

PECULIARITIES OF THE FUNCTIONING OF CROSS-BORDER TOURISM CLUSTERS IN UKRAINE

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Abstract. In the article the author highlights the essence and specifics of the functioning of cross-border tourist clusters. Accordingly, *the purpose* of the study was to determine the specifics of the functioning of cross-border tourist clusters in Ukraine in theoretical and applied aspects. *Methodology.* System analysis and especially scientific methods: systematization, generalization and verification of theoretical knowledge during the study, became the methodological basis of the study. Thus, in particular, the article systematizes and summarizes the issues of functioning of cross-border tourist clusters. The author notes that the formation and development of the tourist cluster will allow to use the potential of the regional scientific complex, recreational opportunities of the region, to solve the problem of the lack of investment resources and the development of innovative activities. The essence of cross-border cooperation in the field of tourism is identified, general European trends and experiences in the development of tourism clusters are given. The study emphasizes that the creation of tourism clusters makes economic sense, related to the coordination and extraction of additional benefits within the distribution network of services in the destination. As the tourism sector develops, the cluster model is increasingly used as a source of adaptive management solutions by individual economic entities. Among *the main results and proposals* it was established that joining efforts within the framework of the cluster strategy of interregional development is a useful and favorable action for expanding the geography of tourist trips for all types of tourism, which will form more promising alternative directions, will help not only to maintain, but also to increase the flow of tourists by increasing the availability and options of choosing a wider range of resources, increase the length of stay of tourists in the territory of the region, reduce customs formalities and the impact of other barriers, which would allow to maximally reduce the time and costs for free movement of tourists and develop socio-cultural and economic-political relations between countries, which will be extremely necessary after the stabilization of the situation in Ukraine and the end of hostilities.

Key words: tourist cluster, tourist destination, tourism product, service sector, cross-border tourist clusters.

JEL Classification: L83, E69

1. Introduction

The competitiveness of a tourist destination manifests itself first of all in the territorial and sectoral organization of the economic space, which is subject to detailed analysis by potential investors. Taking into account the international experience of territorial organization, the concept of clusters is, first of all, a modern approach to stimulate the increase of competitiveness of countries through the prism of their territories and, as a result, their economic rise. It should also be noted that the structural cluster policy should be aimed at creating favorable conditions for the formation of cluster associations.

When considering cross-border tourism projects, it is necessary to focus on the provision of a tourist product that is competitive for tourists from neighboring countries, in order to satisfy the needs that this structure is aimed at.

It should be noted that the theoretical foundations of cluster development include a number of stages, the most important of which are social and institutional approaches, the neoclassical school of economics and the concept of M. Porter. (Porter, 2003) The provisions of neoclassical economics formed the concept of network interfirm relations. It is necessary to note the industrial clusters of A. Marshall

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(Marshall, 1922), "according to which he discovered the reasons for higher productivity of a group of enterprises of a certain industry located in a certain territory". The development of the theory of the cluster approach is again noted in the works of M. Porter, who stated that "the most internationally competitive firms of the same industry are usually systematically present in different developed countries and tend to be concentrated in the same country and sometimes even in the same region of the country". (Porter, 2000) In the scientific literature, issues related to the theory of clusters with its application to tourism and cross-border regions in the field of tourism within Ukraine are highlighted, in particular, in the works of such domestic scientists as Z. Gerasimchuk and O. Lyutak (Gerasimchuk, Lyutak, 2010), at the same time, the question of the specifics of the functioning of cross-border tourism clusters in Ukraine in modern conditions remains extremely relevant.

The purpose of our research is to determine the specifics of the functioning of cross-border tourism clusters in Ukraine in theoretical and applied aspects.

2. A general approach to understanding clusters

The cluster concept goes beyond "simple" horizontal networks in which firms operating in a common market for finished products and belonging to an industrial group cooperate in areas such as research and development, demonstration

programmes, joint marketing or purchasing activities. Clusters largely function as networked (vertical and/or horizontal) structures of combined industries, composed of heterogeneous firms specialised in the production of a specific product, service or database required by the network.

