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Chapter 7. Governance and Partnership in Tourism Development: On the Elusiveness of Participation in Tourism*

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ABSTRACT

During the last twenty years, destination development has become a much trusted remedy for rural areas suffering from out-migration of human and economic capital. As an effect of the rising trust in governance and organizational methods originating from the market, the public sector has invited civil and private actors into partnerships – and vice versa. Many of those partnerships are performed as externally funded projects with limitations in time and would therefore require much preparation in order to create best outcome of investments. The purpose of this paper is to explore two aspects of what is often referred to as the complexity of tourism, both based on the actor-perspective of tourism production, namely the challenge in delimitating tourism and the changing relation between public and private spheres in society. The elusiveness referred to in the title is an aggravating circumstance in both cases, regarding exactly who can be involved in a process of destination development. A conceptual model is presented as a suggestion of ways to raise the awareness of the actors involved of the complexities surrounding them.

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KEY WORDS: Destination development, public-private partnership, governance, rural development, the ladder of partnership activity, tourism

Introduction

The Botnia-Atlantica Institute is a transnational cooperation of research in the Nordic counties of Nordland (Norway), Västerbotten (Sweden) and Österbotten (Finland). The overarching theme is regional development, divided into four research areas and this paper was produced within the activity group labeled “Tourism: Destination Development”. During 2012, the activity group has focused on identifying basic elements in the process of destination development within the area, thereby creating a starting point for further research.

Tourism, meaning travelling for other reasons than for work or medical treatment, is in no sense a modern phenomenon. Rather, the mass-tourism of today is a descendant of the pilgrimages and explorations of the globe by our ancestors. Limitations in the means of transportation and knowledge in general used to function as natural protection for sensitive areas, but this is now being overcome due to easier and faster transportation developments and the ever increasing access to information due to new information and communication technology (ICT). This development has led to a situation where more people than ever have the means, motivation and freedom to travel more frequently to a growing number of destinations. Due to an increase in standards of living and progress in transport technology, tourism is now regarded as one of the most expanding industries of the world, in the year 2010 amounting to 9% of global gross domestic product and providing 260 million jobs worldwide (World Travel and Tourism Council, 2011). Such numbers work as bait for the make-over of places of residence into tourism destinations, especially in cases where alternatives for income decrease.

The effects of tourism are generally divided into social, economic and natural consequences (Mathieson & Wall, 2006; Bohlin & Elbe, 2007) and are spread over the world in areas which are referred to as the tourism system: Regions of departure, transfer areas and destinations (Weaver & Oppermann, 2000). As the often irreparable effects of tourism development render more attention, the question of creating sustainable tourism has entered the agenda of tourism research. Based on the position that regulation and control are crucial in order to gain positive and avoid
negative results, a variety of models and strategies have been developed in order to create planned, tourist development (Mathieson & Wall, 2006). Many rural areas in northern Sweden are experiencing a restructuring characterized by a decrease or even a halt in the production of goods, leading to a shift where the provision of service has become the dominant sector (Lundmark, 2006). This is a change in the economic base that affects all aspects of the local community including the relations between public, private and non-profit actors. Pressure is put on the public sector to meet the increasing needs of an ageing population when tax revenues decrease at the same pace as employment and business activities. Regions facing out-migration of human as well as economic capital have turned to tourism as a strategy to develop new ways of creating income and diversification, especially in more peripheral areas (Hall & Jenkins, 1998; Müller & Jansson, 2007). Nature without any obvious man-made alterations or only attributed with facilities for tourists has become a precious resource, as nature-based tourism is the fastest growing category in the northern periphery. At the same time, the term new rural paradigm and life in the countryside has not caused such a migration from urban to rural areas as the term counter-urbanization first implied (Champion, 1998). Rather, in the Swedish society the pleasure of peripheries is most evident in news-stands; rural areas are the new set locations for glossy lifestyle magazines and articles reporting from adventures in the wilderness.

