INVESTIGATING GOVERNANCE WITHIN THE MANAGEMENT MODELS USED IN PARK TOURISM

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GOVERNANCE MODELS FOR PARK TOURISM

ABSTRACT There are many management approaches used for conservation of land and for the provision of tourism services on that land. This paper reviews the management approaches, and then applies generally accepted criteria for governance to those approaches. Initial phases of the research found that there are important differences amongst the models, with those approaches having high levels of non-profit organizations scoring higher in terms of good governance. Conversely, those approaches that high levels of for-profit operations tended to rank lower. The analysis suggests that in practice financial efficiency may be the pivotal criterion, given more importance in management than all others. In the future the research will continue to explore stakeholder opinions on the application of governance to various management models, and will develop normative standards for governance in park tourism.

INTRODUCTION

This paper discusses an ongoing research program on the application of governance criteria to the various management models that occur within park tourism.

Governance, the means for achieving direction, control and coordination, ultimately determines the effectiveness of management. There is much diversity and scope in the governance models employed to deliver park tourism. Glover and Burton (1998, p.143) outlined four institutional arrangements including:

1. governmental arrangements, whereby public sector agencies alone provide a public service;
2. cross-sector alliances, consisting of a contractual relationship between a public sector agency and a profit-making or not-for-profit organization (e.g., partnerships and contracts);
3. regulated monopolies, whereby a non-public organization is granted a monopoly to directly provide public services (e.g., franchise); and,
4. divestiture, whereby public services, lands or facilities are sold or leased to profit-making or not-for-profit agencies.

All these arrangements for service delivery of tourism occur in parks and protected areas. Many park agencies use the profit-making commercial sector or the non-profit private sector to deliver some services, with the park agency in a supervisory role. Glover and Burton assume that the starting point of discussion is the ownership of parks by the public sector, without fully exploring the obvious alternative, the ownership and operation by the private sector, either profit-making or non-profit (Harper, 2000).

In contrast to Glover and Burton, More (2005) proposed five models:

1. fully public model;
2. public utility model;
3. outsourcing;
4. private, non-profit ownership; and,
5. private, for-profit ownership.

In the fully public model, a government agency operates all tourism services. The public utility model has a government agency functioning as a private corporation. Outsourcing involves the contracting out of some services to private companies. Private, non-profit ownership describes parks being owned and operated by a non-government organization while private, for-profit ownership involves a park being owned and operated by a private company.

Graham et al. (2003) developed a classification system to assist with an investigation of governance. They suggested that there are four governance models for parks:
1. government management;
2. multi-stakeholder management;
3. private management; and,
4. traditional community management.

They suggested that government management occurs with two approaches: 1) a national, provincial, state or municipal government agency; or, 2) delegated management from government to some other body. Multi-stakeholder management occurs as: 1) collaborative management; or, 2) joint management. Private management can occur as: 1) individuals; 2) not-for-profit organizations; or, 3) for-profit corporations. Traditional community management occurs with: 1) indigenous peoples; or, 2) local communities. The addition of Graham et al. (2003) to the discussion is the concept of traditional community management.

DISASSEMBLY OF THE MANAGEMENT FUNCTIONS

Glover and Burton (1998), More (2005), and Graham et al. (2003) treat land ownership, finance, and park operation as unitary actions with one actor undertaking all activities. Eagles (2008) proposed investigating the governance of the management models by initially separating the functions of the management into three categories:

1. the identity and role of the owner of the land and resources;
2. the source of the income for management; and,
3. the type of management body.

There are three alternatives for resource ownership for parks and protected areas: 1) a government agency; 2) a non-profit institution; or, 3) a for-profit corporation. Government agencies can function at any level of administration, such as the national, provincial, regional, or municipal government. Non-profit institutions are public organizations that operate in a non-profit manner, are independent of governments, and advocate social, cultural, legal, and environmental positions. For-profit corporations are legally-defined companies that can be owned: 1) widely by many individuals; 2) by other corporations; or, 3) by private individuals. For-profit corporations are often heavily involved in the provision of tourism services in parks and protected areas that are owned by government. A few own and manage conservation lands outright, both for conservation or for a combination of conservation and income.

