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Tourism destinations and the concept of industrial districts

Abstract:

This paper identifies the main characteristics of industrial districts as a) interdependence of firms, 2) flexible firm boundaries, 3) co-operative competition, 4) trust in sustained collaboration, and 5) a “community culture” with supportive public policies. In spite of the dominance of SMEs and local interdependence, and in spite of the spatial significance of tourism destinations, this type of firm has not been analysed systematically using the concepts and methods of industrial districts. The comparability between tourism destinations and industrial districts is less obvious especially as regards governance structures. This is also true of the intensified vertical division of labour between regions delivering services to tourists and regions developing such services. However, new trends in consumer preferences, technological developments and environmental prerequisites make the development of some district properties more likely to emerge in tourism destinations in the future. This paper suggests a number of key issues for a research programme.

Introduction

Since the early 1980s, there has been increased interest in industrial districts, both from researchers, who were attracted by obviously paradoxical economic development trends, and policy-makers, who were looking for methods to sustain existing development paths or turn to new ones.

Industrial regions with a preponderance of small businesses have been the subject of many studies. There seems to be a consensus that the agglomeration of many small business units with interrelated specialities can result in the dynamic creation of new products and evolution of productive technology which we usually associate with large mass-producing corporate

organisations. Regions dominated by small business are found to respond efficiently to the fluctuations of international markets, and they revitalise regional economies in ways that resemble the nineteenth-century centres of craft specialisation. Even when located in high-wage countries, such as Germany, Switzerland, Denmark and Northern Italy, the districts tend to escape ruinous price competition (Gordon, 1995; Piore, 1990; Pyke, 1992).

There has been a considerable focus on the study of successful regions and the generalisation of the findings. The first case studies were carried out in the “Third Italy”. Here, it was found that, in compact and rather specialised areas, the production of knitted goods, special machines, ceramic tiles, agricultural implements, shoes and musical instruments took place in structures dissimilar to those found in the “First” and “Second” Italy (the industrial triangle of Milan, Genoa and Turin, and the impoverished south respectively) (Bellandi, 1989a; Garofoli, 1991; Lazerson, 1990; Sabel, 1994; Sforzi, 1990). Industrial districts with comparable properties were also identified in other countries. The Baden-Württemberg area in Germany, for example, successfully specialises in the production of machinery, machine tools and automobile components (Hennings and Kunzmann, 1990). In spite of fierce international competition, there is still a thriving textile, textile machinery and furniture industry in the western part of Denmark (Hansen, 1991; Illeris, 1992; Kristensen, 1992). The United States is well-known for its high-tech industrial districts: semiconductor and software production in Silicon Valley, and computer production along Route 128 in Boston (Hall and Markusen, 1985; Saxenian, 1994). And in the Los Angeles area, the motion picture industry has resulted in the growth of a large number of related industries (Christophersen and Storper, 1986).

As in the Marshall model (Becattini, 1990; Bellandi, 1989b), the focus of contemporary studies of industrial districts is on “productive” activities. Distributive businesses and other services are mostly regarded as auxiliary, though still recognised as crucial for the formation and viability of an industrial district. In other words, services are important, but the constellation of an industrial district basically takes a starting point in agriculture and manufacturing. In most cases, this has a solid historical basis: Swiss watch production has a very long and prominent history; textile production in Western Denmark has its origins in the sheep holdings on the moors; machine tools production in Germany grew out of a dominant steel manufacturing industry; the oil-industrial complex in Norway is located in Stavanger, where the pipelines emerge. There are also exceptions, however. Software industrial districts are not due to the culmination of any particular material production, but are rather the result of a high level of competence, the demand for advanced electronics from the military, and the availability of capital (Saxenian, 1994).

Over the past decade, research in geographical and economic dynamics has increased the number of case studies in this area. As yet, however, economic activities connected to tourism have not been included in the powerful analytical framework that, over the years, has been related to industrial districts. “A tourism destination” or “tourism resort” is a widely used concept in tourism research on a spatially concentrated and spatially fixed (Urry, 1990) supply of goods and services. Furthermore, these terms are used for localities that depend more on tourism than on other economic activities (Britton, 1991; Smith, 1983). In the main, the tourism industry is thought to consist of a range of SMEs that deliver complementary products. And, at first glance, there are indeed some basic spatial and structural similarities between an industrial district and a tourism destination.

