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REGIONAL DEVELOPMENT AND GLOCALISATION: THEORETICAL FRAMEWORK

ABSTRACT

The importance of regions and regional development in modern economies is unquestionable. In this context, the paper aims at elaborating the term of regional development from various angles and in relation to frequently used terms in this respect. It focuses on discussing the necessity to grant smaller units the power and respect the principle of subsidiarity as well as to accept the model of functional regionalisation. By respecting the principle of subsidiarity, local and regional self-government units are allowed operational space for starting regional development, which can be viewed as globalisation adjusted to the conditions at the local level.

Additionally, the paper gives a few positive innovative examples of initiating development and discusses several suggestions for underdeveloped regions in the Republic of Croatia. For instance, the geographical distance of Eastern Croatian counties from the City of Zagreb is much smaller than the actual geographical distance of some other counties (e.g. Dubrovnik-Neretva County), but in the context of the development level, “distance” is much bigger. The paper, thus, points out the need for decentralisation, utilisation of the potential in the counties of Eastern Croatia by starting new businesses and through reindustrialisation.

Keywords: Regional development, glocalisation, regionalisation, regionalism, decentralisation

1. Introduction

Regional development and regional differences have been the topics of discussion for many researchers not only at national (Čavrak, 2002; 2003; Mecanović, 2003; Dragičević, Letunić, 2008; Lovrinčević et al., 2005)¹ and international level (Pike et al., 2010; 2014; Stimson et al., 2011; Capello, 2016; Huggins, 2016), but also at national and international institutional level (World Bank², 2012; Račić, Švarc, 2015; Analytical Base for Regional Development Strategy of the Republic of Croatia³, 2015; The Strategy of Croatian Regional Development by 2020⁴, 2017). There are numerous reasons that potentially lead to different research approaches of the term ‘region-

al development’ and of regional differences; they mostly conditioned by a starting point in a particular field of study.

The goal of this paper is to distinguish the terms region, regionalisation, regionalism and regional development. Furthermore, the goal is to give suggestions linked to possibilities of local and regional economic development. Regions, regional development and other related terms can refer to local levels and development, but also to levels broader than national levels. An attempt has been made, thus, to link regional development to global changes reflected as globalized effects, as well as to local conditions and processes as a driving force of the development as a

whole. Glocalisation is both a notion and a process; it encompasses the local and global development and exemplifies the resistance to global influences.

2. Theoretical framework: Basic terms and concepts

The scope of the problem area concerning regional development requires a range of terms. Thus, it is advisable to define the term of *regional* development and thoroughly elaborate it in the context and in relation to already known terms, such as *regionalisation* and *regionalism*. Although the terms may seem identical, they cannot be considered synonyms.

It is possible to interpret the terms regionalisation and region by stating that every regionalisation process results in a certain type of region. If all distinctions and similarities among these terms and processes are taken into consideration, it is obvious that they are not immune to globalisation processes that change the world for better or for worse. In accordance with such altered conditions, we can speak of regions that operate more or less successfully on the economic scene.

2.1 Region: Term and meaning

A region as a basic unit of regional development can be viewed from several different aspects. Bjelajac (2011: 45) defines a region as follows: “*The term ‘region’ derives from Latin – regio, regionis which means area, a certain territory with a series of specific features. That territory can be defined by natural but also by economic, physiognomic, planned, modal-functional, analytic, administrative and even social features*”. According to Anić (2004: 1322), a region can be defined as “*a geographical, historical, political or otherwise separated or marked area of one or more countries*.” Rakić (1987: 53) points out: “*A region represents a dynamic physiognomic territorial unit of a qualitative heterogeneous content of natural and cultural systems*.” Therefore, a region indicates a certain area in which different human activities emerge and progress. In a geographical sense, Sulkan Altić (2008: 352) defines it as follows: “*Under the term ‘geographical regions’ we consider a part of a continent of common or similar features*.” Maldini (2014) points out that although the term derives from geographical terminology, certain areas cannot be considered regions only by defining their borders and other geographical features.

The author points out that borders were particularly important in the past because they inhibited or prompted exchange and cooperation with other areas, but in some areas the regions emerged only after people had established stronger connections. The features that differentiate one region from another comprise ethnic affiliation, a different language, culture, religion, political orientation, the level of socio-economic development and a specific social structure.