Graham et al. (2003) suggest that individuals, aboriginal governments, and traditional communities are also ownership alternatives. Individuals are in the private sector, in either profit or non-profit roles, but typically in the profit-making capacity. A community can be a group of people in a geographical area, or be linked by a common interest. A community can function like a private profit-making corporation, as a non-profit organization, or as a government body. Traditional aboriginal communities, typically function like a private sector agent from the point of view of those outside those communities. Within the communities, they may appear more like a local government.

There are three broad categories of sources of income for parks and protected areas: 1) societal taxes; 2) user fees; and, 3) donations. Van Sickle and Eagles (1998) documented the many income sources utilized by parks in Canada in the mid-1990s and showed an ongoing shift from taxes to user fees. Landrum (2005) showed a similar trend for US State Parks, with a change from 38% of operating income obtained from user fees in 1984 to 46% in 2004.

There are four alternatives for the management body: 1) a government agency; 2) a parastatal, which is a corporation owned or wholly controlled by government; 3) a non-profit corporation; or, 4) a for-profit corporation, either public or private. The parastatal can be either a for-profit or a non-profit entity, depending upon its legal constitution.
PURPOSE OF THE ENTERPRISE

There are two, over-arching, intertwined, and well-recognized goals for parks and protected areas: conservation of natural and cultural resources, and provision of education and recreation services (Eagles and McCool, 2002; Eagles et al., 2002). Wilkinson (2003) discusses the Canadian experience of attempting to achieve both sustainable tourism development and high levels of ecological integrity in the national parks.

TYPICAL MODELS

Eagles (2008) suggested that there are 36 combinations possible of the three ownership alternatives, the three income sources and the four types of management bodies. He suggested that only seven are widely used. Each of these seven will be briefly outlined.

Model 1, the Golden Era National Park Model, has government ownership of the resources, the vast majority of funding coming from societal taxes and a government agency as the manager. Model 1 is very similar to More’s (2005) Fully Public Model.

This model is common in first world countries, such as the United States and the Scandinavian nations. This model is most used in countries with strong economies and high levels of government income from taxes.

Model 2, the Parastatal Model, has government ownership of resource, the majority of funding from user fees, and a government-owned corporation as the manager. In Canada, this might be described as a Crown Corporation. This model is common in developing countries that have strong tourism volumes that can be tapped through fees to fund park management.

Model 3, the Non-Profit Organization (NPO) Model, has resource ownership by a non-profit corporation, the majority of funding coming from donations and the manager being a non-profit organization. Model 3 is close to More’s (2005) Private, Non-profit Model.

This model typically includes large amounts of volunteer time and volunteer donations. Income is also earned from commodity sales, specialized service programs, and fund-raising efforts. This NPO model is common and increasing in use globally.

Model 4, the Ecolodge Model, has resource ownership by a for-profit corporation, funding from user fees, and management by a for-profit corporation. Model 4 is very similar to More’s (2005) Private, For-profit Model.

This model is used by thousands of ecolodges in many parts of the world, including South Africa, Australia, Belize, and Costa Rica. It is most common in areas where there are attractive natural resources that have sufficient attractiveness that allow the development of an ecotourism industry.

Model 5 is best described as a combination model, with government ownership of all resources, but with management and finance undertaken by a combination of public and private organizations. This Public and For-Profit Combination Model is similar to More’s (2005) outsourcing model.

This model sees cooperation between government and other organizations. Typically, the management of resources is paid for by taxes, while the private management of tourism is paid for by user fees. However, the financial lines are often blurred with some income from taxes going into tourism management and some tourism income going to resource management.
Model 6 is also a combination model, the Public – Non-Profit Combination Model. All the factors are similar to the public, profit-making model except that management is split between government and non-profit entities rather than government and profit-making companies. This model is not explored by More (2005).

This model sees some or all park functions transferred from government to non-profit entities. It is rare for entire parks to be transferred to non-profit groups, but it is increasingly common for educational programs and occasionally for recreation services to be operated within parks by non-profit groups. This use of non-profits for service delivery is at a much lower level than the use of profit-making companies, but the use level is increasing.

