

Can we have a **multi-level governance** for tourism **development**? The case of Douro region.

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Abstract | The multi-level governance concept encompasses both vertical intragovernmental relations and a more comprehensive process involving formal government agencies and sectors towards the diffusion of decision-making. The multi-level governance is a challenging exercise that may be decisive to destinations development. This paper aims to analyse the governance characteristics of Douro, a Portuguese northern subregion. This qualitative case study is based on discourses of public agents, extracted from interviews and public speeches. Findings reveal the agents resistance in relation to the current administrative structure, a political fragmentation, and a lack of a leadership. In addition to this, the supply needs to be structured and qualified. If both processes fail, the multi-level governance will not materialize, which may perpetuate the current scenario.

Keywords | Multi-level governance, tourism, Douro, Portugal

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1. Introduction

Tourism is an activity that is receiving attention from Portuguese local governments, due to the observed fast growth in recent years and its potential contribution to economic development, especially in fragile territories that are facing a demographic and economic decline.

Because of tourism transversality, its development and management requires a multi-sectoral attention, challenging actors for collaboration. The multi-level governance is a challenging exercise that may be decisive to destinations development.

Portugal has recently undergone an administrative reform that have altered regions and their institutional constitution. The transition from the old model still occurs and should continue for some years. This process raises debates, divides opinions, and influences the way public sector functions.

Tourism is an emergent activity in the Douro sub-region that struggles to combat the demographic and economic decline. Even though part of the vineyard territory is demarcated, recognized as a World Heritage Site by UNESCO, and essentially rural, the municipalities present disparities and common problems. Public administration at the local level faces challenges regarding service management, strategies to reverse joblessness, population decline and aging, and seeks alternative forms to invigorate their territories in an attempt to promote the economic development. Supply is developing at a slow pace, except for the one that hosts tourists arriving by the waterway. Cruises increase every year, demonstrating that some entrepreneurs have a strategic vision of their business, while receiving criticism for promoting a hermetic tourism that does not benefit the territory. The wineries are also growing in number of tourists, promoting visits and experiences, receiving guests during the grape harvest season but also throughout the year.

Local authorities frequently assert their counties disparities and singularities. Some agents ad-

vocate the existence of a regional government, believing it would be more able to address the various municipal issues, including common strategies formulation towards tourism development. Others consider this structure unnecessary, as it would generate more expenditure and bureaucracy. If the existing supramunicipal structure (inter-municipal community) could expand its agenda to include tourism development debate and the municipalities assume a collaborative posture for strategic action (i.e. supply qualification and diversification, joint investments, offering advantages to new investments), they may form a more robust governance and gain scale.

This study focuses on the perceptions of public agents regarding the existing governmental structure and seeks to reveal the characteristics of governance, in practice, having as reference the Douro sub-region.

This paper is structured in six sections, including this introduction. In the second section, there is a brief description of the multi-level governance concept and its implications on tourism. The third section addresses the current Portuguese administrative structure. The methodology is detailed in the fourth section. In the fifth, the collected data is presented and discussed. The sixth section is dedicated to final considerations.

2. Multi-level governance

The consolidation of the European Union required the extension of the modern governance theory, which until then was focused on the national state, internal politics, results, impacts and effectiveness of national policies. Being a complex set of political relations that extend to the local and regional levels, and internationally outside its limits, in areas as trade and foreign policy, it involves a wide range of actors (public and private) and decisions that influence conditions for the Mem-

ber States internal policies effectiveness, restricting the national scope of policymaking. The object of study turns to the mutual interdependence of European and national policy processes in a multilevel system. The emphasis of the theory lies in the multiple decision-making centres (and in their capacity) in a complex set of exchanges between and at different territorial levels (Chhotray & Stoker, 2009; Mayntz, 2003). Due to EU's complex structure, the concept of multi-level governance was coined to portray both its structural and regional policy, and to understand the operations of the Structural Funds (Faludi, 2012; Papadopoulos, 2005).

In political science, the network governance approach evidences the need for a collaborative effort to solve public problems. Multi-actors, public and private (horizontal), and multi-level (vertical) network arrangements should provide conditions to encourage the ability of an area or territory to adapt proactively to external changes in order to remain competitive. Networks would allow the participation and interaction of people, organizations and institutions in policymaking, decision-making and power-related issues, in order to better obtain resources to specific sectors, such as tourism, and to include the communities in the benefits derived from their activities (Hartman, 2015). With the local and regional actors involvement in the strategies transfer and implementation, the level of coordination of all actors would increase both vertically, through multilevel interaction, between different scales of government; and horizontally, through multi-agent interaction or between different public and private actors (Pike, Rodríguez-Pose & Tomaney, 2006).