By establishing rigid boundaries for industries and economic sectors (often based on some statistical parameters), the traditional research approach does not take into account the importance of establishing relationships and sharing knowledge in the production process, within the network structure. In contrast to the traditional sectoral approach, which focuses on strategic groups of similar firms with a similar position in the network structure, the cluster concept offers such a perspective on economic problems, which is more in line with the modern view, based on taking into account the interaction of innovation theory with the nature of market relations.

The cluster concept can be seen as an alternative to the traditional sectoral approach in economic market research. (Cuhna, 2005) While the sectoral approach focuses on horizontal relationships and competitive interdependence, i.e., relationships between direct competitors with similar activities, the cluster approach emphasises the consideration of vertical relationships between heterogeneous firms and their symbiotic interdependence. The main differences between the cluster approach and the traditional sectoral approach are shown in Table 1.

Table 1

Key differences between cluster and sectoral approaches

Cluster approach	Sectoral approach
Considers strategic groups of companies in network structures with complementary heterogeneous companies	Considers groups of companies with similar network structures
Attracts suppliers, consumers, producers of goods and services, specialised institutes	Focuses on finished goods manufacturers
Brings together a number of related industries that share common technologies, expertise, information, resources, channels and customers	Focuses on direct and indirect competitors
Most participants are not direct competitors, but share common problems and needs	Indecision in organising cooperation with competitors
A wide range of improvements in areas of common interest that will boost productivity and competition	Narrow branch approach
A forum for more constructive and effective dialogue between government and business	Dialogue with the government is usually aimed at obtaining subsidies, protectionism and limiting competition.
Looking for synergies between new associations	Searching for the direction of strengthening the diversification of companies under the existing conditions

It is worth noting that the cluster is described as "a sustainable territorial and sectoral partnership based on an innovative programme for the introduction of advanced innovative production, management and engineering technologies to increase the competitiveness of its participants". (Alexandrova, 2007)

According to M. Porter's theory, a cluster is "a group of geographically contiguous, interdependent firms and related organisations that are active in a particular field and are characterised by a commonality of activities and complementarities". (Porter, 2000) Companies in a particular cluster can act as suppliers of products, components or specialised services, infrastructure companies, research institutes and other companies that complement each other in order to strengthen the competitive advantages of each of them and of the cluster as a whole.

The academic literature identifies three ways in which clusters affect competition:

- by increasing the number of firms and industries included in the cluster;
- by increasing innovative activity and, as a result, the productivity of firms;
- by stimulating the development of new businesses that support innovation and extend the boundaries of the cluster.

In the course of his research, M. Porter came to the conclusion that clusters play a leading role in the world market, which is explained by the fact that when one of the cluster participants succeeds, the successful outcome spreads to its other participants and even to consumers, suppliers and competitors. (Porter, 2003) Thus, the cluster approach contributes to the development of individual territories, industries and enterprises, and the state stimulation of the formation of clusters in the regions will allow to achieve a significant effect on their socio-economic development, increase the innovative potential, as well as the competitiveness of enterprises. The cluster approach as a tool of economic structuring allows to ensure an optimal combination of interests, territories and enterprises, as a result of which regional specialisation is formed.

The presence of clusters is therefore one of the most important factors in creating competitive advantages for regions. It is cluster structures that determine competitive success in certain industries and thus contribute to the development of regions.

3. Differences in tourism clusters

Current trends in the sphere and sphere of services in Ukraine allow us to note the presence of centres of formation of potential opportunities for development of recreational activities, among which should be considered the potential of natural resources, growth of demand for these services, expansion of the sales market, the possibility of changing the specialisation of services depending on demand, development of new market segments; creation of high-quality services. In particular, the regions of Western Ukraine – Volhynia, Prykarpattia, Carpathians, Zakarpattia – can become such centres.

Participants of the tourism cluster can be tour operators, passenger and cargo transport companies, tourist accommodation facilities, producers of food products, souvenirs, medical cosmetics and others. At the same time, the formation and development of a tourism cluster will allow to use the potential of the regional scientific complex, recreational opportunities of the region to solve the problem of lack of investment resources and development of innovative activities, because as the world experience shows, clusters attract new investments, especially foreign ones.