Model 7 is a unique combination model, the Aboriginal and Government Model. In this model the resources are owned by aboriginal communities but tourism management is directed by government park agencies. This is increasingly common approach in Australia. This model is not discussed by More (2005).

Eagles (2009) added Model 8, the Traditional Community Model. This approach involves an aboriginal community owning the resource as well as managing the land and tourism operations. This is not a common model, but is increasingly visible in Canada as aboriginal communities set up special protected areas and then manage tourism operations in these agencies (Hannah, 2006). This model is not discussed by More (2005).

**APPROACHES TO UNDERSTANDING GOVERNANCE**

Scholars debate the role of government in the delivery of services to constituents (Friedman, 1973; Gormley, 1990; Osborne & Gaebler, 1992; Walsh, 1995). Government’s role is to ensure the delivery of public goods to the citizens. A public good is one that benefits an entire populace, rather than simply those who partake of the service (Crompton & Lamb, 1986; Walsh, 1995). Savas (2000) summarized other commonly-cited traits in providing a typology of four types of goods based on two dimensions: 1) the level of exclusion; and, 2) joint versus individual consumption. Public goods have joint-consumption such; they can be consumed by more than one person at a time, and are also non-exclusive in that they are available to all. In contrast, private goods are those that are consumed individually and exclusively (Savas, 2000). Arguments for public service provision often centre on the need to intervene when the market fails to deliver certain public goods or when certain activities carry such moral significance that their provision must be ensured via the public sector (Walsh, 1995).

Parks, recreation, and tourism services are generally considered to be merit goods, which fall along the middle of the public-private spectrum (Burton & Glover, 1999). However, this classification is under debate. Some argue that government is justified in adopting private-type goods and methods of service provision in certain situations (Crompton, 1999). Others contest that such services and management models are inappropriate for services such as parks and protected areas (More, 2005; Murdock, 1994; Smale & Reid, 2002). To date, this debate has been largely polemical and has received little empirical examination.

Never-the-less, there have been a wide array of management models adopted for the delivery of conservation objectives and tourism opportunities that are dependent upon those conservation entities. Greater understanding is needed on the role of government and the private sector in the provision of parks, recreation, and tourism services.

A second line of research is related to the public-private partnership or networking in the marketing and delivery of public services. In theory, public-private partnerships should create synergistic dynamics that draw on the strengths and weaknesses of each partner (Rosenau, 1999). Linder (1999) explored six distinct uses of public-private partnership: management reform;
problem conversion; moral regeneration; risk shifting; restructuring public service; and, power sharing.

Frameworks for evaluating the effectiveness of partnerships or inter-organizational networks have been proposed at varying levels of analysis, encompassing the community, the network, the organization, and the participant (Provan & Milward, 2001). To date, lessons and experiences of public-private partnerships and their corresponding state-of-the-art research are documented in various policy sectors, such as technology (Stiglitz & Wallsten, 1999), nuclear power (Rosenbaum, 1999), transportation (Dunn, 1999), environmental policy (Kamieniecki, et al., 1999), education (Levin, 1999), health (Sparer, 1999), welfare reform (Rom, 1999), criminal justice or the prison system (Lovrich, 1999; Schneider, 1999), and patent policy (Ghere, 2001). By contrast, parks, recreation, and tourism is a poorly documented sector in the public-private partnership research, especially in the planning and management of contracts. This is unfortunate given that publically-owned parks and protected areas now cover close to 12% of the earth’s surface and the many combinations of public and private operations provide billions of visitor days of recreation each year.

A third line of research exists on privatization, outsourcing, and contracting-out government services (Cohen, 2001; Osborne & Gaeble, 1992; Peters, 2001; Rehfuss, 1989; Savas, 2000). While the research originates from the discipline of public administration, recently this line of scholarly research was extended to the field of parks, recreation and tourism. For example, a comprehensive delivery model of public leisure services was proposed (Glover & Burton, 1998); propositions with research implications for efficiency, effectiveness, and equity articulated (Glover, 1999a); cases and consequences of partnership discussed (Glover, 1998, 1999b); and processes and procedures for financing or contracting out tourism services outlined (Havitz & Crompton, 1999; Havitz & Glover, 2001). These efforts provide a basis for a further extension and cross-fertilization to address the planning and management issues of contractors.