Nevertheless, little has been done to pursue the study of tourism destinations along these lines. Hall and Page (1999) give some cursory explanations as to why this is the case. First, it is likely that tourism is considered too much of a service industry to be connected with basic economic activities. Second, the sector is elusive and complex. Third, it is based on leisure and play, and therefore not considered “serious”. Perhaps for these reasons the study of tourism lacks prestige in the disciplines of geography and economy, in spite of its large and rising contribution to employment and incomes.

This paper attempts to go beyond superfluous considerations and academic jealousies. At a conceptual level, the paper investigates the possibilities of and constraints to the use of the concept of industrial districts in tourist destinations. In addition, the paper sketches the contents of a research programme that, from a cross-disciplinary point of view, draws more systematically on the significant results of economic development studies in time and space.

The characteristics of industrial districts

One of the main challenges of studies of industrial districts has been to systematically capture the exact nature and dynamics of economic processes. There are many lists of characteristics in the literature, but the following five features are repeatedly mentioned:

1. An interdependence of firms
2. Flexible firm boundaries
3. Co-operative competition
4. Trust in sustained collaboration
5. A “community culture” with supportive public policies.

There is a real risk that too much homogeneity in a group of firms or a community leads to introvert behaviour, which hampers innovative dynamics (Grabner, 1993). When this is not the case in the industrial districts studied, the reason is the existence of supplementary transformative capacities that drive continual adaptation and change:

- Interlinked political and business leadership
- A variety of governance structures
- Connection with external markets and knowledge centres
- Early adaptation of flexible tools and work methods
- Technological dynamism and innovation through mutual internal openness
- Learning in loosely coupled networks.

In the following, we discuss tourism destinations and their economic structures under each of the five features (1-5) mentioned above. The change potentials will be dealt with under each of the five headlines.

An interdependence of firms

An industrial district consists of a large number of small enterprises that are formally independent in the sense that they are not incorporated in large ownership conglomerates. The production system *per se*, however, has several features that could resemble a large enterprise with many separated profit centres. In order to obtain economies of scale, a division of labour has emerged in which the firms are closely linked together in horizontal, vertical and diagonal (Pyke, 1992) webs of contracting/subcontracting and other relations. The interdependence of formally independent firms ensures an uninterrupted production chain from first preparation phases to the final product. Thus, the division of labour among small firms in an industrial district can be considered an alternative to large, integrated corporative “dinosaurs” (Harrison, 1992). Paradoxically, while entrepreneurs claim to be independent, in practice they are tied into social and economic constructions with each other.

The division of labour has many facets and depends heavily on the nature of the production. The firms are not isolated satellites, however - their interaction is governed by structures that define the nature of the interdependency. Storper and Harrison (1991) distinguish between four mechanisms, of which the first three mentioned below can be found in operation in industrial districts:

- ‘*All ring, no core*’ where there is no systematic lead firm. Power is absent, or rotating, according to the job or contract. There is no distinctive hierarchy in the community of enterprises.
- ‘*Core-ring, with a co-ordinating firm*’ where one firm does the co-ordinating, but cannot determine the existence of other firms in the system. Some hierarchy and power.
- ‘*Core-ring, with lead firm*’ where the lead firm is considerably independent of its ring of suppliers and sub-contractors. Power is asymmetrical, and a hierarchy is established.
- ‘*All core, no ring*’. The vertically integrated firm.

The egalitarian governance structure, all ring, no core, or the co-ordinating firm must be regarded as being close to the idea of an industrial district, while the asymmetrical coalition is less so (Enright, 1998). Bramanti and Senn (1997) and Storper and Harrison (1991) state that governance structures are not necessarily stable. They are continually adjusted according to external as well as internal pressures. The direction of adjustment is not uniform, but most of the examples mentioned suggest a downward shift towards a clearer hierarchy, closer integration and less independence of the individual firm.

