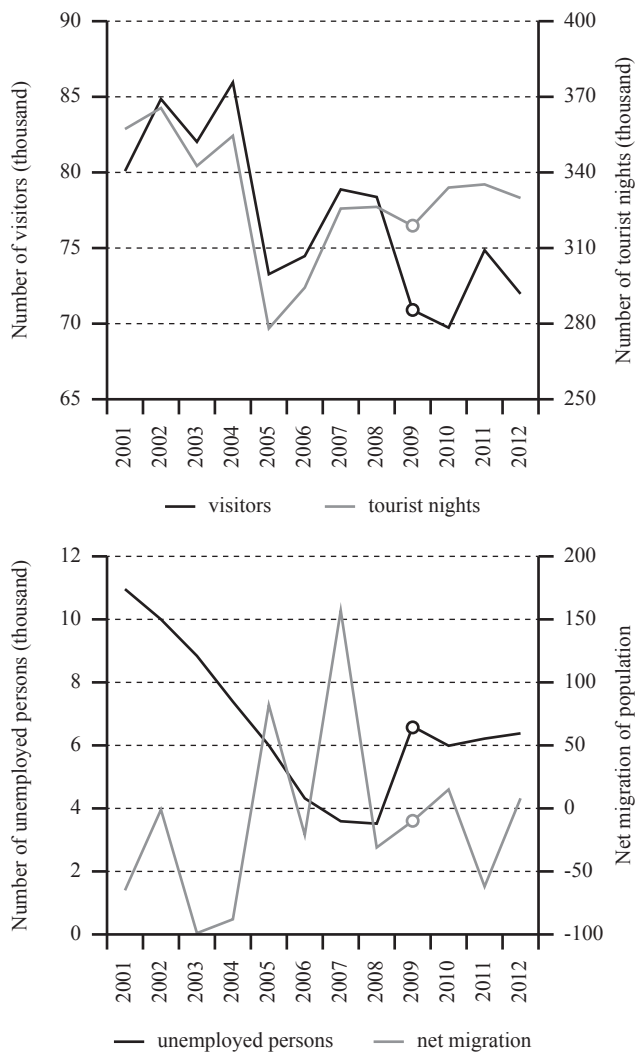


Figure 4: Turiec cluster and dynamics of regional indicators.

Markers indicate the year of formation of the cluster

Source: Central Statistical Office of the Slovak Republic and own calculations

the time of the 2011 Census there were 46 overnight tourists per 100 inhabitants of Martin district, in Turčianske Teplice district there were 186. In terms of the total overnight stays per 100 inhabitants this intraregional differentiation is even more evident: in Martin there were 107 and in Turčianske Teplice 1411 in 2011. These big disparities were caused by differences in the character of tourism in individual parts of Turiec. While in Martin the stress is on skiing and winter sports and a great part of the clientele are locals and short-term visitors with no need to stay overnight, Turčianske Teplice district profits from spa tourism throughout the year and also attracts people from other regions and from abroad and their accommodation is essential.

Since 2009 the annual number of overnight tourists in Turiec has increased by only 1.5 per cent, and the increase was differentiated. In Martin district the number of tourists increased by only 0.4 per cent while Turčianske Teplice district achieved an increase of 3.3 per cent. It means that the activities of the cluster and their accompanying promotion did not bring any significant increase in the number of overnight tourists. Simultaneously the total number of tourist nights in accommodation facilities in Turiec increased only slightly, i.e. by 0.6 per cent, while the difference between the

northern and southern parts of Turiec is even more marked. While in Martin district there was a 6.2 per cent decrease in the number of tourist nights, in Turčianske Teplice district the number increased by 8.4 per cent. These intraregional disparities contribute to ambivalent assessment of the impact of the Turiec cluster on strengthening tourism and its function in the regional economy.

While the number of unemployed had continuously dropped during the eight years prior to 2009 and the number of registered jobseekers fell by almost 7,500, in 2009 it increased by more than 3,000 and has since remained broadly unchanged. The activities of the cluster have been unable to generate large numbers of jobs in the region and the development of tourism, in spite of its potential, has not been an adequate compensation for the regional recession in the primary and secondary economic sectors.

The attractiveness of Turiec region as a place of residence was seriously impaired by the post-transition depression and transformation of the engineering (defence) industry which was previously the important provider of jobs in the region (Kiss, 2000). It also is the reason why the interregional mechanical population movement is relatively balanced. Increases of migrants alternate with falls. Intraregional short-distance changes in the place of residence dominate and no long-term, unified trend in interregional mechanical population movement can be seen. The existing interregional differentiation of population migration is mainly the result of the imbalanced movement between the two parts of Turiec (Jurčová, 2010) and the tourism activities that were connected with the promotion of ski resorts in Turiec cluster have had no visible impact on increasing the attractiveness of Turiec as a place of residence.

Balnea cluster

The Internet site of Balnea cluster (www.kupeledudince.sk/en/spa-treatment) provides information about the unifying element (water) which contributed to the origins of Dudince as a spa, as a town with its infrastructure, and also as a relatively important tourism destination. This water gave birth to spa residences, hotels and swimming pools and made Dudince the centre of what is referred to as medical tourism.

