

Tourism Destination Governance: A Review and Research Agenda

Hanyu Zhang and Mingfang Zhu

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 authors attempt to propose an integrated research agenda for destination governance from the perspective of institutional economics.

Index Terms—Destination governance, network, effectiveness, partnership, governance structure.

I. 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 economical development.

For example, in 2005 Svensson, Nordin and Flagestad [1] 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 [2], [3]. 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 [4].

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 authors attempt to propose an integrated research agenda for destination governance from the perspective of institutional economics.

II. LITERATURE REVIEW

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 [5]-[7]. 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 [2], [3].

In this part, we will review and synthesize the research literature by their topics and contents. 5 aspects are discussed.

A. The Concept of Destination Governance

Taking the definition of the Centre for European Policy Study, Pietro Beritelle, Thomas Bieger and Christian Laesser [3] 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 [2] put forward a conceptual framework for studying destination governance. They agree with Rohdes [7], 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

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interdependent on resources. These three aspects — complexity, public-private relationships and interdependency on resources — could be three dimensions for destination governance research.

P. F. J. Eagles [8] argues that governance is a process by 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 [9].

B. Modes and Dimensions of Destination Governance

Two kinds of classification on modes of destination governance are usually proposed in literature: corporate-community models and the traditional market-hierarchy-network [10].

Pietro Beritelle, Thomas Bieger and Christian Laesser [3] mainly explore two patterns of tourism destination governance: community-based model and corporate-based model. From the perspectives of four corporate governance theories — property rights theory, the agency theory, transaction cost theory and research on alliances and networks — they select six dimensions for characterizing destination governance: transaction cost, power asymmetries, interdependence, trust/control, knowledge and informal, personal connections. In order to operationalize these dimensions, Pietro Beritelle *et al.* identify the following items: history of the destination and its development, current scale and the performance of the destination, driving forces for development, mutual trust and internal mood. These dimensions and items help in shaping patterns of destination governance. By carrying out case study for twelve destinations in the Swiss Alps, the researchers conclude that the history of the destination, its path of development and current environment determine the circumstance of mutual trust and internal mood, finally affecting the governance structure of the destination and its future.

Under the context of network-based destination governance, Narelle Beaumont and Dianne Dredge [11] further classify local tourism networks into three operating modes: a council-led governance structure, a participant-led community governance structure and a local tourism organization-led industry governance structure.

Sara Nordin and Bo Svensson [2] also adopt network model of governance. They choose three dimensions for studying destination governance — the complexity of the destination, the interplay of public-private organizations and the resource interdependency. More specific research include analysis on relative actors, their roles and relationships; finding and understanding the formal and informal rules of game; the formation and operation of policy networks; etc. Although describe the conceptual framework briefly, Nordin and Svensson only do a single case study of the Swedish ski

resort of Are. Through in-depth semi-structured interviews the researchers gather the data over a three-year period and attempt to explore two research focuses: the public-private relationships and its influence on the development of destination. The conclusion reveals that the public-private relationships based on trust, sharing risk, informal structure and strategic consensus have a positive influence on the development of tourism destination.

P. F. J. Eagles [8] studies the governance models used in parks and protected areas. He outlines three elements of conservation management — the ownership of the resources, the sources of income for management and the management body — which could lead to 60 combinations of governance models. Eagles mainly analyzes 8 models.

Francesca d'Angella *et al.* [10] propose a new model for identification of destination governance based on four key elements: the actors involved, the contributions provided, the compensations obtained and corporate governance structures and mechanisms. Matching coordination mechanisms among stakeholders and degree of concentration of governance functions, they present a typology of four modes of governance: regulatory, entrepreneurial, fragmented and leading firm, which provide a more realistic elaboration of the general corporate-community model.

C. Effectiveness of Various Modes of Destination Governance and Their Performance

In order to compare the performance of various modes of governance, the consensus on key elements and dimensions should be reached. By reviewing and synthesizing 53 published governance studies, Lisa Ruhanen *et al.* identify six most frequently utilized governance dimensions: accountability, transparency, involvement, structure, effectiveness and power [9].

Till now, few literatures focus on effectiveness of various modes of destination governance. Narelle Beaumont and Dianne Dredge [11] are the explorers who contribute to this field of research. They examine the effectiveness of local tourism governance network by identifying what are seen as the characteristics of good governance. These parameters are:

- 1) Positive cultures, constructive communication and engaged communities;
- 2) Transparency and accountability;
- 3) Vision and leadership;
- 4) Acceptance of diversity and the pursuit of equity and inclusiveness;
- 5) Developing knowledge, learning and sharing expertise;
- 6) Clear roles and responsibilities of participants and clear operational structures and processes of the network.