Can firms at tourism destinations be claimed to share any of these properties of interdependence? According to conventional texts of the supply of tourism, the industry is composed of a range of separate industry suppliers who offer one or more components of the final product. Elements of importance for the composition of a holiday include infrastructure (airports, roads, telecommunications, environmental services, car-hire, etc.), accommodation facilities (hotels, camping sites, houses for rent, etc.), catering (restaurants, pubs, supermarkets, etc.), entertainment facilities (shopping, museums, attractions, sports facilities, etc.), and reception services (travel agencies, promotional offices, information services, guides, etc.). It is clear that, in most destinations, independent SMEs play a major role in the provision of services, especially as regards shops, restaurants, and accommodation and travel

services (Inskip, 1994). The emphasis, however, is not only on private, commercial units: infrastructure and some attractions and information facilities are publicly operated. A substantial public ingredient does not necessarily conflict with the notion of industrial districts.

However, when analysing governance structures in tourism which co-ordinate the various components in this framework, some reservations must be made. Elements are often combined and sold to consumers in discrete packages, with tour operators and travel agencies taking vital roles. They are able to link consumers with producers efficiently and create economies of scale beyond the capabilities of the individual firm or “ring group” of firms. The substantial purchasing power of tour operators, for example, puts a certain basic pressure on a destination. But local intertrade activities can also be determined by tour operators rather than by local firms. For example, tour operators take their customers to certain facilities, for which they receive a commission. This might disrupt local alliances and agreements. Accordingly, governance systems at many tourism destinations are modelled on the “core-ring with a lead firm”, an asymmetrical system. Similarly, other governance structures lead towards a higher degree of local disintegration, or, as put by Hall and Page (1999), compensate for the fragmented nature of the local supply. Strategic alliances help local suppliers to link up to more comprehensive supply chains, often headed by large international airlines (Costa, 1995). Franchised and licensing systems are established to obtain the same categories of benefits, but the integrative efforts tend to dislocate competences and initiative away from the local place.

In industrial districts, interdependency emerges through a refined division of labour among the firms in the area. However, in order to make large stakeholders control and exploit all steps in the value chain, it is sometimes observed that tourism resorts develop in the opposite direction. “All-inclusive tours” and integrated resorts are designed to satisfy, in principle, all tourists’ needs (Poon, 1993). This design limits the potential for local business interdependencies, or may, where interaction is occurring, enforce more asymmetric relations.

The question is whether a higher degree of local integration and less asymmetric power structures can be created “artificially”, or whether more favourable governance structures might eventually emerge from new technologies or new consumer preferences and attitudes. For example, Poon (1993) questions the future of rigidly packed tourism products, and claims that “new tourists” want individual choice. Developments in Internet marketing could help those tourists who want to create their own holiday experiences independently of tour operators. Further assessment of the implications of this phenomenon on tourism destinations is still lacking.

There are also other challenges to prevailing asymmetric governance structures. Buhalis and Cooper (1998) mention that suppliers in Mediterranean destinations increasingly vitalise local collaborative structures with the aim of balancing the powers of the tour operators. Intensified public involvement in tourism may have the same objective.

Although the production systems in tourism bears a resemblance to manufacturing districts, the development of governance systems in tourism over the past few decades has not exactly been supportive to the idea of industrial districts. Local interdependencies in typical tourism destinations seem to have been “thinning” rather than “thickening” (Pyke, 1992).

Flexible firm boundaries

Firms in industrial districts are often described as amoebas that can change size and form at will. There seems to be three different types of flexibility: temporal, functional and spatial, where the first two are particularly crucial, and where the spatial proximity serves as a facilitating element.

Being small and operating in networks, firms in an industrial district are claimed to be able to cope with variations in production volume highly efficiently. More shifts and overtime can be introduced, and the employment of peripheral workers accounts for the expansion of time resources available for production. Likewise, activity can be scaled down if required. Part of the temporal flexibility is due to the fact that production tasks can be smoothly re-allocated among the firms in a group. As numerous studies observe, actors, even if competitors, seem to be well aware of slack resources in other firms and how to activate them (Pyke, 1992).

Critics claim that much flexibility is due to the use of family labour and non-unionised workers on non-standard contracts (Amin, 1994; Harrison, 1994). The dark side of industrial districts is the growth of involuntary part-time jobs, income gaps and the erosion of employment security. In Italy, labour regulations are less strict for small firms, which is claimed to be an extra incentive for maintaining the interactive flexibility found in the industrial districts.