This paper explores two theoretical aspects of tourism: The concept of governance and the elusiveness of taking part in tourism. The latter is an aspect of tourism which is vital when discussing destination development today, since such processes are characterized by partnership – i.e. forms of cooperation between defined actors. This paper addresses partnerships and the principles of governance as found in the development of tourism in rural areas by a brief summary of the Swedish government’s attitude towards tourism during the 20th century leading up to the present multitude of destination management organizations (DMOs). The current situation is illustrated by a listing of the ongoing partnerships in tourism in the county of Västerbotten. This geographical area was chosen because of its inclusion in the Botnia-Atlantica Institute and is quite well suited for illustrating the theme of this paper, presenting a multitude of simultaneously running projects within one county. As a suggestion for how DMOs and other partnerships in destination developing processes may be handled, selected issues of the conceptual model the Ladder of
Partnership (Glasbergen, 2011) - from here on referred to as the Ladder – are presented. In practice this means that Glasbergen’s Ladder is adapted to a context of tourism development where actors from all scenes of society unite within the boundaries of projects limited in time, geography and allowed activities.

Governance

There is a relation between the changes in local government that can be seen in the Swedish society today, globalization and neoliberalism and the ongoing process of restructuring and new economic patterns, though the order of cause and effect is not clear. Simultaneously, the concept of governance has worked its way into the political and scholar agendas, emphasizing cooperation between actors in society which is unlike the former command and control function of a government (Stoker, 1998; Nordin & Svensson, 2007). Research and discussions concerning both government and governance spring from the core problem that we need to develop strategies to resolve problems that our society is not capable of doing spontaneously (Glasbergen, 1998). Glasbergen (1998) has formulated this as a central problem in respect to environmental problems, but it may be applied to the area of tourist development as well. The starting point is that societies contain three parties that interact and have power over decision-making processes which are divided between them in various forms (Glasbergen, 1998). The government or nation is the first of these three, having full power of regulating and setting standards in a way of governing, but has lost its credibility as neoclassical views on market forces have gained in influence. Instead, a key role has been given to the price mechanisms and processes of a - more or less regulated – market, the second actor. The third party is the civil society, containing citizens and their social context (Glasbergen, 1998). Issues of governance hence address the interactions of these three actors. Focus lies on how the boundaries between them may become more open as the public sector has moved towards allowing interdependence and new methods where state and non-state actors work together (Nordin & Svensson, 2007).

The concept of governance captures the decision-making processes of groups of people and how the power of decision-making is organized within those groups (Campiranon, Laws & Scott, 2011; Moscardo, 2011). The succeeding operational level is included in Rhodes’ (1997) definition of governance, which claims it refers to “self-
organizing, inter-organizational networks” that are characterized by interdependence as well as “significant autonomy from the state” (Rhodes, 1997; p 15). Beaumont & Dredge (2010) sum up the term governance as useful for denoting “all forms of organizational relationships” (p 8). New forms of interaction between politics, public policy and civil society have emerged since the 1970s, as forms of organization originating from the market, rather than governmental structures, have entered the public sector. As economic growth and public-private partnerships have become part of the local governments’ agendas (Beaumont & Dredge, 2010), new concepts and definitions have been presented. Although many of them agree on the core elements of the nature of governance, this area of theory and practice shares the fate of the term sustainability as pointed out by Macbeth (2005), who states that it is a concept subject to socio-political values and therefore not possible to define. As in the case of sustainable development, which also is a widely accepted concept, used by both governments and business actors on a general level (Macbeth, 2005), the definition of governance is still being debated. This may lead to situations of agreement and understanding as long as the core elements are not being questioned, as there may be disagreement among the parties involved in the debate.

The Complexity of Tourism

Tourism as a way of sustaining possibilities of income and development in rural areas of northern Sweden has been advocated on a national level during the last twenty years (Müller & Jansson, 2007). The nature of governance, with a growing trust in market power and commercialization of common goods fits well with this strategy with a rhetorical use of tourism as a dirigible and definable commercial activity. However, there are peculiarities in the nature of tourism that make it different from other industries that have previously worked as tools for rural development, such as the delocalization of governmental activities and attracting industrial plants to designated places by subsidies. This holds especially true when dealing with regions that are on the periphery from a tourist point of view. These are defined by their geographical relation to already established tourist centers and urban populations with attention paid to their relative accessibility. Peripheral in this sense refers also to their distance from decision-making institutions and their low levels of economic vitality (Moscardo, 2011). The latter two aspects lead to difficulties in influencing the
decision-making processes by lobbying for grants and other possibilities of attracting capital for investments.