These features will form important criteria for the assessment of the development level in a certain area and as an assumption about the existence of development predispositions for a certain local and regional area within a national economy. *The Strategy of Regional Development in Croatia by 2020* (further in the text: Strategy) speaks of inability to give a monodimensional definition of the term region. The Strategy deals with the approach to defining a region from different expert points of view in everyday developmental practice. However, cooperation between these expert groups is lacking, which poses problems in the regional development context. One of the recommendations given in the Strategy referring to regions is to include final beneficiaries of public policies (citizens, undertakings, institutions) as regards the complexity of development issues and inability to resolve the issue monodimensionally i.e. from the perspective of a single field of study. In view of defining regions and in accordance with synergy of various professions at national level, Mecanović (2003: 309) states: “*A region is defined as a community that emerges by an agreement between counties*.” By creating regions an attempt is made to efficiently manage the national space and establish cooperation between central authorities and local and regional self-governments, since national economy is diverse and it is very hard to harmonize all its parts i.e. regions of national economy.

Different region types emerge from regionalisation, and Maldini (2014: 140) classifies regions in the following way:

- a) “*according to specific regional features (geographical, cultural, socio-economic, ethnic)*”
- b) “*according to political criteria (by agreement or provisions deriving from political protagonists)*”
- c) “*based on administrative criteria (profiles, population, GDP p/c)*”

The above-mentioned classification has been chosen because it implies all regional features and particularities mentioned in the defining process. Regions are determined according to different criteria and this is the criterion for differentiating them.

2.2 Regionalisation: Term and meaning

Regionalisation is a process of establishing regions initiated at the national level; according to Đulabić (2007: 78), the state aims at dividing the territory into regions and introducing a regional system of management with a higher or lower level of autonomy. Although there are different attitudes of different authors regarding regionalisation, they share certain similarities. Babac and Lauc (1989: 19) define regionalisation as follows: *“Regionalisation may refer to any process by which a regional phenomenon is localized within the overall economic and social development in the past and present.”* Maldini (2014: 140) interprets this process in the following way: *“Regionalisation is the process of establishing regions as administrative and/or political units within a national state as superior entities, which includes decentralisation, i.e. transfer of (part of) powers from national level to subnational (regional) level.”* Long before the Croatian accession to the European Union, Mecanović (2003: 309) pointed out as regards the implementation of regionalisation in the European context, and the existing number of counties: *“There are not more than four or five regions in Croatia that fulfil the criteria of the European Charter of Local Self-Government. Therefore, the regionalisation conditions must be defined.”* It is obvious that the idea of necessity to implement regionalisation has not significantly changed since it was first mentioned, as it can still be seen in the Strategy.

The regionalisation process, as a process of forming regions, can take place either spontaneously or be planned in accordance with the circumstances. It can take place in existing institutions, or for the same purpose, new territorial organisations can be established. Like any other process, it has its advantages and disadvantages. Regionalisation contributes to enhancing specific qualities of a region and to better acceptance of cultural, administrative, geographical and other specific features of the region. In this way, traditional regional values are preserved, the region progresses and it becomes more competitive. At the same time, it facilitates the development of neighbouring regions and the

progress of one region may contribute to the progress of the regions involved in cooperation. There is a possibility to create a stronger balance in the development level of specific regions and to bridge gaps between them. Furthermore, regions are established by regionalisation, and they should connect local with central authorities and give rise to a more effective cooperation.

When it comes to regionalisation types, Klasiček (2008: 140; according to Šimunović, 2007: 69-70) differentiates among political, physiognomic and functional regionalisation. Political regionalisation was established as a means of managing a state territory. Physiognomic regionalisation refers mainly to natural features such as relief and climate, custom and tradition. Functional regionalisation refers to cases when due to inability of an area to carry out a certain type of work it joins another region, or when an area that was an integral part of a region becomes independent. The latter type of regionalisation has become more and more acceptable. Originally, the aim of regionalisation was to promote the developmental balance and equal development in all parts of a country. According to Šimunović (1996: 147) regionalisation emerged in many European countries such as France, Germany, the Netherlands, England, Poland, the USA, the Soviet Union, and in other countries with the changes brought about by the industrial revolution. The aim was to enhance the power of local areas so that they could have greater influence on the state authorities. Additionally, it should lead to removal of concentration of power from particular areas and its even distribution to all local areas. Division of a state area into a number of regional units enables better organisation and management as well as implementation of national development policy. Đulabić (2007: 80) pointed out that the 1990s are frequently marked as a decade of regions because it was the time of sudden strengthening of the regionalisation process when regional levels of government were highlighted.