While temporal and numerical flexibility has been rather marginally treated in the literature on industrial districts, functional flexibility has received substantial attention. The ability of firms to avoid fatal discontinuities, and instead ensure a gradual and incremental evolution, is the main characteristic of a successful industrial district. During the quite rapid introduction of computer-aided manufacturing tools and IT for planning, production and distribution, small firms were found to be at least as alert as larger ones. One decisive reason for the early IT introduction is that flexibility of machinery goes hand in hand with craft and small-batch production. Another important reason is that firms continually learn from each other. The diffusion of technology is facilitated by the co-operative structures in place, which implies that proprietors frequently visit each others' plants.

The workforce and organisation of work is also characterised by functional flexibility. Studies of high-tech districts tend to emphasise the importance of university training and the career-based work attitudes of the labour force. In craft production, adaptability and creativity relies heavily on highly skilled manual workers, who are found to be critical for product and process innovation. A qualified worker does not necessarily stay in one firm; job shifts are seen as contributing positively to the interorganisational transmission of knowledge in the district (Baptista, 1998). In this sense, the region, rather than the individual or the organisation, accumulates skills and knowledge (Bellandi, 1989). Flexibility also comprises the capacity of the single firm or group of firms to acquire external knowledge (Cappellin, 1992).

Amin and Robins (1990) and Harrison (1994) do have some reservations about the nature of functional flexibility and accumulation of strategic skills, claiming that in industrial districts too, large segments of the workforce are employed in "neo-Taylorised" functions without any particular skills profile.

In a wider sense, the functional flexibility of a district has to be seen not only internally, but also in connection with external dynamics. The district is a local area in a global context, and the dialectics between the local and the global lead to an ongoing restructuring of production tasks. Alberton and Ratti (1997) refer to centrifugal and centripetal forces. Centrifugal forces drive production variation from the local district - too much centrifuge results in an increased external dependency and declining local inter-relatedness. By contrast, centripetal forces can, if very dominant, fatally cut the community off from stimuli and incentives to innovate.

There are numerous examples of temporal and numerical flexibility in tourism destinations. Since tourism capacity, as opposed to demand, is fairly fixed, there is considerable temporal flexibility in the employment of staff. Seasonal employment and rapid staff turnover are the main means by which firms can adapt, in numerical terms, the workforce to demand (Vellas and Bécherel, 1995). In major tourism destinations, a large proportion of the workforce has to be “imported” from surrounding rural areas. The employment of (legal or illegal) immigrants is also a common feature of tourism destinations throughout the world. The relatively poor employment conditions in tourism compared with other sectors has been amply documented (Lucas, 1995).

The absence of workforce stability and the lack of permanent residence in the area can be claimed to compromise the concept of functional flexibility in both individual firms and the tourism destination. Except, perhaps, for the most professional groups, the possibilities of creating an integrated labour market similar to that found in successful industrial districts are limited. The formation of solid knowledge repositories and the transmission of innovative competences across firms and agents are less likely to take place in tourism destinations than in classical industrial districts. Particularly in those destinations with heavy seasonal fluctuations, labour markets are not really supportive.

As in other sectors, some tourism firms are attempting to loosen their boundaries and disperse their production, e.g. by outsourcing. Cleaning, maintenance and other activities are to some degree purchased from specialised firms (Hallam and Baum, 1996; Ioannides and Debbage, 1997), thereby creating new strategic relations. However, these novel interorganisational relations are not always local ones. For example, advanced developments in food and beverage products are completely dissociated from specific tourism destinations (Hjalager, 1999a). The recent technological developments in tourism seem largely to enhance centrifugal forces. Ultimately, destinations will become the site of the final delivery of the product, while R&D, sales functions and supplies production are relocated to head offices and specialised departments to other geographical areas, away from the delivery of tourism services.

Co-operative competition

One of the most paradoxical features of industrial districts is the coexistence of co-operation and competition. A range of firms target exactly the same markets, but are still able to share access to opportunities in various ways. Studies of industrial districts have not found any “laws” or written agreements to regulate disputes that might crop up among firms. Obviously, however, there are tacit behavioural models in operation that modify the pursuit of pure self-interest and “opportunistic behaviour”.