The Difficulty of Defining

The complex issue in focus here is the difficulty in defining tourism. From a production-based viewpoint, tourism is a web of interacting products, services and experiences rather than one single product and includes material as well as immaterial values (von Friedrichs Grängsjö, 2001; Mathieson & Wall, 2006). The individual visitor’s experience is the main component of the tourism product but due to its intangibility the producer can only create pre-conditions for this to end well, but never supply the full product (Gibson, 2006). Therefore other actors and bodies than those often connected with tourism and travel, such as governments, educational institutions and non-governmental organizations also take part in a process that covers the attraction and transport as well as hosting and managing the tourist at the destination (Weaver & Oppermann, 2000). Another aspect is the fact that many of the facilities consumed by tourists are created for local residents as well, just as visitors’ centers are visited by residents. This is made even more complex by the fact that the tourist areas, especially in rural places, with focus on nature-based tourism are owned by and managed by the public sector. This means that it is the local residents’ tax payments that finance the assets used by entrepreneurs for commercial purposes (Beaumont & Dredge, 2010). This may cause debate and conflict as other local enterprises don’t enjoy such subsidies.

A holistic approach to the tourism production system including all its economic, social and ecological consequences has been dismissed as impossible due to the fragmented and multi-sector nature and because it is dominated by profit-motivated actors within the private sector (Sharpley, 2001). Farrell and Twining-Ward (2004) favor a broader approach when creating relevant analytical tools and strategies concerning destination development. They proclaim the value of the so called complexity theory based on concepts first used within ecology in the 1970s, in order to understand how complex the nature of tourism is. According to this viewpoint, tourism systems and ecological systems are alike because their units are by themselves systems that undergo constant evolution and adjustment to their respective ambience (Farrell & Twining-Ward, 2004).
The Non-Industry of Tourism

Tourism regarded as an industry is a much questioned view. One objection was presented by Leipner (2008), stressing the heterogeneity of the production of a tourism product and therefore declaring “industries” as a more relevant form. One viewpoint presented by Burns and Holden (1995) holds there can be no clear division between which commodities are part of the tourism industry and not, leading to a situation where a relevant holistic definition would need to include both producer and consumer. Instead, they claim tourism should be regarded as a process (Burns & Holden, 1995). Von Friedrichs Grängsjö (2001) suggests two explanations as to why this complexity has grown into an established feature within tourism literature, stating that tourism, unlike other industries, has been defined based on the wheres and whys of the consumers rather than on what products are being produced. Industries and commercial activities are commonly defined by economists, but in the case of tourism, it has, according to von Friedrichs Grängsjö, been done by geographers (von Friedrichs Grängsjö, 2001), which would explain why tourism and its different aspects have not been cast in the shape of an industry.

The effects of this non-industry definition of tourism can be seen in the statistics and reports used as a basis for strategies and governmental efforts directed at tourism development in its new role as a vehicle for regional development. Since much tourism taking place in rural areas make use of services and goods also directed towards residents and the in-between of these two, second home-owners, the exact effects of tourism development are hard to measure. In practice, this is shown by the fact that tourism is not a category with a SNI-code (Svensk Näringsgrensindelning), based on the European Union’s MIG-system (Main Industrial Groupings). Instead, the Statistics Bureau (Statistiska Centralbyråns, SCB) that provides material for decision making bodies, uses a so called Tourism Satellite Account (TSA) which presents calculations of the impact of tourism in relation to economic output and employment. This can in no way be as correct as measurements obtained from industries defined by output, such as manufacturing, but follows the standards agreed upon at an international level. Presenting statistical reports for analysis and comparison have gained relevance as new methods have been developed, making TSAs on regional and not only national levels (e.g Jones & Munday, 2010). However, creating a way to measure this may in effect diminish the effects of the complexity (Leipner, 2008) and thereby counteract the efforts proposed in this paper.
Partners in Tourism