It means that decentralisation can be carried out successfully through the process of regionalisation so as to facilitate steady development of particular parts of national states. By implementing the principle of subsidiarity⁵, decision making is transferred to regional and local levels, which gain more significance in that way. Such point of view creates synergy with other opinions and scientific sources, especially philosophical ones that support grant-

ing authority to smaller units and not yielding all kinds of business needs and forms to larger units. With respect to the principle of subsidiarity, it is necessary to accept the model of functional regionalisation. As stated in the Strategy, there is no unambiguous recommendation on how to determine the number of regions that would be optimal for developmental planning and managing at the level that is above the level of the counties (NUTS III)⁶ but below the level of statistic regions (NUTS II). According to the Strategy and regarding obvious imbalances in Croatia, the division into five areas has been recommended as an operative proposal (Northern Croatia, Central Croatia, Eastern Croatia – Slavonia and Baranja, Istria, Lika and the Croatian Littoral, Southern Croatia – Dalmatia).

2.3 Regionalism: Term and meaning

“Regionalism is a kind of ideological direction whose underlying idea is to enhance the regional authorities level as a counterbalance to central authority. Regionalism is a process that is always initiated from below (bottom-up) and expresses an effort by which regional units would be entrusted with more control over the whole social, economic, political and other processes in their areas” (Đulabić, 2007: 75). This process primarily emphasizes a political feature and is connected to the term of regional government. It implies the existence of local and regional units below the central authority exercising a high level of autonomy. Thus, regional government manages a great deal of work that is of regional significance. It indicates the presence of decentralisation as regards existing relations within national states. Historically, regionalism in Europe dates back to the Industrial Revolution (18th century) when it aimed at establishing balance with the rest of the world where the process had already taken place. It originally marked the resistance and support to decentralisation of power in order to preserve physical, natural, cultural and historical identity of old French provinces. It strived for larger regional independence from central power. Its historical development is linked to the strengthening of globalisation since it culminated after the World Trade Organisation was established in 1947, which responds to the times of globalisation emerging after World War II. Particularism has been blossoming in the world ever since⁷. The idea has been revived that regional subsystems are important for maintaining the uniform entity, and hence, need to be developed in most European

countries but also in the world, since they show a more rational structure. As Đulabić (2006: 231; according to Dowling, 2003: 3) states: *“Subnational level has become the more important management level in national countries and its influence has been significantly extended in the European context, too.”* As regards the development level, the central parts of national economies located around the capital or other big cities, are the most developed ones. However, distant parts of national states deserve to be included as well; Katunarić (1992: 6; according to Rokkan and Urwin (1983: 141)), among other authors, speaks of their strength. The general idea is that peripheries possess certain independence in relation to the central authority⁸ not only on their cultural and linguistic, but also on economic and political-administrative bases.

In conclusion, it is obvious that regionalisation and regionalism differ. In view of a powerful ideological and political impulse of the term “regionalism” and specific meaning of the term of regionalisation representing a “softer” term for its mostly economic implications, this distinction that the author insists upon, seems to be methodologically extremely important. Lozina (2007: 47; according to Vlajo, 2001: 549) stated that *“regionalisation aims at objective distribution of socio-economic and institutional development whereas regionalism aims at ideology that is based on demands for special rights in various institutions as required by their identity deriving from distinct cultural or ethnic origins.”*