Ideally, to be effective, governance requires patterns of relationships not restricted to a delimited territorial area or to a level of action. This could be the way to strengthen regions. Considering that consensus and balance must be sought in the coordination of different interests at different levels of government, multi-agent and multi-level

interaction patterns may be decisive for actions involving localities and sectors development, such as tourism.

The focus of multi-level governance concept vary from the vertical intragovernmental relations (between bodies of government characterizing a multi-level polity) orientated to intrinsic communities, to a more comprehensive process involving formal government agencies and sectors (through lobby groups, self-regulating groups, social movements) towards the diffusion of decision-making, which is characteristic of governance. These arrangements presuppose the existence of a territorial dimension, with multifarious relations crosscutting hierarchical arrangements (Faludi, 2012).

According to Papadopoulos (2005, p. 317), "Multi-level governance is an outcome of, and a remedy for, the dispersion across different societal segments of power, authority and other resources (such as expertise, organisation and finance) necessary to govern". The plurality of actors and resources contribute to the homogeneity of thoughts and avoid legitimacy problems. Even though this may not produce a critical reflection on the resolution of public problems.

Tourism is a complex multi-sectoral economic activity that depends on the cooperation between different actors from the same sector or others related to it (Erkuş-Öztürk, 2011). In terms of policies, tourism involves different domains and scales, making the public sector an essential actor for its development. Nevertheless, the participation of tourism actors is essential to develop the whole system that this activity requires. Organized groups representing areas such as lodging, catering, transport and educational institutions are important for a strategic development.

3. Portuguese administrative structure including tourism

The EU member countries present differences regarding their administrative structure. The regional scale can assume different configurations, as it can be an autonomous community (Spain), federal states and districts as in German and England, and so on. The regional level may or may not have a legislative autonomy. Portugal presents an asymmetrical configuration. While the continental part does not have an administrative regional scale, the insular regions Azores and Madeira have their own administrative and political regime. Since the nineteenth century, Portugal had an intermediate level of government called civil government, on which districts were jurisdiction areas. These governments were abolished in 2011. However, before this date, an attempt of regionalization was rejected after a public referendum. Currently, the mainland administrative division are districts; Comissão de Coordenação e Desenvolvimento Regional - CCDR (Regional Coordination and Development Commissions), following NUTS-II level; metropolitan areas; urban communities; and inter-municipal communities, there are groups of NUTS-III organisations (European Committee of the Regions, 2017).

Tourism is under the Ministry of Economy responsibility, which defines, manages and implements tourism policies, through the central public authority - Turismo de Portugal I.P - created in 2006. The regional tourism organizations (RTO) are responsible for managing and promoting regional destinations (according to NUTS-II). At local level, these are municipalities' responsibilities.

4. Methodology

The data used for this study include in-depth interviews and public speeches from local power

agents of Douro, a Portuguese northern subregion. The retrieved information here presented is part of a broader ongoing case study about governance in tourism involving NUTS-III municipalities. The collection of data comprises the period from 2011 to 2017. The interviews were conducted from April 2016 to April 2017, and the public speeches were delivered between 2010 and 2012. The content analysis technique was employed to process the collected data. Once identified the main presented topics and their occurrence, the analysis was linked to 'outside' variables (Ritchie, 2014).

5. Discussion

The administrative changes occurred in the last decade, altered the governmental configuration of regions and municipalities, extinguishing some structures and establishing others, transferring competences from previous ones, resulting in a confuse and overlapping administrative mesh.

The referendum of 1998 marks the beginning of the current institutional architecture, when the institution of the administrative regions was rejected. In the following years, associations of municipalities, development associations, and local groups have emerged. Nevertheless, the regionalization process still raises polemic debates. Some actors express the will of having this process definitively established, since it has been going on for several years. The current scenario indicates an extension of the national level of government through the CCDRs, and an extension of municipalities through supra-municipal organisations in substitution of the missing regional level. Both institutional structures are seen as a way to fill this non-existent intermediate level.

CCDR is a public institution created in 2003, integrated in both the Ministry of Planning and Infrastructures and the Ministry for the Environment. It coordinates the sectoral policies at regio-

nal level, and technically supports local authorities and their associations according to their respective jurisdiction areas. It evaluates and supervises the environmental and territorial planning policies, and manages the European Union's cohesion policy in Portugal. The Northern CCDR (CCDR-N) has one more function, the Alto Douro Wine Region (UNESCO World Heritage) protection, conservation and promotion. The inter-municipal communities (CIM) were established in the same year, as a recognition of their relevance supporting the regional development, and as a form to strengthen competences of municipal associations (European Commission-EUROSTAT & EUROSTAT, 2003).

