TOURIST DESTINATION GOVERNANCE AND THE STATE'S ROLE IN DESTINATION DEVELOPMENT

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Tourism must be integrated into the unitary functional system of the economy. In a macroeconomic sense, organizing tourism activity implies the existence of an adequate framework, a sequence and connection of the components of this field of activity, so that they function optimally, as true engines of tourism. The government shapes the economic climate for the tourism industry, helps ensure the infrastructure and educational requirements for tourism, sets the legislation under which tourism operators operate and takes an active role in promotion and marketing. Every government must have a tourism policy at both national and local levels. Therefore, the state plays an essential role in tourism, providing the general legislative framework within the tourism industry operates, directly intervening in many aspects of the tourism system.

 Key words: tourist destination, destination governance, destination development.

 JEL Classification Codes: Z30, Z32, L83.

1. INTRODUCTION

Systematic and permanent information on demand and supply of tourist (national, regional, local) destinations is essential in achieving an effective tourism policy. The legislative, organizational and administrative measures represent the institutional support necessary for the development of tourist activities. The organizations or bodies involved in tourism belong to the public or private sector, being commercial companies or professional associations with international, national or regional (local) activity.

The decision-makers within a tourist destination must set clear objectives and understand the trends and current situation in a market, identifying the most suitable perspectives and options for its development, respectively recognizing in advance the constraints, challenges and obstacles and trying to take early the most appropriate corrective measures. When the planning of activities within the destination is done rigorously, its appeal increases and the location can offer excellent tourism services. Destination planning and management is the key to sustainable tourism (Godfrey & Clarke, 2000).

2. RESEARCH METHODOLOGY

To achieve the general purpose of this study and the proposed objectives, the structural logic was adopted, and the research methodology consisted in the use of several methods of investigation, such as: analysis, observation, deduction, synthesis, classification, comparison, description, the study of representative works in the field and the research of empirical facts. To substantiate the theoretical content, a series of bibliographic sources in the field were studied (works of renowned specialists, normative and legislative acts in the field). Other coherent and information was taken from the web pages of some renowned scientific organizations in the field of tourism (UNWTO) and processed into relevant conclusions.

3. RESULTS

Early tourist destination management studies focused on how government manages public affairs, a top-down approach that put the state at the center of attention. Recently, some researchers have changed their perspective from destination management to destination governance, recognizing that stakeholders such as residents, tourists and tourism operators are important elements of a destination and have a great influence on local economic and social development.

In 2007, the term "destination governance" appeared in publications (Beritelli, Bieger & Laesser, 2007; Nordin & Svensson, 2007), and the researchers discussed topics such as the definition and dimensions of destination governance or the link between governance structure and destination performance.

Tourism Review published in 2010 a special edition (vol. 65, no. 4) on the governance of tourist destinations. The book entitled "Tourist Destination Governance: Practice, Theory and Issues" was published in 2011, aiming at contributing to the understanding of the best practices in tourist destination governance and comparing and advancing ways of theorizing these practices (Laws et al., 2011).

Beritelli, Bieger and Laesser (2007) point out that governance refers to a whole set of internal and external mechanisms of power, process and control to protect stakeholders. Therefore, destination governance refers to the rules and mechanism for developing business policies and strategies that could combine all organizations and individuals.

Nordin and Svensson (2007) present a conceptual framework for studying destination governance, presenting governance as a self-organizing and inter-organizing network. Within this network, all participants are interdependent, exchange resources automatically, follow rules set by negotiation, and have autonomous power. Since a tourist destination involves a lot of participants, it is characterized by complexity. In the tourist destination, the public sectors and the private organizations interact and are interdependent on resources. These three aspects—complexity, public-private relationships, and resource interdependence—could be three dimensions for destination governance research (Zhang & Zhu, 2014).

Although different researchers have not reached an agreement on the definition of destination governance, Ruhanen et al. (2010) state that there are three common characteristics: governance aims at the direction and rules of the game; involves less government control and predictability, no obvious leadership and no given hierarchy; involves multiple stakeholders (Eagles, 2009).

Cooper and Hall (2008) discuss the difficulties and even the impossibility of governments to continue to coordinate and control all activities related to tourism and the hospitality industry. Currently, the governments - through their departments and offices, through public agencies and institutions, through wholly or partially state-owned enterprises - tend to cooperate with the

private sector and the non-governmental organizations, encouraging the development of networks and partnerships.

The term "public sector" is the common name for the public bureaucracy or public agencies that adopt and implement the decisions of politicians and parliament. Other terms usually associated with it are: public services, public administration, government and state. The public sector involvement has increased in tourism. The public policy is the focus of government activity. The public policy making, including tourism policy making, is primarily a political activity. The public policy is influenced by the economic, social, and cultural characteristics of a society, as well as by the formal structures of government and other characteristics of the political system. Politics is a consequence of the political environment, values and ideologies, distribution of power, institutional frameworks and decision-making processes (Hall, 2005).