It is also necessary to take into account the peculiarities of the creation of tourism clusters, which distinguish them from industrial clusters:

- the specificity of the production of tourist products;
- the need to take into account the geographical characteristics of the region where tourism services are provided;
- availability of the necessary amount of unique natural resources;
- sufficient level of development of small and medium-sized enterprises in the region of cluster formation as the main participants of the tourism cluster.

In the structure of the tourism cluster, it is common to distinguish four main sectors:

- 1) production of tourism services;
 - 2) service sector;
 - 3) auxiliary sector;
 - 4) the tourism cluster livelihood sector.
- (Liu, Yang, 2013)

The first sector (production of tourism services) comprises enterprises that directly produce a tourism product. These are primarily tour operators and travel agents. They include hotels

and restaurants (hotels and restaurants), companies that transport tourists (railways, airlines, etc.), companies that organise tourists' leisure time (museums, theatres, etc.), entertainment facilities, and nature conservation facilities (protected areas, national parks, etc.).

The second (service) sector includes tourist educational institutions, insurance companies, financial institutions, etc.

The third (auxiliary) sector comprises three main elements: enterprises producing tourist goods, souvenirs, etc.; polygraphic and cartographic organisations, television and radio companies; state authorities, regional tourism institutions.

The fourth sector links the different sectors, ensuring their interaction and joint action.

The following advantages of the tourism cluster are usually emphasised:

- mutually beneficial cooperation develops in the cluster, involving the exchange of information, technologies and experience; employee qualifications increase;
- more efficient use of resources;
- the attractiveness of the investment area increases;
- the range and quality of tourist services is increased;
- cluster members have more opportunities and higher incomes;
- new jobs are created by involving workers from different types of economic activity in the service of tourists. (Carrie, 1999)

At the same time, the implementation of cluster initiatives, especially in the field of tourism, attracts investment funds and, as a result, the development of innovative technologies and approaches directly in the recreation and tourism complex.

In general, the main advantage of the cluster approach for an enterprise is the reduction of production costs due to the effectiveness of the implementation of joint investment projects, the improvement of personnel qualifications due to joint programmes, and the possibility of using the results of scientific research. As a result, it is possible to speak of an increase in the financial stability of leisure enterprises and their investment attractiveness.

4. European experience and main prospects for the creation and functioning of cross-border tourism clusters in Ukraine

Cross-border clusters can be defined as groups of independent enterprises and related institutions

that are geographically concentrated in a cross-border region. At the same time, they specialise in different fields but are linked by common technologies and skills, cooperate, compete and complement each other, and join together to implement joint projects or produce joint products. Ultimately, this allows for synergy and network effects, diffusion of knowledge and skills. (Sovel, Lindqvist, Ketels, 2006)

The European experience shows that cross-border partnership creates noticeable advantages for cross-border regions and allows to actively involve public, private and third sector organisations from both sides of the border, especially in the field of tourism. As a rule, cross-border clusters are formed in conditions of already established cross-border relations between business entities of border territories of neighbouring countries and their effective activity is based on mutually beneficial cooperation of business entities, authorities, non-profit and public organisations of these territories. When initiating the creation of cross-border tourism clusters, it is necessary to carry out a diagnosis of the priority of tourism in each of the participating countries. In addition, the diagnosis should include a favourable geographical location and positive dynamics of tourist flows in recent years.

From the European experience, it is possible to mention the following countries that apply the cluster model of tourism organisation Italy, France and Norway. For example, in Norway, clusters are developing in the field of marine economy. In France, the tourist cluster "Nice" is visited annually by several million tourists, which is almost 1% of the world trade turnover in the field of tourism. Similar models operate at a high level in Greece, Scotland, Belgium, Spain and Ireland. In Italy, the cluster organisation of tourism has the highest level of scientific justification. For example, in some regions of the country, specific conditions have been identified that form the basis for their creation: conditions for the development of several types of tourism, significant tourist resources, the importance of the tourist zone, etc. Examples of clusters in Italy: the tourist system "Lake Trasimeno" (Umbria), "Salinuntina Baths" (Sicily), "Adriatic Sea and Coast", "Cities of Art, Culture and Business". (Emilia-Romagna)

The development of cross-border tourism makes it possible to activate tourism enterprises

located near the borders and to ensure a higher level of capacity utilisation of accommodation facilities in the cross-border region thanks to the creation of a complex tourist product. (Gerasimchuk, Lyutak, 2010)

Cross-border tourism clusters, in contrast to the tourism and recreation system, include not only interacting entities (economic entities, management bodies) and their mutual links, but also all resource potentials used in interaction (natural, labour, production and social infrastructure). At the same time, the formation of cross-border tourism clusters is closely linked to the specifics of the territorial recreation system, the structure of which is shown in Figure 1.

