



Governing a tourism destination: A conceptual framework

Subzar Ahmad Sheikh

Research Scholar, Department of Business Studies, Central University of Kashmir, Jammu and Kashmir, India

Abstract

This paper reviews previous research on tourism destination governance (TDG), exploring the relevant literature from 5 aspects: the concept of destination governance, modes and dimensions of destination governance, effectiveness of various modes of destination governance and their performance, the formation and evolution of destination governance network. Then the author attempts to propose an integrated research agenda for destination governance from the perspective of institutional economics.

Keywords: destination governance, network, effectiveness, partnership, governance structure

1. Introduction

Tourism takes a strategic role as one pillar industry in regional economy. Therefore how to increase the competitiveness of tourism destination is the main subject for the government and the scholars. Previous researches on tourism destination management have focused on how the government managing the public affairs and making appropriate industrial policies, which take a “top-down” approach and put government at the centre of attention. Recently some scholars begin to change their perspectives from management to destination governance, recognizing that stakeholders such as residents, tourists and tourism business are important parts of a destination and have great influences on local social economic development.

For example, in 2005 Svensson *et al.* (B. Svensson, S. Nordin, and A. Flagestad, 2005) ^[14, 18] argued that tourism destination has the features of multi-actor complexity, resource dependence between actors involved and public-private interplay, so the governance perspective is well suited for understanding the dynamics of a certain destination. In 2007 the term “destination governance” came up in published papers (S. Nordin and B. Svensson 2007) ^[13, 18]. The topics such as the definition and dimensions of destination governance, the link between governance structure and destination performance began to be discussed by scholars. Then more and more researchers participate in the discussion. Tourism Review published a special issue (vol. 65, issue 4) on destination governance in 2010. In 2011, a book named “Tourist Destination Governance: Practice, Theory and Issues” was published, aiming to contribute to the understanding of best practices in tourist destination governance and to benchmark and advance ways of theorizing on these practices (L. Eric, R. Harold, A. Jerome, and S. Noel 2011) ^[10].

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formation and evolution of destination governance network. Then the authors attempt to propose an integrated research agenda for destination governance from the perspective of institutional economics.

2. Review of Literature

Tourism destination governance is an emerging research subject. Some studies in this area apply the approach of social network analysis to examine the policy networks and their formation, function and influence (K. Pavlovich 2003) ^[14]. These studies realize the interaction of vested interest groups, exploring the formation, features, evolution and connectivity of their relationship networks and the corresponding policy effect, and also discussing the roles and effects of various participants. However, such analysis always focus on identifying and explaining the specific relationships and networks in scattered cases, lacking of comparison between alternative governance structures. There are also several researchers attempt to explain the destination governance structures and evolution with the help of the theories in corporate governance and public governance (P. Beritelli, T. Bieger, and C. Laesser 2007) ^[5].

Taking the definition of the Centre for European Policy Study, Pietro Beritelle, Thomas Bieger and Christian Laesser point out that governance refers to a whole set of inside and outside mechanism of power, process and control in order to protect the stake-holders. Therefore, destination governance refers to the rules and mechanism for developing policies and business strategies which could combine all the organizations and individuals. Sara Nordin and Bo Svensson put forward a conceptual framework for studying destination governance. They agree with Rohdes, taking governance as a self-organizing inter-organization network. In this network, all the participants are interdependent, exchanging their resources automatically, abiding by the rules which are set up by negotiation, and having the power of autonomy. Tourism destination involving lots of participants has the feature of complexity. In the destination, public sectors and private organizations interact with each other, and they are all

interdependent on resources. These three aspects - complexity, public-private relationships and interdependency on resources - could be three dimensions for destination governance research. Which society or organization decides who take the responsibility to make the choice and who pay the cost? Governance refers to three facets - political, economic and administrative, which involves government, enterprises, non-government organizations and individuals. Although various scholars have not reach an agreement on the definition of destination governance, Lisa Ruhanen *et al.* find that there are three common characteristics among different narratives: governance is about steering and the rules of the game; it implies less government control and predictability, no self-evident leadership and no given hierarchy; it involves multiple stakeholders (P. F. J. Eagles 2009) ^[9].

3. Objectives

- a. To assess the role of various stakeholders in governance of a tourism destination.

4. Research Methodology

Content analysis was undertaken for reviewing and analyzing existing literature involving the papers of tourism destination governance. Researchers need to develop categorical rules and categories of analysis so that analysts can apply to the same body of content and generate the same results (Berelson, 1952). These rules and categories minimize the researcher's subjective predispositions and perception of selection (Krueger & Casey, 2009). Consistently applying objective rules on each component of content analysis and securing the relevance of data to interesting questions demonstrate the requirement of systematization (Holsti, 1969). The analysis strategies and rules should be clearly documented, understood, and articulated by each member of a research team (Krueger & Casey, 2009). The quantification requirement implies that "the data be amenable to statistical methods not only for precise and parsimonious summary of findings but also for interpretation and inference" (Kassarjian, 1977, p. 10).

The procedure of content analysis includes categorizing articles into six main components: (a) unitizing, (b) sampling, (c) recording/coding, (d) reducing, (e) inferring, and (f) narrating. (Krippendorff 2004), the first four components constitute the process of "data making," and the last two use the information generated from the previous four components (Krippendorff, 2004).

A number of research papers and articles were reviewed in order to conduct the Content analysis. 123 full research papers and articles were selected and the other various abstracts and thesis were consulted out of total 209, which highlighted the various mechanisms for governing a tourist destination.