2.4 Regional development: Term, meaning, the case of the Republic of Croatia

After having explained the terms related to regional development, it was easier to present its content and range. The existence of the *Law on Regional Development of the Republic of Croatia* (Official Gazette 147/14, Art. 3, sec. 15)⁹ defining regional development as *“a long-term improvement process of sustainable economic and social development of an area that is realised by recognition, support and management of developmental potential of that area”* speaks for the importance of the topic. According to Bogunović (1998: 74), *“... comprehension of regional development aspect as a set of content and activities in an area observed from the economic point of view, apart from intraregional relations, must be extended by relations, transfer of content and activity to wider areas. In this way interregional relations come inevitably*

into focus of the analysis.” Bogunović (1998: 85) states that “regional development should be understood as a thoughtful process of socio-economic changes demanding permanent analysis, anticipation and direction of development patterns.” Regional development is facilitated by regional policy. The *Law on Regional Development of the Republic of Croatia (Official Gazette No 147/14, Art. 3, Sec. 9)* defines it as an “integral and harmonized set of objectives, priorities, measures and activities that are directed at supporting the long-term economic growth and improvement of the quality of life in accordance with the principles of sustainable development that are directed, in the long run, at diminishing regional differences.”

The aspect of “looking back” as a historical aspect of regional development in the Republic of Croatia according to Čavrak (2003) refers to two subperiods: the first subperiod until 1990 and the subperiod after 1990. The Republic of Croatia moved from one subperiod to another during the period of transition from socialism to market economy. Petrović (2010: 211; according to Monastiriotis and Petrakos 2009: 2-3) states that the first period of regional development lasted a bit shorter i.e. until 1980s and the regional development was under the control of the central state whereas smaller territorial entities had a passive position in which they were mostly not interconnected. It is clear that in this way the potential *spillover* developing effects were lost.

Centralisation in the Republic of Croatia was retained even during the transition period into the market economy. It is usually reflected in a gap of certain indicators, as selected by Čavrak (2003), who points out the existing distinctions according to unemployment, income per capita, presence of various infrastructure components¹⁰ etc. Presumptions of wealth of a country may be expressed in differences provided by various geographical entities, but at the same time, certain disadvantages need to be adjusted through the system of diverse policies. Bogunović (1998: 85) states that we can speak of regional development when “... regional development of Croatia is in focus, emphasizing the specific features of development of its highland areas, islands, its border and war-stricken areas. It is important to create the basic preconditions (infrastructure) to development in these areas that would function as developmental activities in areas with developmental perspective.” There has been an attempt to create a legal background for this purpose. The new *Law on Regional Development in Croatia* (Official Gazette

147/14), which came into force in 2015, determined the ways of providing support for underdeveloped areas from European funds, setting apart Croatian urban areas, the possibility for a group of counties to enter into the development contract, etc. The changes of the old legislation were implemented due to Croatia’s accession to the European Union. Finally, Croatia has attempted to improve the regulations and arrange the field of regional development through legislation, and active implementation of legislation.

It should be emphasized that regional development in the Republic of Croatia cannot follow the example of some other European countries, e.g. Germany, since no regional system has taken hold at the regional level. The counties of the Republic of Croatia are still main territorial units for implementation of regional development policy although, in European terms (by territory and population), they are too small to be the bearers of regional development. Therefore, as previously mentioned, the regional development in the total of five regions is stated in the Strategy.

It is worth noting and at the same time it can also be seen from the given definitions of regional development that regional development relates to the processes and not to current events or actions. Besides, the scope and definition of regional development relate to the activity aspect from which they are defined. In other words, regional development is viewed from the standpoint of social sciences and humanities, economics, geography, history, by representatives of other branches of the academic community or by those involved in practical sciences and business. Regional development is a multidimensional process. It mainly draws on economic development related to local conditions and prerequisites of a particular space. As stated by Marošević (2015: 35; according to Uduporuwa (2007: 22; according to Friedmann, 1970)) regional development is defined as “[...] an event related to economic development. It is related to the location of economic activities as a response to different regional activities. Shifts and changes within a location result in direct consequences affecting income, employment and welfare. Since aerial organisation is the function of activities and interaction, regional development is a simplified expression of this interaction.”

Capello (2016: Introduction) emphasizes the importance of location components and predispositions of growth and speaks of supremacy or suc-

cessfulness of a particular region or location i.e. a city related to the cases of acquiring ownership over production resources in a specific region or locality (city). It can appear as quantitative or qualitative imbalance in geographical resources distribution and economic activities generating various factors of remuneration, various degrees of welfare but also different degrees of control over local development.