Going back to the core dynamics in society as articulated by Glasbergen (1998), the three actors, state/government, private market and civil society, share the stage in which power and influence in decision-making is undergoing constant changes due to economic and social development. In this article, civil society in the words of Glasbergen (1998; p 7) that is inhabited by “reasonable, self-confident citizens” having “(spontaneous) social ties” is left aside in order to focus on the other two main actors during the last century of touristic development in Sweden. The reason for this is that it is meant as a starting point for further research and it likewise has limited its scope. Taking into account trends, opinions and popular movements would in itself render a full study although the results of such activities and phenomena are considered mirrored in the development presented in the following.

A quick glance back in history demonstrates that the Swedish government has been active in taking part in tourist discussions for at least 100 years. The first expression of a desire to develop tourism as a way to enjoy the Swedish landscape was the founding of the Swedish Association of Tourists, Svenska Turistföreningen, (STF) in 1885. Although a grassroots movement, it should be noted that the members were all male academics, mostly based at Uppsala University. To most Swedish citizens at this time free time, vacation, and outdoor activities were still not part of their vocabulary.

In connection to partnerships, as discussed in this article, the founding of STF may be seen as the starting point of a certain ambivalence concerning the state involvement in the tourism marketing. STF took the initiative to represent Sweden in two world exhibitions during the last ten years of the 19th century (Grängsjö, 2006). Those events were the dominating marketing and information affairs of the time and the role of the government to present Sweden on an international marketing stage was born.

In short, the government’s involvement in tourism went through three phases during the 20th century. Starting with STF, the commercial side of tourism dominated the discussion, while during the 1930s the Swedish state got more and more concerned about the citizens’ health and possibilities for recreation. In 1938 the first law regulating the right to have two weeks’ vacation was accepted and tourism thereby turned into a legislatively sanctioned right, proclaimed by the strong Swedish state (Grängsjö, 2006). During the third period a turn back to commercialism was
noticeable after having gone through strong government involvement all the way until the 1980s, when the need for foreign capital and economic revenue spoke louder than the concern for all citizens' right to enjoy the Swedish landscape for recreational purposes. This coincides with the rising popularity of liberalism and new views on market effects on development on national levels.

**The Rise of DMOs**

Following a period of dividing the country into county-based regional tourism organizations, today there is a multitude of established networks and organizations for cooperation between enterprises within tourism and also partnerships between private and public actors (Grängsjö, 2006; von Friedrichs Grängsjö, 2001). Since tourism in northern Sweden is in many cases dominated by small companies, there is a shortage of capital in time, knowledge and money that could be considered overcome by joining forces. The strategy adopted in most regions is the establishment of a destination management organization (DMO) where public and private actors cooperate in partnership (PPP). This is in many cases performed as a project during a limited period of time and with clear definitions of how to operate. The task is both to work with the internal communication between actors of the destination and to facilitate external marketing. In cases where the time limited project does not result in a self-propelled organization, new funding may be raised in order to secure the continuity. The most apparent result of a project may be the creation of a web-site presenting all actors within the destination, and also including a booking platform. The resources spent on ICT are justified by the fact that the internet is a recognized force within tourism as the main source of information as well as heavily used for making reservations (Candela & Figini, 2012).

The potential in tourism to create income and employment has garnered much attention from local governments absorbing the forms of organization introduced by the development of governance. Hence, networks, public-private partnerships and outsourcing have become more accepted as strategies and modes of work (Beaumont & Dredge, 2010). Here should also be underlined that the funding of many of these organizations stem from European Union structural and regional funds, where a prerequisite for being given economic funding is a commitment from both private and public actors (Müller, 2006). One decisive aspect of the PPP is that the public partner, represented by local or regional governmental bodies, is not a neutral
participant (Beaumont & Dredge, 2010). Rather, there is cooperation in setting into motion the plans and structures concerning the partnership where the agendas, needs and wishes of both public and private actors must merge. As hard as this might seem, the concept of public-private networks and common activities is gaining ground in practice as well as within theoretical works (e.g. Nordin & Svensson, 2007).