Some actors still manifest resistance regarding the CCDR legitimacy as a regional agency, arguing that the board of directors should be elected (it is nominated by the central government). Some believe that municipalities would have more autonomy through the existence of a regional government. Others, however, are contrary to the regionalization, arguing that the country is too small to afford this unnecessary structure. These antagonistic positions reveals that there is a long way to go before reaching a consensus, which is essential to achieve a multi-level structure that works.

Despite the CCDRs debate, the decentralization program is still in progress, and according to one interviewee "if the political model continues to be implemented, the CIMs will be endowed with greater competences and resources". This statement mirrors a call for reflections on the administrative reform, which requires a strong supra-municipal cooperation, a true interaction between institutions and regional actors. There is a claim for transferring competences, structures, personnel and central funding to the inter-municipal community, still held by central government or deconcentrated state administration (Lopes, 2012). Education, energy and water management are some of the tasks that municipalities will have to assume until 2021, according to the national government, indicating that the existent structure will remain

unchanged.

There is a concern to advance in actions that could leverage development, since the basic infrastructure, in general, was built. "[...] we have a set of products that need to be developed" and due to the scarcity of resources "[...] we have to make choices, choices towards the economic development, because the worst thing that can happen to us is to fail in creating future conditions to retain young people". It is a need of a proactive posture, "Let us move forward on what we agree, let's take that step. We will then, arrange a governance that can fit between these two levels and without constraints" (Ferreira, 2012).

Some actors perceive progressive actions under the CIM-Douro, despite the heterogeneity and resistance reinforced by local agents discourse, here represented by a mayor speech, stating that Douro, as a brand, is not a panacea to solve all problems of their fragile territories. He complements the speech, indicating that the territorial integration took place involuntarily, and "[...] does not require that the whole life of these communities is organized around something that is not derived from the will, nor from the history, traditions and daily life of these citizens" (Lopes, 2012). He has suggested the creation of a new inter-municipal community composed only by the ten historically linked counties that compose the Beira Douro (development association), "a communion of objectives and the existence of a community spirit that facilitates true processes of governance". For him, CIMS will only be asserted as units of formulation and implementation of territorial policies in a coherent (coincident) institutional structure (Lopes, 2012). A year before, he stated: "We have serious problems of local governance, lack of institutional thickness and critical mass, we lack strategic prospective vision, we lack the strong and committed collective actors" (Lopes, 2011). Some agents confirm the lack of political leadership capable of aggregating the municipalities of the CIM-Douro.

What these voices indicate is a persistent terri-

torial and political fragmentation, a weakness that can jeopardize cooperation and a strategic view towards the sub-regional development. Despite the existent (public administrative) structure problems, there is an indication or a claim towards a true multi-level governance. As stated by Ferreira (2012),

“[...] it is not the municipalities on the one side, business organizations on the other, educational organizations on the other, institutions providing social services on the other, no! It is a set of actors that, only together, organized, will be able to achieve development”.

An aspect highlighted by Lopes (2011) can be also an obstacle:

“[...] conservative society such as ours, where it is difficult to be an entrepreneur, where support is scarce, difficulties remain. Where there is a risk-averse culture that favours dependent work, where failures is criticized and stigmatized, and success is not adequately valued, entrepreneurs still take risks, value new concepts, take advantage of new technologies, implement new forms of organization”.

Before the administrative reform, tourism management was organized under the district logic and the transition to the current one was not materialized yet. There are activities, as destinations' promotion, that still are performed by different entities in an overlapping way. Other example is the strategic plan to develop tourism in Douro region, elaborated in 2004, by the Northern CCDR, along with municipalities and the Douro RTO. “It was an ambitious plan that was almost full implemented”, commented an interviewee. “As the [Douro] RTO was extinguished during the implementation phase, its competences were transferred to the re-

gional entity, Turismo do Porto & Norte”. This agency is responsible for tourism management and promotion. Actually, management seems to be only related to branding, explaining, in part, the strategies absence (beyond promotion) at an intermediate level (regional or sub-region).

Within CIM-Douro, the infrastructure was the priority, not tourism. In addition, financial support for development has followed the central government and CCDR defined axes, which limited local actions range. Nevertheless, CIM-Douro is participating in many trade fairs apart from Turismo Porto & Norte (RTO) structure.