THE APPLICATION OF EAGLES’ MODELS

Eagles (2008) proposed an evaluation framework using accepted principles of governance, such as those proposed by Graham et al. (2003), combined with the two principal goals of protected areas: 1) the conservation and management of natural resources, and 2) the provision of education and recreation services to the public. The framework was also applied within each of the three categories of investigation: 1) resource ownership; 2) sources of income; and, 3) identity of the management body. A brief summary of that evaluation is given here.

All three alternatives for resource ownership are currently in use: 1) government, 2) non-profit institution, or 3) for-profit corporation. Government ownership is by far the largest in terms of area owned. Non-profit ownership is small, but is often strategically directed towards ecologically special lands or those of special local significance. This type of ownership is increasing rapidly in many countries. For-profit ownership of conservation land is small in area but is increasing rapidly where there is potential for income from tourism. In addition, land trusts which own land primarily for conservation purposes are increasing rapidly in many countries.

Eagles (2008) discusses the three sources of income: 1) societal taxes; 2) user fees; or 3) donations, as well as the four alternatives for the management body: 1) a government agency; 2) a parastatal; 3) a non-profit corporation; and, 4) for-profit corporation. Increasingly, the income for park tourism management is shifting from societal taxes to various user fees and charges. This is a universal trend and it is associated with a change in management body towards a type that is better able to function like a business, such as a parastatal, non-profit or for-profit entity.

EVALUATION OF THE GOVERNANCE OF THE MODELS
Research concerning the overall governance of protected areas is rare (Hannah, 2006; Eagles, 2008, Eagles, 2009). Dearden et al. (2005), through a review of 41 countries, found trends towards increased levels of participation by stakeholders in management, and greater use of formal accountability mechanisms. The authors indicated an improvement in protected area governance over the 1990s. A financial trend showed decreases in the relative proportion of budgets coming from governments, with increases from the NPOs and other sources. Overall park funding did not keep up with the growth of area and responsibilities of the park systems surveyed.

Graham et al. (2003), Hannah (2006), Eagles (2008), and Eagles (2009) suggest that evaluation of management models can be structured using the key aspects of governance developed by the United Nations Development Program (UNDP, 1997):

1. Public participation,
2. Consensus orientation,
3. Strategic vision,
4. Responsiveness,
5. Effectiveness,
6. Efficiency,
7. Accountability,
8. Transparency,
9. Equity and inclusiveness, and
10. The application of the rule of law.

The delegates to the World Parks Congress (2003, p. 40) accepted these categories and recommended that they serve as a basis for assessing protected area governance.

The concept of legitimacy and voice includes public participation and consensus in decision-making. Public participation means all people have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Consensus-oriented decision-making is the ability to mediate differing interests to reach a consensus on the best interests of the group. An overall strategic vision involves looking constructively towards the future, with consideration of the historical, cultural and social complexities of each situation. Overall performance involves three very important governance criteria: responsiveness to stakeholders, effectiveness and efficiency of operations. Responsiveness occurs when institutions and processes try to serve all stakeholders using a proactive manner regarding complaints and public criticisms. Effectiveness involves the capacity to realize organizational objectives. Efficiency refers to making the best use of resources. It is the capability of acting or producing effectively with a minimum amount or quantity of waste, expense or unnecessary effort. Accountability is the requirement that officials answer to stakeholders about the disposal of their powers and duties, act on criticisms or requirements made of them and accept responsibility for failure, incompetence or deceit. Transparency is the sharing of information and acting in an open manner. Fairness deals with equity amongst stakeholders and the overall application of the rule of law. Equity is just treatment, requiring that similar cases are treated in similar ways. The application of the rule of law refers to legal frameworks being fair and enforced impartially. These principles and the associated criteria are widely accepted (Weiss, 2000).

Glover (1998) suggested that three of these good governance criteria, efficiency, effectiveness, and equity, are particularly important in understanding park tourism services. Efficiency is the capability of acting or producing effectively with a minimum amount or quantity of waste, expense, or unnecessary effort. In general, efficiency is a measurable concept that can be quantitatively determined by the ratio of output to maximal possible output, or the ratio of output compared to input.
Effectiveness can be defined as how well plans are carried out. This involves leadership by political officials and managers. It requires the delegation of authority to members of an organization. The organization must be capable of managing conflict and motivating employees and volunteers. Financial return on investment is a common measure of management effectiveness. Effectiveness is a vague, non-quantitative concept, mainly concerned with achieving objectives. Effectiveness is harder to measure than efficiency.