Governments have been directly involved in regional development, environmental legislation and tourism marketing, although in recent years there has been less involvement in the provision of tourism infrastructure and a greater emphasis on the development of public-private service partnerships and self-regulation of the tourism industry (Simoni&Teodoroiu, 2018; Toma, 2021).

Governments shape the economic climate for the tourism industry, help provide the infrastructure and educational requirements for tourism, set the legislation under which tourism operators operate and take an active role in promotion and marketing. Every government must have a tourism policy at both national and local levels.

Therefore, the state plays an essential role in tourism, providing the general legislative framework within the tourism industry operates, directly intervening in many aspects of the tourism system.

Governance as a concept is broader than government, involving non-governmental actors such as the private sector, non-governmental organizations and stakeholders. Cooper and Hall (2008) present the characteristics of governance as follows:
- the boundary between the public sector and the rest of the actors is sometimes unclear;
- the network members interact continuously, due to the need to exchange resources and negotiate common goals;
- the relationships in the network are based on mutual trust and preserved by predetermined rules of interaction;
- many networks are organized autonomously and operate autonomously from the public authorities;
- governments can lead networks imperfectly and indirectly, although they do not occupy privileged positions within them.

The success of tourist destination management is based on an effective partnership between different organizations, public and private, together offering tourists a quality experience. The vital ingredient is strong leadership to form a team with these 'players', recognized in the respective community (UNWTO, 2007).

There are several options in governing or leading the destination (UNWTO, 2007):
- a department of a single public authority;
- a partnership of public authorities, served by partners;
- a partnership of public authorities, served by a common management unit;
- a public authority that outsources services to private companies;
- a public-private partnership for certain functions - often in the form of a non-profit company, such as the Destination Management Organizations (DMOs);
- an association or company formed by a public-private partnership or a private commercial company, for certain purposes.

Each type of government has strengths and weaknesses (Table 1). UNWTO (2007) considers that both the public and private sectors have much to offer. The public sector provides a holistic and long-term strategic role to ensure quality, while the private sector acts quickly and tactically to grow their businesses. These strengths and weaknesses underscore the importance of partnerships and developing synergies where the whole is greater than the sum of its individual parts.

Table 1. The strengths and weaknesses of the tourist destination governance types

The public sector	
Strengths	Weaknesses
▪ long-term strategic approach ▪ destination awareness ▪ public domain management ▪ support for SMEs ▪ quality assurance	▪ lack of focus on providing new business ▪ poor generator of commercial income ▪ risk aversion ▪ tolerating poor performance ▪ slow in making decisions ▪ mistrust of the private sector and the profit motive
The private sector	
Strengths	Weaknesses
▪ short-term tactical approach ▪ sales oriented ▪ customer relationship management ▪ orientation towards market opportunities ▪ quick in making decisions ▪ enterprising	▪ lack of concern for the wider public interest ▪ little interest in long-term planning ▪ inadequate resources ▪ frustrated by the public sector

Source: adapted from UNWTO (2007)

There are a number of different roles and responsibilities in tourist destination management and marketing. They are managed differently from country to country, but are usually divided into three levels: national, regional and local (Table 2).

Normally, the national level is responsible for the strategic roles, while the local level is responsible for the operational elements (UNWTO, 2017).

Table 2. Roles and responsibilities in tourist destination management and marketing

	National	Regional	Local
Destination promotion, including branding and image	√	√	
Business management campaigns, especially for SMEs	√	√	√
Unbiased information services	√	√	√
Operation / facilitation of reservations			√
Destination coordination and management			√
Services for tourists - information and reservations			√
Training and education		√	√
Business consulting		√	√
New product support		√	√
Event development and management			√
Strategies, research, development	√	√	√

Source: adapted from UNWTO (2007)

The state has many roles: developer and producer, protector and supporter, legislative factor, arbiter and distributor, organizer (Davis et al., 1993).

Each of these functions affects various aspects of tourism, including development, marketing, policy, promotion, planning and regulation (Hall, 2005).

Hall (1994, 2000) describes seven functions of the state in relation to tourism: coordination, planning, legislation and regulation, entrepreneurship, promotion, the role of social tourism and the wider role of protecting interests. Each of these functions affects various aspects of tourism, including development, marketing, policy, promotion, planning and regulation (Hall, 2005).

4. CONCLUSIONS

Over the past two decades, the stakeholders within a tourist destination have gradually shifted their focus from traditional marketing and promotion functions to a coordinated strategic approach of destination management.

The concept of tourist destination governance or management started from them and from the concept of corporate governance and it is based on destination management through a network. This means that the stakeholders in the tourism sector are involved in the management process (decision-making and control).

The key aspect of the concept is the network, namely the cooperation and interaction between the private and public sectors and the necessary coordination. It is a holistic concept regarding the management of tourist destinations, namely the involvement of interested parties in the decision-making process, with beneficial effects especially regarding the appropriate organization of management structures.

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