Some municipalities under the CIM-Douro jurisdiction have developed strategic plan aligned with the available community funds, as the case of Associação de Municípios do Vale do Douro Sul (Association of Municipalities of the South Douro Valley). Tourism was included on this plan, as the municipalities considers it as an emergent and beneficial activity. However, the distinction between counties, as above mentioned, hinders the joint action of municipalities. In addition, some counties are not located in the Douro Demarcated Region and are less impacted by tourism, which is largely growing by the Douro River, benefiting the riparian ones.

In that occasion, a consultant that elaborated the above-mentioned plan, stated:

“I would insist, persist, emphasize that there are no strategies, there are no strategic documents that are possible to materialize if there are no protagonists, if there are no active actors, if there are not those who are able to ‘pull the cart’. These are mere instruments. Instruments are just that! Only action, only moving from reaction to action, only thinking that all of us gain if we work together, and lose all if the performance is individual. And no one overcome challen-

ges by sitting on the bench or on the couch in front of the TV. So we have to shift from spectators to actors”.

Magalhães (2012) completed the idea, stating that

“[...] only with instruments of articulation and a network scale, only with the interest of all, in the sense that it is evident that in the whole, all parts win... if each of you continue by itself, then this territory is very difficult. As mentioned, and it is also a point we will have to work a lot, that is too jammed here, is that we have to unravel this territory. This is only possible through the articulation with the North Douro, Porto, and Trás-os-Montes. Why do not go up? Because there are municipalities here, that have a very strong relationship with Viseu and Beiras. So, I would like to tell you, this is only possible with active protagonists, with protagonists and actors that are available, so this region can be pulled up and not pulled-down”. “[...] this process has to start from within [endogenously]”.

According to Magalhães (2012), Douro needs to achieve scale, “There is no attractiveness without critical mass, there is no attractiveness without a certain dimension, without a certain scale, there is a physics principle - mass attracts mass.”

It is generally accepted that the primary sector is not enough to generate the desired local economic development, hence the relevance of tourism to generate employment. However, it is an emergent activity, still incipient to create safe and well-paid employment (Lopes, 2011). Some agents agree that there are no large or ‘anchor’ enterprises capable of create dynamism, even though the

municipalities may grant some tax exemption as an incentive.

The Action Plan for Tourism Development of 2020 Strategy, elaborated by the central administration, indicates the need of joint actions (public institutions and private sector) to develop and qualify touristic resources and supply, indicating the need of a multi-level and multi-agent relationship pattern or a multi-level governance approach. It also reinforces the tourism transversality, which requires, regardless of the governmental composition, a multi-sectoral attention. Thus, tourism will always poses challenges for collaboration. “[...] at the government and public administration scope, mechanisms should be set up to facilitate and promote, on a regular, institutionalized and methodical basis, a multi-sectoral attention and evaluation, ensuring the coherence of policies and strategies” (Turismo de Portugal I.P., 2015, p. 77).

An interviewee observed that

“[...] there is unanimity in believing in tourism, at any government scale, as an economic and social development lever. The bet on tourism, as a strategy, proves being positive, since, in practice, it has reached a two-digits growth. The way the country is organized is what is determining the different speeds, or results, of that development”.

A regional agent confirms, “Disparities in supply, in preparation and qualification of tourism service are perceivable. This is a recent process and there are many changes. The municipalities have done an important work; local authorities recognize the relevance of integrating tourism”.

For a defender of regionalization, a regional government structure could help to consolidate projects and extend their lifecycle. Giving as an example, the Aldeias Vinhateiras project (Douro Winery Villages), which was carried out by CCDN-N, municipalities and the Universidade de Trás-

os-Montes e Alto Douro (UTAD), between 2001-2005: “The strategy would be consolidated as regional and a department could manage it. In case of mayors switching, the project would continue. Unfortunately, it was not the case”.

6. Final considerations

The collaboration between (CIM-Douro) municipalities to develop common tourism strategies should not happens in a short or medium term, either by the lack of leadership or by the insistence on working tourism individually. Considering the agents resistance in relation to the current administrative model, the joint action at supra-municipal level will take time. There is a long way to go until the multi-level structure works.

Nevertheless, the private sector (considering the small scale of their enterprises and organizations) needs to become more organized, structured, and integrated in networks, which will allow to gain scale and critical dimension in order to effectively support the development of tourism in the Douro region.

If both processes fail, the multi-level governance will not materialize, which may perpetuate the current scenario: fragmented actions, discrepant supply (disorganized and poorly prepared), non-participation in decision-making processes, non-generation of data, which impedes strategic planning, the local economic development and the improving of the quality of life of the local population.

It is not expected that structuring of both, public and private sectors, occur at the same speed and proportion, which is a challenge for the tourism development.

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