After 2008, when the Balnea cluster was officially founded, Krupina district suffered a comparatively large drop in the number of visitors which was also reflected in a fall in the number of tourist nights in accommodation facilities (Figure 5). 2009, the year when, with the introduction of the Euro on 1 January, Slovakia might no longer have been perceived as a cheap destination by foreign guests, is when the number of visitors started to continuously increase in Krupina district. Comparing 2001 and 2012, Krupina's 73 per cent increase in the number of visitors is the most dynamic among the four regions. Spa tourism in Dudince, latterly spurred by the promotion activities of the Balnea cluster, played a major role in this increase. Some of these 'tourists' do not represent the classic tourist but rather a special clientele: the costs of their stay and treatments are reimbursed by health insurance companies. However, there has been long-term fall in the number of tourist nights in accommodation facilities connected with the shortened stays. While a mean

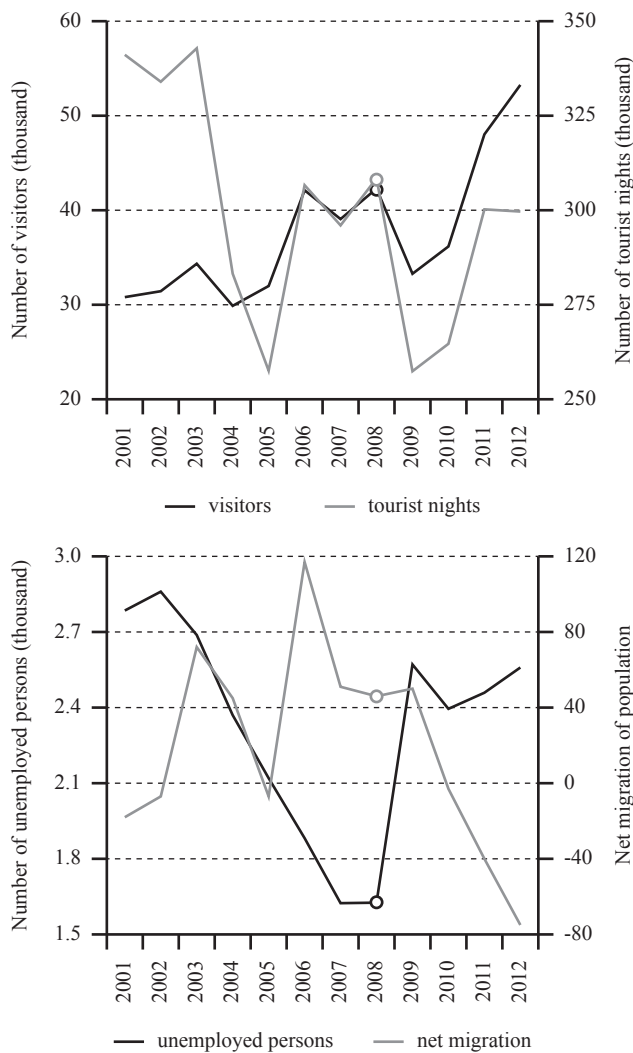


Figure 5: Balnea cluster (Krupina district) and dynamics of regional indicators.

Markers indicate the year of formation of the cluster

Source: Central Statistical Office of the Slovak Republic and own calculations

stay in 2001 was about 11 days, in 2012 it had fallen to less than six days. The causes of such a dramatic drop can be various: from economic ones to the changed length of spa stays.

Clusters and their activities should theoretically contribute to the economic prosperity of all participating, competing and cooperating members. Economic prosperity is closely connected with job creation and an improvement of the regional labour market situation. While the number of registered jobseekers in the five years before the Balnea cluster was formed dropped continuously (about 247 persons a year), its 58 per cent (945 persons) increase between 2008 and 2009 shows that the cluster was not able to change the deteriorating labour market situation in Krupina district. Not even the following three years of activity had any positive effect. Therefore the questions of who (entrepreneurs and the local economy, local self-governments, local people and/or visitors) can profit from the existence of a tourism cluster in rural peripheral region and how are legitimate ones.

The data about the mechanical movement of population in the region show that before the foundation of the tourism cluster Krupina district was rather active in terms of migra-

tion. Gains or losses of population, results of the mechanical movement, were not extremely high – the district was balanced as far as migration is concerned. The prevailing migration movement took place in the territory of the district. The situation is approximately the same after the foundation of the Balnea cluster. The only difference is the higher, but not dramatic, population losses because of the prevailing out-migration from the district.

Rural development under cluster initiatives: from enthusiasm to scepticism?