The figure shows the main elements and relationships of the territorial recreation system. It distinguishes a part of the population directly related to the territorial recreation system – recreationists, i.e., holidaymakers who directly participate in recreational activities. The recreational environment includes resources (natural, cultural, economic) that ensure the functioning of the territorial recreational system. The main elements of the interaction of the territorial recreation system are: recreational activities, population and infrastructure (Solvel, Lindqvist and Ketels, 2006). At the same time, the internal connections between these components are the closest, and their intensity determines the level of system development.

To a certain extent, this structure is the basis for the formation of a cross-border tourism cluster. It is connected with the possibility of using the unique recreational base of different regions, a network of multi-specialised local specialised clusters, various regional ethno-cultural and historical resources. In our opinion, a cross-border cluster can be considered as

a geographically concentrated network of enterprises cooperating in complementary sectors and supporting organisations in the cross-border regions of Ukraine.

Territories where clusters are formed become leaders of national economies and their foreign economic relations. For the real development of the cluster, it is necessary to create communication platforms (information centres) for those potentially interested in participating in the business of the respective cluster. In addition, as mentioned above, cluster initiatives stimulate the inflow of foreign investments and large international companies to the region, which usually prefer to invest in those regions and countries where clusters have already been formed in the necessary industries, or at least there are prerequisites for their formation. Domestic and foreign investors interested in investing in the cluster region can get information about the region in the Tourism Cluster Information Centre and receive feedback without barriers based on low information loss with high quality of its transmission, and as a result the investor can become a participant of the tourism cluster. Clusters will promote the creation and growth of incubated innovative companies. Thanks to clustering, the region's investment and innovation opportunities grow.

4. Conclusions

To sum up, after the end of the war on the territory of Ukraine caused by the Russian military invasion and the stabilisation of the security situation, large-scale reconstruction works and serious economic reforms will be necessary to ensure sustainable development and the formation of a new image of the country in the future.

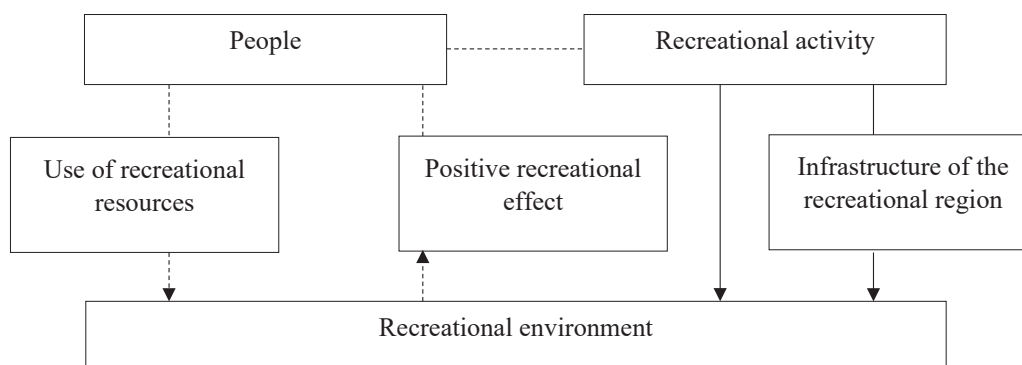


Figure 1. Structure of the Territorial Recreation System

International practice shows that tourism can recover quickly after the end of hostilities and that new initiatives can lead to post-conflict recovery, especially when infrastructure improvement projects are developed. At the same time, it is necessary to open a critical space for interaction and development, create the most favourable conditions for business, effectively

involve and expand the rights and opportunities of the population, provide entrepreneurial opportunities for the poor, in order to avoid the emergence of social causes of conflict. It is quite possible that tourism in Ukraine will eventually play not only an economic, but also a socio-political, foreign economic and peaceful role in the post-conflict reimagining and branding of the territory.

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