



The Virtuous Circle of Governance in Tourism Destinations: Enhancing Competitiveness and Sustainability

Octavi Bono i Gispert*

Universitat Rovira i Virgili, Tarragona, Catalonia, Spain

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*Corresponding author: Octavi Bono i Gispert, Universitat Rovira i Virgili, Tarragona, Carrer Joanot Martorell, 14. Vila-seca 43840. Catalonia, Spain

Abstract

Tourism governance has evolved significantly since the 1990s, shifting from traditional destination planning to more inclusive and collaborative models. This article explores the evolution of governance in tourism, emphasizing its potential to create a virtuous circle of continuous improvement. Governance in tourism is particularly relevant due to the sector's transversal nature, which requires the involvement of multiple stakeholders, including public authorities, private enterprises, and local communities. Effective governance aims to enhance both competitiveness and sustainability, two central objectives for destination management.

The article identifies seven key dimensions of governance—participation, coherence, responsibility, effectiveness, know-how/quality, openness, and simplification—each of which plays a crucial role in ensuring successful governance. Furthermore, it highlights the dynamics of the virtuous circle, where open communication fosters trust and capacity, enabling productive participation. This, in turn, leads to coherent action aligned with long-term goals, enhanced by expertise and a commitment to quality. Responsible decision-making ensures sustainability, thereby reinforcing the entire process. Ultimately, the virtuous circle of governance creates a self-reinforcing system that continuously improves the effectiveness and adaptability of tourism management. By adopting this governance model, destinations can better address the complexities of the tourism sector, fostering sustainable development while ensuring competitiveness.

Keywords: Governance; Virtuous Circle; Destination Management; Sustainability; Competitiveness

Introduction

Since the 1990s, governance has increasingly become a key focus in tourism studies [1], marking a shift from traditional destination planning towards more collaborative and inclusive governance models [2]. This evolution reflects the need for more complex management structures that allow for broader stakeholder participation, including public authorities, private enterprises, and local communities.

Initially, tourism management followed a top-down, hierarchical approach, focusing on the centralized control of resources. However, governance brings a new paradigm that emphasizes the creation of rules, mechanisms, and strategies to facilitate cooperation among all stakeholders. This shift from traditional planning to governance underscores the growing recognition that effective destination management must involve multiple actors and align with the broader goals of sustainability and competitiveness.

Tourism: Fertile Ground for Governance

Tourism is particularly well-suited for governance due to its highly transversal nature [3]. It intersects with numerous sectors such as transport, accommodation, culture, and environmental conservation. This interconnectedness demands a broad, integrated management approach that acknowledges the interdependencies between these areas. Moreover, tourism has historically relied on strong collaboration between public and private actors, which makes it fertile ground for the implementation of governance frameworks [4].

The complexity of the tourism industry is further amplified by its dynamic nature and the increasing demand from society for greater participation in decision-making processes [5]. In this context, governance becomes an essential tool for helping destinations adapt to the complexities of their environments while addressing the expectations of diverse stakeholders. In particular,

there is a growing demand for transparency and accountability in how tourism destinations are managed, reinforcing the importance of a governance model that is open and inclusive.

Competitiveness and Sustainability: Governance Objectives

The ultimate goals of governance in tourism are to enhance competitiveness and sustainability. Through governance, destinations can improve their competitiveness by fostering coordinated and collaborative action among stakeholders [6]. The governance framework provides a platform for resolving conflicts [7] and aligning the interests of different actors, ensuring that decisions are made with a long-term strategic vision.

Sustainability, meanwhile, is a crucial objective that can only be achieved through collective action [8]. Tourism governance plays a key role in ensuring that natural and cultural resources are protected while promoting inclusive economic development. Only through shared responsibility can tourism destinations balance economic growth with environmental preservation and social equity, making sustainability a core challenge of governance.

In addition, governance offers the potential to build networks of cooperation among actors directly or indirectly involved in the tourism value chain. However, trust in the government and a clear understanding of tourism realities are essential for ensuring that external stakeholders can make a meaningful contribution to the governance process.

Seven Dimensions of Tourism Governance

Studies conducted in tourism ecosystems, such as in Catalonia [9], have identified seven key dimensions of governance that provide a comprehensive understanding of how it can be implemented effectively in a tourism context:

i. Participation: This dimension emphasizes the importance of involving all stakeholders in decision-making processes. Participation ensures that governance is inclusive, and that all voices are heard, promoting a sense of ownership and shared responsibility.

ii. Coherence: Coherence refers to the ability to manage resources and strategies in a coordinated way that aligns with a shared vision and long-term objectives. Ensuring that actions are coherent across different actors and initiatives prevents duplication and maximizes the effectiveness of governance.

iii. Responsibility: Governance must be accountable and grounded in sustainable development principles. Responsibility involves making decisions that meet environmental, social, and economic sustainability criteria, while also being transparent to the public.

iv. Effectiveness: Effective governance achieves its objectives efficiently, making the best use of available resources and ensuring that procedures and outcomes are properly

controlled and evaluated.

v. Know-how/Quality: Governance must be built on expertise and a commitment to quality. Applying specialized knowledge to destination management ensures professionalism and fosters continuous improvement and excellence in tourism services.

vi. Openness: Transparency is a crucial aspect of governance. Openness involves providing public access to information about governance decisions and actions in a clear and understandable way, thus maintaining trust and facilitating stakeholder engagement.

vii. Simplification: Governance processes should be straightforward and flexible. Simplifying procedures helps to reduce bureaucratic barriers, making it easier for stakeholders to participate and for governance systems to be more adaptable to changing conditions.

The Dynamics of the Virtuous Circle in Governance

At the core of effective governance in tourism lies a virtuous circle, a dynamic system where each component of governance reinforces the next, creating a continuous cycle of improvement. The virtuous circle in tourism governance operates through the following interconnected elements:

The process starts with open communication, which builds trust and fosters transparency and capacity among stakeholders by providing valuable, actionable information. This level of transparency goes beyond mere opinion-sharing; it ensures that stakeholders are well-informed, empowering them to engage actively and effectively in destination management processes.

Participation from all stakeholders—ranging from local communities to businesses and public authorities—enables a more inclusive governance process. Beyond simply involving these actors, productive participation fosters cohesion and coordination, ensuring that governance is collaborative and leads to meaningful results. This type of participation is essential for driving consensus and achieving shared objectives.

Active participation ensures that decisions and actions are aligned with the overarching goals of the destination. Leveraging specialized knowledge, maintaining a focus on quality, and simplifying processes enhance the effectiveness of management and increase the value of outcomes.

Greater effectiveness results in a better exercise of responsibility. This responsibility helps close the virtuous circle by generating greater trust and openness, which in turn fuels further improvements in governance practices.

Therefore, in this virtuous circle, transparency leads to trust and capacity; trust fosters better participation; participation drives coherent action; and coherence, combined with knowledge and simplification, provides higher effectiveness and responsibility.

This ensures that the destination remains competitive and sustainable. The self-reinforcing nature of this cycle means that governance in tourism can continuously improve, adapting to new challenges and opportunities while maintaining a focus on long-term sustainability and resilience.

Conclusion

Governance in tourism has evolved to become a critical tool for addressing the challenges of competitiveness and sustainability. The virtuous circle of governance is central to this process, enabling destinations to build trust, encourage active participation, and ensure that decision-making is coherent, transparent, and responsible. By embracing this dynamic and self-reinforcing system, tourism destinations can enhance their adaptability and foster sustainable development, benefiting all stakeholders while preserving the cultural and natural heritage that defines each destination.

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