The activities of the four tourism clusters did not lead to dramatic increases in the attractiveness of their rural regions (Figures 2-5). Even an increase in the number of tourists accommodated (2011 and 2012) does not always mean an increase in the number of overnight stays (especially Orava, and district Krupina – cluster Balnea). Population changes due to the positive balance of mechanical interregional movement are very low and for several years they have not reached the level of the year when clusters were founded. The probable cause is the missing direct effect of tourism development on employment in rural regions. The number of unemployed even increased in some years. In any region where tourism clusters are active, with the exception of Turiec, since the institutionalisation of the cooperation between public and private actors in tourism, jobs were not generated in sufficient number and quality to have any measurable impact on recorded unemployment. Thus the high hopes attached to the solution of the unemployment situation in regional labour markets were not fulfilled.

But clearly the decisive effect (especially in the case of a negative assessment) does not have to be the ‘institutionalisation’ of the activities of the founding members (business persons who invested in the development of tourism) who, expecting a continuous, problem-free increase in visitor numbers, publicly declared highly ambitious aims. The newly created tourism clusters had to face problems arising from changes in the behaviour of tourists caused by the global economic and financial crisis. Potential clients, in an effort to economise, do not fully use the available lodgings or indeed only visit, rather than stay, in the tourist region (Eugenio-Martin and Campos-Soria, 2014). The introduction of the Euro also played an important role: on 1 January 2009 Slovakia became an expensive country for foreign guests. The efficiency of the common marketing strategy, appropriate timing and most of all focus on a suitable target group was determined not only by the active perception of tourist regions but also by financial possibilities, while transport accessibility (Więckowski *et al.*, 2012) remained an open question.

Thus the question as to whether tourism clusters in Slovakia positively affect the social and economic development of rural regions in which they operate is one without clear answers, particularly in view of the complexity of the topic and the relatively short periods of existence of the clusters described in this study. The basic idea behind their incep-

tion was the more efficient use of the existing landscape potential for the economic benefit of the participating actors. The broader perception and understanding of regional development, together with any declared effort to find practical solutions to specific regional problems, did not enter into the strategic consideration of key cluster players – entrepreneurs in tourism. At the same time and during the euphoria of this specific period of economic boom the cluster founders were not able to correctly evaluate the potential for regional attendance and the future spatial behaviour of tourist clientele. They calculated without the extended mobility of tourists in the era of global economic crisis and the negative impact of introducing the Euro.

All four cluster initiatives were meant to build an image for the rural regions with a single aim: a quantitative increase in tourists. The ways to achieve such increase are mostly extensive and therefore can be referred to as 'Fordist tourism' and/or 'mass tourism' (e.g. Torres, 2002). Private partners of rural tourism clusters with their entrepreneurial activities (spa, ski resorts and water parks with their products) aim to increase the number of tourists consuming highly standardised, packaged and inflexible products. The close cooperation with public local governments with a preference for extensive socio-economic development contributes to the image of rural areas as not only a commodity but also as destination of mass tourism. The consequent risk of negative environmental effects (there is a real danger that the development of mass tourism may degrade the natural and landscape potential of the region with simultaneous reduction of its tourist attraction) together with the unclear role of tourism clusters in solving regional social and economic problems are the key reasons why the initial enthusiasm which presented tourism as a universal cure for the problems in the region is now replaced by scepticism and warnings against the negative impact of developers' activities in the most attractive territories of protected landscapes.

The main, real and not formally stated reason for clustering (institutional networking) is still questionable. It seems that the foundation of clusters and similar institutional forms depends on opportunities to obtain supporting funds. After the adoption of new legislation for support to tourism in Slovakia (*Act on Support to Tourism from 2010*), all clusters were transformed into *Oblasťné organizácie cestovného ruchu* (Local Organisations of Tourism, hereafter LOT). Under the new rules it is possible to obtain a governmental subsidy which corresponds to the sum of the membership fees collected. For each LOT the latter is established according to the decision of the members. The share in the total sum of fees is as a rule also a criterion for the weight of the vote in the decision making on the use of the funds obtained. The differentiated weight of votes of the members of clusters represents a potential and real danger of a conflict between the big and small actors and the resignation of some members from the cluster. The questions for rural local governments and small entrepreneurs are, why actually be in a cluster, how can the advantages of cluster membership for the rural municipality and/or for own entrepreneurial benefit be quantified? The cause of these questions is the limited financial options of the rural self-governments and economic subjects which are interested in membership and active participation

in tourism cluster (common marketing) on the one side, and the direct or indirect marginalisation of interests of small members in important decisions on the other.

From the annual reports of the Liptov cluster it is evident that the representatives of the cluster are nowadays satisfied with the slower growth of tourism attendance and profits. This is the satisfaction of entrepreneurs who are supported by state funds while exploiting the favourable physical-geographical conditions of the region and contributing, by negative environmental effects, to its selective degradation. This activity could have a very negative long-term impact on the overall socio-economic development of the region. Hence, when the preference for exclusive economic development, supported by a select group of the most powerful actors interlocked with financial groups on the one side, and the sustainable development sought by the majority of powerless regional actors on the other are in permanent conflict, and the accepted cluster and regional development trajectories depend on the professional status and the value scale of assessors and national, regional and local decision-makers, the activities of clusters (or LOTs) are ambivalently perceived.

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