Positive changes in regional growth and development¹¹ are commonly reflected in ownership over specific goods and services defined by the location or particular place and they are visible most frequently in defining development components, i.e. subjective and objective components and consequently resulting in welfare as the supreme aim of every development. In case of the Republic of Croatia this would mean that preconditions to development are created by implementation of local predispositions. Denmark and Germany¹², which utilize preconditions of renewable resources as the basis of sustainable development, should present positive models, adapted to the Republic of Croatia in the best possible manner, too. Moreover, there are a number of opportunities for smaller but insufficiently used places and towns in continental Croatia. These prosperous cases should set an example of using the potential and other rich resources in underused local and regional areas of the Republic of Croatia¹³. Moreover, it is possible to put in effort into stronger development of one of the most recent forms of offers in tourism e.g. cyclotourism¹⁴ in the areas where it is still underrepresented. In addition to the shifts that should and can be done in order to use the competitive advantages of a certain region or locality, it is necessary to work on raising the level of utilisation of rich historical and cultural heritage. There are numerous other possibilities within the framework of every single local and regional area that direct and indirect authorities should recognize and offer a potential solution to their own individual local or regional development since they recognize the advantages of the underused potential of the area.

An operative institutional framework should become the focus of attention. Dragičević and Letunić (2008) point out the need to define the institutional framework rather than focus solely on individual efforts, projects and programmes at the local level. Aiming at decreasing regional differences, the authors underline the need for promotion of the bottom-up development. Moreover, due to the or-

ganised institutional infrastructure, it is necessary to enhance the cooperation between private and public sector as well as the coordination at different levels of government, in particular at the regional and local levels of government. The data on the level of successful free economic operation could be read within the context of economic freedoms for 2017 in the Republic of Croatia. According to the Heritage Foundation Report¹⁵ (further in the text: the Report) the index of economic freedoms for denoted period amounts to 59.4, which places the Republic of Croatia within the group of mainly unfree economies. Institutional disadvantages, so the Report, still impede the economic growth. Some authors, e.g. Baletić and Budak (2008) advise considerable caution in the application and interpretation of economic freedoms, pointing out that they are inconvenient as the basis for investment decisions or specific economic policy measures; furthermore, they are not reliable indicators of institutional development or economic efficiency. Nonetheless, they can be used as a useful preliminary framework.

Besides the terms most closely related to regional development and the term regional development itself, it is necessary to determine the basic features of development of local level. The local level impact on higher development levels, as well as adaptation to local conditions along with monitoring events and changes that take place at the overall global scene is called glocalisation.

3. *Glocalisation: Importance and influence*

The functioning of a modern national economy is not isolated from influences of other national economies. A fast transfer of influences is facilitated through globalisation that is deeply rooted in almost every part of the globe, and it is hard to find a geographical area that is not influenced by globalisation. Its influence can be felt in the form of positive and negative aspects and one of the solutions is adaptation to new, modified conditions. The adaption to local circumstances along with tracking the changes at the global scene is integrated in the so-called "glocalisation". In other words, according to the *Cambridge Dictionary*¹⁶, we speak of globalisation adapted to local conditions. As some authors, e.g. Suhaček (2011: 319) state, "*the global and the local represent two sides of the same coin and the nature of contemporary spatial-temporal processes may be better understood by recognizing and analysing socioeconomic aspects of glocalisation*". A num-

ber of authors have dealt with the very process, such as Baumann, 1998; Swyngedouw, 2004; Vizureanu, 2013; Roudometof, 2016.

3.1 The term glocalisation in relation to globalisation

The term glocalisation was coined by merging the words “globalisation” and “localisation”. The term glocalisation was according to Velički (2007: 98) “... introduced by Ronald Robertson, who assumes that globalisation will not lead to world standardisation and monopolisation of cultural products because they need local structures in order to expand. In this sense the term can be considered as an attitude that connects openness to the world with a strong local i.e. regional sense of rootedness.” Glocalisation is important for preservation of cultural specific qualities of particular areas. Although the world has become a global village, local influences and particularities still exist and they find their stronger or weaker expression depending on the specific area. Velički (2007: 98 according to Nelde, 1996) points out: “In this way the individuals are ensured to preserve their identity and specific features. In this sense, so Nelde, (...) the citizen of Vienna will introduce himself to the citizen of Graz as coming from Vienna whereas in the region of Voralberg (in Austria) he would introduce himself as coming from Lower Austria. In Belgium, the same man would introduce himself as

an Austrian whereas in China he would say that he is a European. Naturally, this is not the question of opportunism but it refers more to the sense of rootedness and by this also to the sense of regional identity that is linguistically marked and that can be denoted as multi-identity.”