5. Discussion

The use of network science techniques in the investigation of tourism destinations is relatively new. The first applications have dealt with the possibility to use these methods in tourism and with the design of an appropriate methodological path which could provide both theoretical and practical outcomes. A few case studies have shown the feasibility of this approach. A topological characterization has been performed and main characteristics have been measured. It has been found that a

scale-free topology, common to many other systems, is present and that, at least in the destination examined low density of connections, low clusterization and a negative degree correlation exist (Baggio *et al.* 2008; da Fontoura Costa and Baggio 2009; Scott *et al.* 2008a).

This is an important (even if partial) result, because a definite identification of weaknesses in the cohesiveness of the destination can be addressed by policy and management approaches. The relationships that form a value-creation system allow the identification of differences in the measures of inter-organizational cohesion in different settings (Scott *et al.* 2008b). It also has an important managerial implication: the network approach emphasizes the need for a destination to be a collaborative environment and the level of collaboration may be estimated using the clustering coefficient of the destination network. In the case of Elba island, a well known Italian 'summer' destination, for instance, the clustering coefficient has been found to be very low (Baggio 2007; da Fontoura Costa and Baggio 2009). The normalized version of the metric can be loosely interpreted as the average probability a stakeholder has to be involved in some kind of collaborative group or the average probability to find collaborative groups in the destination. This low level of collaboration is in agreement with finding from more traditional studies (Pechlaner *et al.* 2003).

Network analysis methods have also been applied to the virtual network of the websites belonging to destination's stakeholders. The results have allowed a measure of the level of utilization of advanced communication technologies among the actors in a destination and measure the extent to which they exploit (or waste) resources universally deemed to be crucial for today's survival in a highly competitive globalised market (Baggio 2007; Baggio and Antonioli Corigliano 2009; Baggio *et al.* 2007b). This analysis has also found a substantial similarity of the topological characteristics of the real world and corporate website networks and this suggests an important conjecture; that a tourism destination's web space can be used to approximate the underlying socio-economic network of the destination (Baggio 2008b). One of the major problems identified in these preliminary studies is the difficulty of gathering a reasonable amount of information on tourism organizations and their interconnections in order to apply the methods. The World Wide Web, it is argued, can provide an efficient and effective way to gather significant samples of networked socio-economic systems to be used for analyses and simulations. By using this hypothesis, a comparison between the networks of destinations considered to be at different development stages (Butler 1980) may allow the correlation, although only at a qualitative level, of the structural evolution of a destination with its evolutionary phase.

The governance of a destination can achieve the benefits generated by tourism if it consists of a process which enhances the positive qualities of the whole system and contributes to the generation of satisfaction among both tourists and the local community by adopting a shared vision (Buhalis 2000; Framke 2002; Kozak 2004; Ritchie and Crouch 2003). These processes are remarkably challenging due to the fragmented nature of the tourism industry and to the conflicts that may arise from different opinions, values and

attitudes of the diverse stakeholders. This implies also the necessity of recognizing the common elements and of favoring an effective transfer of information among the different destination components (Bramwell and Lane 2000; Font and Ahjem 1999). Governing a complex destination system also means finding the way to direct a complex system which, almost by definition, is quite unmanageable. It therefore calls for an adaptive approach, rather than a rigid deterministic, authoritarian style. It may require the adoption of strong rules, but it definitely needs the flexibility for changing them dynamically, reacting quickly to all the changes that may occur in the destination or in the external environment. The proposal of using adaptive styles when dealing with such systems stems out of the work of 1970s ecologists (Holling 1978). The method suggests an experimental path to governance and builds on the idea of exploring alternative possibilities, implementing some of them, monitoring the outcomes, testing the predictions and learning which one best allows the achievement of the objectives. The results of the actions are then used to improve knowledge and adjust subsequent activities. Since then, it has been adopted in different situations, including tourism systems, with encouraging results (Agostinho and Teixeira de Castro 2003)^[2].

A tourism destination does not only adapt to its environment, but helps to create it (Stacey 1993, 1996). The success may derive from contradiction as well as consistency. As discussed in this paper, when contingency (direct and linear cause and effect relationships) loses its full validity, long term planning is almost impossible. However, it is still possible to manage and understand complex systems, at least to some extent. Large scale behaviors might still be predictable if it is possible to describe the overall dynamics of the system including the existence of any preferred evolutionary paths. Once these have been identified, it can be possible to determine whether changes in some specific parameter can produce sudden shifts, or at least infer a probability distribution for their occurrence (Hansell *et al.* 1997). A practical possibility lies in using the methods described in this work as a basis for scenario planning activities.

6. Conclusion

This paper has adopted a complex network analysis approach to the study of tourism destinations and their stakeholders. It has discussed the theoretical basis for this approach and the findings of a number of recent studies that inform issues related to destination governance. Data on which to base tourism network studies can be difficult to obtain and one possibility (Baggio *et al.*, 2010) is the generation of network information based on linkages connecting the web sites belonging to the destination stakeholders. The paper has also discussed a number of implications of the complexity of a tourism destination system such as difficulty in forecasting and the consequent need for adaptive management. A number of techniques and measures have also been presented which demonstrate that there are practical means to analyse networks. However, despite early indications of the usefulness of this approach, the application of complex network analysis to tourism requires substantial further work before it can be considered proven. More studies need to help in better

refining all the methods and in helping the derivation of destination network formation and evolution models. For example, more work is needed in order to evaluate the effects of the superposition of multiple sets of relations between actors and in assessing the extent of their dynamic modifications. In this respect a project to compare the network and governance characteristics between different destinations would appear extremely useful and interesting for both theoretical and practical reasons. One advantage of the network approach is that it encourages comparative studies and allows the possibility of determining the key factors that differentiate between effective and ineffective governance.

7. References

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