Equity is the name given to the portion of the legal system in countries following the English common-law tradition, which resolves disputes between persons by resorting to principles of conscience, fairness, and justness. An aspect of equity is inclusiveness, which is the equal ability of all people to participate in and benefit from an activity.

Eagles (2009) applied the 10 governance criteria to the eight most-commonly used park tourism management models. He applied a five-point rating scale; very weak, low, medium, high and very strong, with associated numerical grading, from 1 to 5, to simplify comparison amongst the models. Each of the 10 governance criteria was given equal importance.

Eagles (2009) found that when governance criteria were applied to the management models, those with high involvement by non-profit organizations ranked higher towards the ideals of good governance. The highest ranked model was the Public, Non-Profit Combination Model. Conversely, those models with strong degrees of for-profit operations ranked lower. The lowest ranked model was the Aboriginal and Government Model. The analysis also concluded that the 10 criteria for governance are not treated equally in practice. Financial efficiency may be a pivotal criterion that is given much more importance in actual management practice than the other nine criteria.

THE NEXT STAGES IN PARK TOURISM GOVERNANCE RESEARCH

The next stages in this research involve receiving stakeholder opinion on governance of specific park tourism models. British Columbia and Ontario have the oldest and the largest park estates in Canada, but have quite different park tourism management models.

BC Parks has 893 protected areas covering a total of 13.09 million hectares, representing 13.8% of the province (BC Parks, 2008a). In 2006, there were 19.02 million recorded visits (BC Parks, 2008b). In the mid-1980s, the BC government transferred all tourism and visitor services in provincial parks to for-profit companies. Currently, all tourism and visitor services are run by about 20 companies from the private sector. BC Parks oversees the private companies and focuses its efforts on ecological and resource management of the parks.

Ontario Parks has 329 provincial parks covering a total of 7.8 million hectares, representing 9% of the province (Ontario Parks, 2007). Of these parks, 111 have operating visitor services and in 2007 there were 10.4 million visitor days of use (Ontario Parks, 2007). The Ontario Parks budget is financed approximately 80% through tourism fees (i.e. entrance, camping, concessionaire payment, souvenir sales, and food sales) with the government funding the other 20% of the budget (ECO, 2007).

There are many stakeholders in park and tourism management, but this research stream indentified five major groups:

1) park visitors;
2) agency staff;
3) private sector tourism operators;
4) local community members; and,
5) environmental and recreation non-government organization members.
The next phrase of the research involves surveying members of each group on their opinions on the governance that occurs on park tourism within each of the two provincial park agencies. Survey questions have been designed for each of the 10 governance criteria. This work is underway and will be completed in 2009.

A further step will involve the development of objective criteria for the application of each of the governance criteria by independent experts. Much like financial auditors use established procedures for the independent review of financial statements; governance auditors could use objective criteria for the independent review of governance.

**SUMMARY**

This analysis reveals many governance models are currently in use in protected areas. The varying financial status, political propensities, and histories in different countries have led to a variety approaches to management. Oddly, a full analysis of the various approaches using generally acceptable governance criteria has been lacking.

There is no one, universal approach that is suitable in all situations. The design of the governance and management structure must be appropriate to the social and political systems at both a national and local level. The success of site level management is ultimately dependent upon the national, political, social, and legal structures of a country. The allocation of the costs and benefits to each one of a large number of stakeholders is an important component.

The management of land for both conservation and tourism is in a period of dynamic experimentation. Further research and debate about the appropriateness of the governance of the various management approaches is needed. This is critical as the long period of protected area establishment is nearing an end, as suitable areas become scarce, human population pressures continue to mount, and competition for land increases. As the grand period of significant protected area establishment ends, the much longer period of management stretches before us into the foreseeable future. Society must refine governance and site management approaches to ensure that both effective resource protection and quality visitor experiences continue into the future.
REFERENCES