As a process glocalisation is complex. For instance, Roudometof (2016) emphasises different aspects of glocalisation, weather as a social-scientific research method, for study of the relationship between consumption and culture, in urban studies in the cross- or interdisciplinary area, considering contributions from geography, sociology, urban planning and other related fields etc.

Glocalisation is an adaptation to global changes in the best possible manner. It makes the adaptation easier and ensures that areas keep their particular features while at the same time they implement global influences. Suchaček (2011: 323) states that “the global – local nexus is inherent to the character of spatial processes in general since global processes would not come into existence if there were no localities.” Besides these mentioned, Ejderyan & Backhaus (2007) according to some authors (Robertson, 1992; Swyngedouw, 2004) consider glocalisation as the way that globalisation really operates. The following case studies show how very often the success at the global level is concealed in local preferences and conditions (Figure 1).

Figure 1 Selection of glocalisation examples

- **McDonald’s** – In the United Kingdom, McDonald’s strategy is based on taking into consideration the needs of the local consumers and then adapting to them. The company strives to do this around the world and this refers to McItaly burger in Italy, Maharaja Mac in India, and the McLobster in Canada etc.
- **The Subway chain** does not offer beef in its stores in India.
- **DisneyLand Glocalisation** in Hong Kong is based on less revenue than expected in the course of 2005 for Disneyland visits. Therefore they adapted their meals offer to the local Chinese taste and customs practices and changed the garnishing. In this way, glocalisation was successfully applied to the theme park in Hong Kong.
- **Piaggio’s Scooter Vespa** was adapted for the Indian market and appeared on the market in 2012 to suit the Indian drivers and road conditions.

Source: Glocalisation Examples – Think Globally and Act Locally, available at: <http://www.casestudyinc.com/glocalisation-examples-think-globally-and-act-locally>, (Accessed on: March 9, 2017).

These examples show how habits and customs of local and regional population can determine the success or failure of the specific product in a particular market.

Glocalisation may have certain implications and effects on the management of local government as it is for instance investigated by Porto, Porto & Tortarolo (2015) or on the institutional level as it is considered by Ejderyan & Backhaus (2007), when municipalities, regions, etc. want to establish themselves as actors on the global stage (for example, through networking with other local governments). The same author (Ejderyan, Backhaus (2007; according to Cox (1997)) on the other hand, speaks of glocalisation in the field of economics through the following example: when global firms open branches in regions with specific skilled employees that are not so easy to find. Swyngedouw (2004) in the context of a glocalising economy, culture and politics quotes great importance of the changing position of the scale of the state.

So, it should be noted that the role of the state in the glocalisation processes may sometimes be crucial.

3.2 Glocalisation in Croatia

The influence of glocalisation has been noted in the Republic of Croatia mainly through usage of particular, new or modified products. Implementation of specific changes is a process just like adaptation to (new) changes. The fear of adaptation to changes

may be concealed in the potential loss of own cultural elements. In this context Kalapoš (2000: 69) points out: *“In other words, this means that by the production process and popularisation the features are taken from them that are considered to be difficult to adopt for a wider and economically interesting group of consumers on other continents or the features are subsequently added that enable better reception and thereby make the whole process more cost-effective.”* The aim of glocalisation is to prevent the loss of own cultural elements and to improve them by combining them with global influences.

As a small open economy, the Republic of Croatia is exposed to potential danger of losing its national identity, and due to open borders, to potential loss of population. The significant decrease in population caused by changes on the global scene and opening of the market can be prevented if more attention is paid to specific local features and opportunities. The remedy for inner migration of population and single-centre gravitation (Zagreb) could be decentralisation as “an instrument” of keeping the population in all regions of the Republic of Croatia.

The history of economic theory recorded David Ricardo's ideas that can be transposed to both local and regional level in the context of the situation that every country can find a good for production in accordance with the available resources and the need for utilisation of competitive advantages. The same rule may and should be applied to lower levels i.e. regional level (Figure 2).