The search for the nature and origins of co-operative competition brings socialisation processes back to the economic sciences (Granovetter, 1985). Basically, all economic agents are members of groups, and their rationality is bounded by the norms and values of their groups. Firms in local set-ups are particularly dependent on the esteem of others in the peer group, and the cost of being expelled from a community is regarded as high. It is especially important to note that these ties are not only connected to market sharing; access to labour and finance can also depend on conforming to social norms. Accordingly, even if opportunistic behaviour turns out to be successful, the competition for strategic, local production resources can compromise the results.

Real family ties are often found to enhance co-operative competition (Kristensen, 1992). Spin-offs occur, and even employees start firms that, in many cases, resemble the mother firm. Assistance is offered on a temporary or permanent basis, so that these firms become members of an “extended family”. An entrepreneurial “ethos” pervades attitudes to newcomers.

Innovation networks, collaborative research and user-producer relationships are the focus of the most recent research on industrial districts (Bertuglia, 1997; Ratti et al., 1997). In all likelihood, proximity is a decisive factor for the success of innovative processes, as these rely on face-to-face communication. Tacit knowledge of the firms and their capabilities is embedded in the community, and cultural proximity facilitates a mutual understanding (Camagni, 1995).

“Free-riding” in tourism destinations has been widely discussed in the literature (Lundtorp, 1997). The sources refer to opportunistic firms which take advantage of common resources, but which do not contribute greatly to their provision. Shops, for example, benefit from tourism, but are generally reluctant to bear the costs of destination marketing. Tourism relies on public infrastructure and natural resources, but it is not clear to the individual firm that their use and maintenance depends on a collective effort.

Contrary to what is claimed in industrial districts, the regulation of competition in tourism destinations tends to be very explicit. Co-operative efforts are institutionalised in a way that makes up for the lack of tacit or moral agreement. Marketing alliances, for example, are not permanent, but have to be re-negotiated regularly (Middleton, 1988). Co-operation in tourist boards and trade associations relies on fixed agendas, and such bodies operate mono-functionally (Pearce, 1992). Many organisations lobby hard for advantages for their members, while leadership and responsibility for a more comprehensive development of a destination are less common (Greenwood, 1993). An extension of the influence of co-operative organisations or the creation of new institutions can be strongly disputed and resisted (Weiermair, 1999).

In a fragmented organisational environment, the initiative to mediate is often left to the public authorities. In recognition of the negative impact of fierce local competition vis-a-vis powerful purchasers, public authorities sometimes encourage the industry to meet and reduce critical incidents in the supply chain and to make higher bids for large contracts (Hall and Page, 1998).

Trust in sustained collaboration

In industrial districts, contracts between firms are incomplete, i.e. they have a tacit component. These contracts are embedded in a social fabric that compensates for the lack of formal explicitness, and are further enhanced by a geographical and cultural proximity which tends to reduce transaction costs. Trust among the firms is a basic and indispensable precondition for this. Trust can be based either on law or a moral imperative (Casson and Hox, 1997), and in industrial districts the latter is prevalent. Lorenz (1992) defines the state of an agent as: “an expectation of a manager that his (potential) business partner will not act opportunistically, even if he holds no power over him to ensure that he behaves”. Trust is connected to the perception of the risk of trading. Due to the existence of mutual trust, trade within the community is generally assessed by the enterprises as less risky than trade with outsiders.

Trust is nurtured through repeated face-to-face contacts among firms, in social as well as business connections. In business networks and associated institutions (trade associations, advisory services, research institutions, etc.), relevant information is conveniently accessible and cheap. Behaviour is regulated because there is an obvious risk that the flow of vital information will be disrupted in the case of dishonesty.

Trust is considered essential in day-to-day transactions, but is also regarded as critical for the long-term survival and restructuring of the local business structure. The point is that learning is based on the reliable experience of others rather than on certificated or coded public knowledge (e.g. patents, instructions, technical standards, etc.). In the case of uncertainty, business colleagues get in touch, and mistakes are not endlessly repeated. The introduction of new technology is reported to have benefited from managers' reciprocity; in Silicon Valley technological information seems to be regarded largely as the collective property of professionals (Lorenz, 1992).

However, radical technological changes that disrupt sources of information and interactive transmissive structures threaten mutual information flows, as, for example, shown by Glasmeier (1991) in the shift from mechanics to electronics in Swiss watch production.