Eagles also uses 10 criteria to assess governance models for parks and protected area [6]. He advances the criteria for good governance, realizing that the context of history and culture do play an important role in the choice of governance model. But he neglects the cultural diversity and behavioral differences existed within the geographic border of one country or one area.

D. The Formation and Evolution of Destination Governance Network

Kathryn Pavlovich [4] applies the approach of case study to research the process of evolution and transformation of the

tourism destination. He analyzes the density and concentration of the network structure, focusing on the dynamics that how the relationship between the organizations evolve into a self-organizing mechanism of destination, illustrating how this process help the destination develop tacit knowledge embedded in the network. There are also other researches explore the formation, function and effect of policy networks.

Valentina Dinica [12] summarizing the main features recommended by key international organizations for sustainable tourism, argues that ideology influences the institutional arrangement, the choice of governance model and people's willingness to change the old rules. Questions needed to be discussed further are: Is there any general criterion for good governance? Even adopt all these international criteria, whether the behavior's willingness and habit ensure the rules are implemented and effective?

Although these studies refer to the typology of governance structure, the comparative analysis on the performance of several types of governance structure, and the discussion on whether good governance exists, etc., an integrated theoretical framework has not been developed and extensive positive research are still limited. To sum up, it's still under development in the field of studying destination governance as an institution.

III. A RESEARCH AGENDA

Tourism destination is an important geographic area where tourists, tourism business, community residents, academic institution and local government interact. Cooperation and coordination between all these stakeholders are foundations to local development. All of these stakeholders share the resources in destination and develop various formal and informal networks. They are interdependent on one hand, but always be in conflict on the other hand. How to balance the interests of various stakeholders, reduce the risks caused by opportunism or uncertainty and promote the development of destination becomes an urgent research project.

A new research agenda should answer following questions:

- How to classify the modes of destination governance?
- Under what conditions a specific form of destination governance could be effective?
- What's the dynamics of destination governance? What's its evolutionary mechanism and path?
- Why do some ineffective forms of governance exist for a long run?

In this part the authors propose an integrated research agenda for destination governance from the perspective of institutional economics (Fig. 1). This research agenda mainly include follow parts:

- 1) Identify the dimensions of destination governance, the index system for performance of governance, and operationalize them.
- 2) Analyze the relationship between patterns of destination governance and performance;
- 3) Find the key factors which influence the governance performance through comparative analysis between various destinations.

- 4) By historical analysis, understand that tourism destinations are embedded into the social context, so the choice of governance model and its performance will be context dependency.
- 5) Acknowledge that the modes of destination governance are ever changing. There is no one model which is good for all. We should examine how the modes of governance adapt to the change of context.

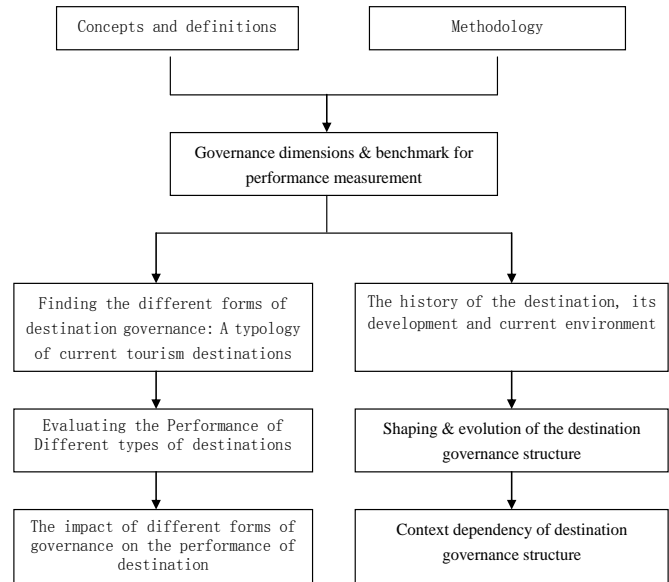


Fig. 1. Research agenda for destination governance from the perspective of institutional economics.

IV. CONCLUSION

This paper reviews previous research on tourism destination governance from 5 aspects. We find that although literatures on this topic are emerging in recent years, there is little agreement on definitions, scope and what actually constitutes governance. No integrated theoretical framework is proposed, and extensive cases studies are limited. The author suggest a research agenda from the perspective of institutional economics, which takes destination governance as an institutional arrangement, use the theory of institution and institutional evolution to explain the characteristics of governance structure, the interplay of structure and performance and the evolution of modes of destination governance. Further evidences of the suitability and effectiveness of this concept framework are still needed.

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