Figure 2 Selection of glocalisation examples in the Republic of Croatia

- Smart garden faucet that does not freeze in winter. This smart faucet has a thermal self-protection mechanism and is low-temperature resistant.
- Rimac automobiles and Greyp Bikes are producers of top electric vehicles and “smart” bicycles.
- “Croata” ties and the “Museum of Ties” - The “Croata” ties as a movable Croatian and world heritage. The “Museum of Ties” shall contribute to promotion of Croatian cultural identity worldwide by giving the answer to the question on significance of a tie in a cultural context of Western civilisation and the world.
- “Smart” shower that uses solar energy and all parts are attained and assembled in Croatia.
- Steora “smart” bench uses solar energy for USB charging and mobile internet and advertising.

Source: “Smart” faucet¹⁸, available at: <http://www.iwt.hr/o-nama/>, (Accessed on: March 25, 2017); Rimac automobiles¹⁹, available at: <http://www.rimac-automobili.com/en/>, (Accessed on: March 11, 2017); Stenglin, M. (2012), “Glocalisation”: Exploring the Dialectic between the Local and the Global, in Bowcher, W. L., *Multimodal Texts from Around the World: Cultural and Linguistic Insights*, Palgrave Macmillan Publishers, Hampshire, pp. 123-145, available at: https://books.google.hr/books?id=lrE4m9NPmvcC&printsec=frontcover&hl=hr&source=gbs_ge_summary_r&cad=0#v=onepage&q&f=false, (Accessed on: March 11, 2017); “Smart” shower²⁰, <http://pitaya-solutions.hr/hr/proizvodi/>, (Accessed on: March 25, 2017); Steora “smart” bench²¹, available at: <http://steora.com/cro.html>, (Accessed on: March 25, 2017).

4. Instead of a conclusion: Policy suggestion

The analysis of definitions of the selected terminology related to regional development shows that the terminology is interrelated and that there are significant differences, too. Several interwoven terms such as regionalism, regionalisation and regional development have been presented from the point of view of different authors and different scientific directions. Regionalisation encompasses the creation process of regions promoted by the state, whereas regionalism is ideologically more oriented towards enhancement of regional level of government. The points of view on the necessity of regionalisation in the Republic of Croatia vary. The supporters of the idea that regionalisation is necessary emphasize the excessive number of local and regional self-governing units and their employees. Moreover, from the point of view of the regions, the attempt of "ideal" division has been made, which is difficult due to a number of different possible criteria of regional, political or administrative nature. In this way, the multiple meaning of the term region is presented. Besides, regions do not necessarily denote the area within the borders of a single state, and can step outside the borders of national spaces. When it comes to the importance of a local area, glocalisation brings the diversity under the global aspect, i.e. it can be defined as *globalisation adapted to local conditions/circumstances*. Different countries and regions, thus, tend to resist or at least moderate globalisation processes in the area by preserving their cultural values and accepting positive influences. It is therefore necessary to adapt to certain changes and accept potential positive influences.

As various indicators of underdevelopment show (e.g. GDP, unemployment rate), there are particular counties in Eastern Croatia²² that lag behind the City of Zagreb and some other counties in Croatia

in their development. According to the most recent available data on competitiveness rank²³ in 2013, it is obvious that as many as three Eastern Croatia counties are among the four counties that rank last.

Interestingly, these counties are quite "distant"²⁴ from the City of Zagreb according to the development criterion, although geographically they are not as distant from the most developed City of Zagreb as some other counties (e.g. Split – Dalmatia County or Dubrovnik – Neretva County) for which very frequently the geographical distance, as one of the obstacles for development, has been emphasized. It can be therefore said that Eastern Croatia counties are significantly more distant than they really are and one of the recommendations is to strive for decentralisation²⁵. One of the particular ways of achieving this is for instance to decentralize the seat of immediate authorities, whereby it would be logical to move the Ministry of Agriculture to one of the cities in Eastern Croatia (e.g. Vukovar) and to move the seat of some other Ministry to underdeveloped towns in Slavonian or Dalmatian midland regions. This way of decentralisation would significantly contribute to the development of particular areas.