Tourism Partnerships in Västerbotten
Tourism and destination development is one area of society where the practice of governance has been adopted. In the northern Swedish county of Västerbotten, the regional governmental tourism body (VästerbottenTurism) has adapted the role of an umbrella-organization, sheltering a multitude of separate destinations. This central organization has initiated a collaboration referred to as the council of county strategy (Länsstrategirådet) where representatives from each municipality meet at least once per year to discuss ongoing projects and strategic issues concerning the development of tourism in the county. The main website of VästerbottenTurism presents links to the many destinations within its geographical area (VästerbottenTurism, 2012-08-20) serving as an encyclopedia of tourism in Västerbotten.

Presently there are three separate destination development processes run within Västerbotten, serving the respective municipality as the only stakeholder of the organization: Lycksele, Umeå and Skellefteå. Skellefteå is also part of a destination organization based in its northern neighboring county Norrbotten given the English name Swedish Lapland Tourism and used to be part of a likewise English named DMO named Gold of Lapland which geographically covers six other municipalities. The municipality of Skellefteå has also founded the company Destination Skellefteå. In the municipality of Storuman, the two destinations Tärnaby and Hemavan cooperate in the form of a company owned by private and public actors.

Beside the above mentioned DMOs there is also a project running in the municipality of Lycksele as one of 20 selected pilot cases aimed at increasing the destinations’ attractiveness to international visitors. The leading actors of this project are organizations from both private and public sectors such as Visit Sweden – the official marketing company owned by the Ministry of Enterprise, and Svensk Turism AB (in English the name would be Swedish Tourism Ltd.)– the major advocacy organization for private actors within the tourism industry.
The Ladder of Partnership Activity

This section gives a brief description of the conceptual model The Ladder of Partnership Activity, as presented by Glasbergen (2011). It was developed with a focus on strategies for environmental protection where governance refers to a shift in public management, opening up prior governmental structures to let private parties into the sphere of responsibility for public issues. The private parties include both the civil society and actors from the commercial market, creating a trio together with the public body in a horizontal rather than hierarchical structure. The core issue is the changing role of the regulating public sector, due to liberalization of the western democratic societies, and instead of being in sole command, it now interacts with the other actors, who in turn are trusted to be self-governing.

The Ladder shows how a partner process should work in its most idealized and complete form. However, as pointed out by Glasbergen (2011), this is seldom the case in practice where feedback loops are a natural part of progress. Partnering as such is even described as a “continuous process” (p 3) since the relationship picks up experiences and changes from the partners involved as well as from the environment, making a linear progression impossible if relevance is to be upheld.

This being said, the Ladder is in the form of progression where time is the driving force behind the three aspects shown in its design. The axes indicate steps of the process starting off with internal work in which the focus lies on creating trust within the group of partners, going on to settling the framework and structure for the work ahead. The upper part of the ladder indicates more external interactions as the group of partners turn to the relevant market and actors presenting the intentions and suggestions – or in some cases even demands – that have been formulated (Glasbergen, 2011).

The Ladder, as published in 2011, builds on an analytical illustration of how the partnership evolves from exchange of information to full collaboration, as referred to by Deakin (2002; p 134). According to this prior description, a successful partnership reaches a situation where the partners share resources, a result of an ongoing process of developing and retaining trust and legitimacy within the partnership. This would build on the second level of activity in Glasbergen’s (2011) presentation, named Exploring Collaborative Advantage. In this phase, the partners need to be convinced that the opportunities they gain access to by entering into the partnership outweigh any other less positive effects (Glasbergen, 2011; p 5). This is the synergy argument.
that presents how joined forces open doors that would be too heavy to move for a single actor working alone.

In order to reach a complete comprehension and description of a partnership, four questions presented by Deakin (2002; p 134) may be attributed to the Ladder. They concern both the origin and result of the partnership and the discovery of their answers would therefore result in a approachable and useful tool when evaluating a performed partnership project. Based on Deakin (2002) the questions may be formulated as:

- How was the partnership created? Was it top-down or by spontaneous generation from below?
- What function was it expected to perform?
- On what scale did it operate?
- What outcome did it deliver for both partners and citizens?