We must acknowledge that tourism enterprises lack some of the stability needed for sustained collaboration (Hjalager, 1999b). Furthermore, the building of long-term trust is hampered by the rapid turnover of entrepreneurs, managers and professionals. The corporative logic of multinational airlines, hotel chains, etc., implies that career patterns are distinctly international and that organisational learning is therefore dissociated from the local environment (Jones and Lockwood, 1996). The building of personal ties to the local community is sometimes seen as a genuine disadvantage (Dunning and McQueen, 1982), and discouraged by head offices.

Free-riding in tourism destinations also somewhat undermines trust relations. The heterogeneity of firms as regards size, type and affiliation makes it difficult or impossible to hold common beliefs, values and goals in tourism destinations. In addition, as observed in numerous studies, attitudes to tourists and the tourist industry in a geographical space vary considerably (see, for example, Pizam (1978)), increasing the difficulties of converging goals for growth strategies, land use, building regulations, etc., in a community.

However, not all multinational units are equally dominating and alien elements in tourism destinations. Besides, many destinations are SMEs regions, where trust could, in principle, be sustained, since the firms operate within the same basic objectives. Throughout the world, many attempts have been made to establish local co-operative fora - and they may invite units of the multinationals to participate as well (Pearce, 1992). If experiences from the industrial districts are any guide, a long process towards denser collaborative structures can be expected, as common beliefs and values will have to be developed in a parallel process.

A “community culture” with supportive public policies

In industrial districts, an institutionalisation of auxiliary services is found to take place parallel to and closely interlinked with business networks. In some countries, the institutions are mainly public or semi-public, while in others trade associations, etc., have the main responsibility for the establishment and maintenance. The exact location of the provision of supporting services is of minor importance, the main thing is how the interaction between the providers and business units takes place.

The availability of dedicated training, education and R&D is what distinguishes industrial districts from other regions. Specialised financial services, technical advisory services, marketing organisations and exhibition facilities are also sometimes found to be based in collective organisations. In recent years, the business networks have been further strengthened through science and industrial parks (Geenhuizen, 1994). Many local authorities attempt to encourage spin-offs and entrepreneurship, e.g. based on the competencies of universities (Saxenian, 1994). Public institutions, e.g. hospitals, enter into development contracts and strategic outsourcing in order to promote the innovation capacity of the region’s private sector (Maskell et al., 1998).

Policies to establish industrial districts “from scratch” through the provision of various services have had limited success (Piore, 1990). Public or semi-public initiatives risk being isolated unless they are launched in close dialogue with businesses. Studies of industrial districts suggest that the complementarity of supplies is ensured through overlapping group membership and a big variation in the goals of partnerships (Danson and Whitman, 1998). Political leadership is interconnected with business leadership, including, for example, actions taken through membership of sports or religious organisations.

A very critical issue is the establishment and nurturing of common beliefs and values, and to make trust emerge over a long period of time (Sabel, 1991). Successful public leadership is often connected with support for upcoming “sunrise” sectors which are not already tied up in existing institutional structures. Examples include oil production in Western Norway, IT in Southern France and medical industries in the metropolitan Copenhagen area, where the public authorities have offered strategic alliances of crucial importance.

There can be many reasons for failure, which, unfortunately, studies of industrial districts seldom discuss in detail. Generally speaking, policies fail if the agencies do not have the power to influence the desired outcomes, or where it is difficult to establish compatibility between the

different levels of authority and ensure the flow of regulations and initiatives from them (Pyke, 1992).

If we turn to the tourism sector, public policies at the destinations are greatly concerned with the provision of physical infrastructure and land-use planning (Inskeep, 1994). The establishment of collaborative institutions with or without public participation can also be observed, though the main tasks of these are to ensure the marketing of the destination, and eventually to provide destination services for the tourists (Palmer and Bejou, 1995; Pearce, 1992). At the local level (and often also at the national level), there is some reluctance to intervene in the affairs of individual firms, an attitude resulting from the international tourism industry's plea for a general liberalisation (Elliott, 1997). Generally, the understanding of policy-making processes in tourism space is limited, and what is found is mostly based in power balance theories (Hall and Page, 1998) rather than in the subtle perception based on the industrial districts approach.