Moreover, it is necessary to use the existing potential of Eastern Croatia by formation and organisation of new industries or by organising reindustrialisation²⁶. According to the *Strategy*, the vision for the Republic of Croatia has its stronghold in regions as the foundation of development: "*The land of prosperous regions and happy people.*"

Further regional development should be motivated in the direction of local development enhancement as well as favouring functional regionalisation. Further research and guidelines should comprise details of potential innovations and comparative advantages of local self-government as foci of future development.

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to this principle (formulated in the encyclical *Quadragesimo anno* as an important principle of social philosophy): “As it is not allowed to take from an individual what they can perform with their own motivation and means in order to confer it on the society, it is against justice to leave to the bigger society what smaller groups can perform by their own means and powers. The society must help smaller groups and the individual without exchanging them for another, let alone absorbing them.”].

- 6 NUTS (French: Nomenclature des unités territoriales statistiques – Croatian: Klasifikacija prostornih jedinica za statistiku, English: Nomenclature of Territorial Units for Statistics): there are three levels of territorial classification, NUTS I, NUTS II, and NUTS III.
- 7 According to Hrvatski leksikon, available at: <http://www.hrleksikon.info/definicija/partikularizam.html> (Accessed on: March 19, 2017), the above mentioned comprises [“*particularism, propensity, tendency to separation, preservation of particular, local interests.*”].
- 8 The authors come up with the schemes presenting the scope of the peripheries’ objectives whereby peripheries place an eight-level (escalation) demand on the centre.
- 9 Law on Regional Development of the Republic of Croatia, Official Gazette of the Republic of Croatia, No. 147/14.
- 10 Besides the gaps indicated herein, there are other gaps as well in a number of other indicators such as GDP per capita, number of people with completed higher education per 1000 citizens, number of general practitioners per 1000 citizens, the length and number of bicycle routes and others.
- 11 On differences between growth and development, regional (economic) growth and regional (economic) development see: Marošević, K. (2015). Human resources capital and regional development of the Republic of Croatia, doctoral dissertation, Faculty of economics in Osijek, Osijek, pp. 23-30; pp. 34-39.
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- 24 Taking the level of development and not geographical distance into consideration.
- 25 In one of the former *Strategies for Osijek-Baranja County*, in which the *Ranking of causes of unemployment and economic underdevelopment of Osijek-Baranja County* was made, the main cause of unemployment and economic underdevelopment was considered to be poor local and regional self-government coupled with centralisation, which means that money goes to the capital of Zagreb, available at: <http://www.obz.hr/hr/pdf/strategija/Strategija%20Osjecko-baranjske%20zupanije.pdf>, (Accessed on: February 28, 2017).
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REGIONALNI RAZVOJ I GLOKALIZACIJA: TEORIJSKI OKVIR

SAŽETAK

Važnost regija i regionalnog razvoja u suvremenim gospodarstvima neupitna je. Stoga je cilj rada s različitih gledišta pojasniti pojam regionalnoga razvoja i učestalo korištene pojmove vezane uz regionalni razvoj. Priказuje se nužnost dodjeljivanja ovlasti manjim jedinicama, a uz poštivanje načela supsidijarnosti, potrebno je prihvatiti i model funkcionalne regionalizacije. Poštivanjem načela supsidijarnosti, jedinicama lokalne i regionalne samouprave ostavlja se prostor za pokretanje regionalnog razvoja te se govori o globalizaciji prilagođenoj lokalnim uvjetima.

Osim navedenog, u radu se daje i nekoliko pozitivnih inovacijskih primjera o pokretanju razvoja, kao i nekoliko sugestija vezanih uz slabije razvijene dijelove tj. regije Republike Hrvatske. Primjerice, geografska udaljenost županija istočne Hrvatske znatno je manja u odnosu na geografsku udaljenost nekih drugih županija (npr. Dubrovačko-neretvanska) u odnosu na grad Zagreb, ali stupnjem ekonomskog razvoja znatno „udaljenija“, što upućuje na nužnost provedbe decentralizacije te korištenja potencijala županija istočne Hrvatske pokretanjem novih industrija ili reindustrijalizacijom.

Ključne riječi: regionalni razvoj, glokalizacija, regionalizacija, regionalizam, decentralizacija