By reformulating the questions this may also work as a tool in the preparation phase of a partnership, raising issues of the urgency of a proposed project.

Helpful as is may be – and as is proposed in this paper, the Ladder should be regarded as bearing potentially helpful concepts rather than a final formula. A relevant comparison may be done to the Tourist Area Life Cycle (TALC) first presented by Butler in 1980 (Butler, 1980). The TALC-model is a much cited and used concept within tourism research, a possible explanation being its independence regarding time, scale or scope, which makes it adjustable and applicable to most aspects of destination development.

Discussion

This paper aims at highlighting two aspects of tourism in rural areas that make the planning and management of such activities complex, both of which have an actor-perspective. The first complexity is the changing relationship between public and private actors following the adoption of governance on local and regional levels. By inviting commercial actors as well as the civil sector into spheres formerly held by governmental hands, responsibility and influence is being shared in new ways. However, there are questions to be asked regarding how much responsibility can be demanded by profit-driven actors focusing on shorter periods of time than the sustainability expected by the state.
The second complexity refers to the heterogeneity of tourism itself. There are several aspects of this diversity, ranging from the fact that a tourism product is a set of many different commodities, to the blurred boundaries of what is related to tourism and what is not. Still, the planned development of tourism and tourism as a tool for regional development both build on the view on tourism as something that is dirigible and possible to delimit, although the elusiveness of tourism is a fact that has received more and more attention within the field of tourism research as well as economics.

Putting these two complexities together creates a picture that challenges the eye: Who is in charge of what part of the process and what exactly is the expected outcome? In spite of the lack of clear boundaries and tasks, there is by now a multitude of partnerships, all aiming at increasing the economical outcome of tourism in order to create regional development in the rural areas of northern Sweden. In short they are based on the intention of reaping profits and avoiding or at least anticipate and manage negative effects. However, as this article shows, the situation builds on a tradition of dividing tourism into either profit-motivated commercial actors or governmental regulation and provisions of service to the citizens. The present situation shows partnerships between the two in all parts of the country and may be seen as an attempt to create a middle ground. Combining the regulatory power of the public actors and the economic force of private engagement should then create balance between the two poles. But can that be done?

The partnership of a DMO may be seen as an open-door attitude as small and medium-sized enterprises are presented with a channel for influencing the planning process of the geographical area in which they themselves operate. However, opening up for private actors through partnership should not be translated as 100% equivalent to a democracy. Obstacles to participation may be found in limitations of time as well as self-confidence and individual relations. Instead, the public body, formerly being the heart and mind of the regional tourism development, could be seen as a more neutral agency. Here aspects of network and affiliation are vital in judging which alternative offers most influence to each actor.

Although there is no doubt partnerships are by now an established part of society and the networks that govern it, their influence on formal political decisions is yet to be assessed. The basic question of whether it may lead to more democratic processes or not remains unanswered, just as whether or not a more partnership-oriented regional
development process holds more potential to success or not. In this paper a suggestion is made to adapt the Ladder of Partnership to the context of PPPs established for destination development. The choice of using a conceptual model developed within the realm of sustainable development and management of natural resources is based on the shared fate of tourism and sustainability as being areas of practice and knowledge that are hard or even impossible to define. Therefore, any theories and methods handling sustainability, societal development and the connection of the two, holds a holistic approach that is needed in order to give relevant results.

The work of this paper has been written with the intention of forming a foundation for future research. In the larger picture it asks questions about the very essence of developing tourism based on nature as a resource in peripheral areas. It may be seen as a way to maintain the self-image as discussed in Westin (2006), proclaiming external funds as the only life support measure for the rural areas used for urban citizens’ amusement. However, the restructuring of production and economy will continue and there is no proof of less innovation in creating income among the rural inhabitants of the 21st century. Instead the rhetoric of the potential of tourism could be mitigated and rely on the conclusion that tourism works best as a complement to other economic activities in order to diversify the rural economy (Roberts & Hall, 2001). The prevailing situation with a multitude of arrangements does by no doubt create employment to several coordinators, project-assistants and CEOs of DMOs but the sustainability of such measures may and should be questioned.

References