Inspired, perhaps, by the success of some industrial districts, some major tourism destinations are upgrading educational institutions in an attempt to supply the districts with R&D capacities (Richards, 1995). The integrative role and impacts in terms of trans-institutional leadership still have to be demonstrated and documented in greater detail, however. The increased emphasis on environmental issues is another factor challenging the role of public or semi-public agents. In the EU, for example, the local Agenda 21 directly encourages the launching of new institutional frameworks in tourism destinations. The actual effects of these new developments on the thickening of local collaborative structures and the building of trust have yet to be assessed.

Conclusions and research questions

In spite of the fact that the production and consumption of tourism services have obvious spatial features, tourism studies are conceptually isolated from important strands of economic geography. Geographical studies of the rise and fall of tourist destinations, economic integration or disintegration in such areas, and the conditions of planning and development are well known in tourism research, but studies find very little, if any, inspiration in the literature on industrial districts.

This paper demonstrates a conjunction of features in tourism destinations with those in successful industrial districts:

- a global market
- an SME-based economy
- a specialisation in one sector
- an extended vertical interdependence
- the existence of a numerical and functional flexibility
- some tendencies towards the establishment of supportive public and semi-public policies and institutions.

Factors which discourage a direct comparison of tourism destinations with industrial districts include:

- non-supportive governance structures
- the dependency of multinationals
- firms' free-riding behaviour
- the lack of stabilised collaborative structures that enhance trust and reciprocity.

It is also important to note that centrifugal processes make tourism destinations develop into delivery regions, while the chance to become "intelligent" and "innovative" is, at the same time, reduced.

There are obvious objections to this very crude conclusion. First and foremost, of course, all tourism destinations are not alike. There are significant variations in the composition of economic structures, public policies and the nature of demand which could and should be examined. Second, tourism destinations are communities that are constantly changing, some perhaps towards greater similarity with industrial districts, others in the opposite direction. The preconditions, processes and outcomes of change dynamics also need closer examination.

Over the past 15 years, industrial district research has collected information and repeatedly re-analysed cases, resulting in substantial empirical evidence. By contrast, a parallel research programme for tourism has hardly got off the ground, and most of the issues raised are not researched in any comprehensive way through other approaches either. Given the above reservations, of course, it is debatable how far tourism research can go using the industrial districts approach.

However, inspired by the literature reviewed, a number of intriguing research questions can be asked concerning the features and development processes of tourism destinations. These questions have not yet been the subject of comprehensive inquiry:

Features of a tourism district:

- What is the role of external collaborators and chain structures compared with local verticals?
- Can the division of labour and complementarity among SMEs in a region compensate for the absence of larger producers?
- Is there any evidence of collaborative competition and how is it performed in practice? What issues are covered, what issues are excluded?
- Do governance structures enhance the existence of industrial district features?
- What is the relationship between local/global collaboration and firms' economic performance?
- What is the extent and nature of flexibility, and, in particular, functional flexibility?
- What are the characteristics of inter-firm networks that operate either formally or informally, and who are the participants?
- What auxiliary services are available locally for tourism firms, and how are they utilised?
- What role do public and semi-public institutions play?

- Does the regional specialisation have a spill-over effect on the availability and qualifications of human resources?
- Does history and technological trajectories explain the state of collaborative structures in a tourism destination? Do inherited agricultural or manufacturing structures, e.g. location in a wine-producing district, facilitate the creation of tourism networks related to these structures?
- Etc.

Dynamics of a tourism district:

- What are the prospects for development and demand, and what is the local and global response to competition?
- Can specific innovations in tourism be attached to specific destinations? What kind of innovations? What collaborative structures are in operation? What is the importance of geographical proximity for the development of new products and production methods?
- What is the origin and impact of changes in governance structures?
- Given that IT and the Internet will probably be a major issue of further research, how does technological change influence collaborative structures in tourism destinations?
- What are the effects of public initiatives aimed at raising qualifications and R&D potentials?
- How big is the turnover and job tracks of managers and professionals in tourism, and how does that effect localised learning?
- Do all tourism destinations learn in the same way, or can variations be identified?
- How does the community cope with sudden external changes, e.g. decreasing demand or environmental problems? Are there differences in the coping strategies and capacities depending on whether the changes are radical or incremental?
- What kind of new firms are emerging, are they spin-offs, and what is their role in the economic structures and product verticals?
- Are there types of rigidities that particularly hamper the innovativeness of tourism destinations, even if other factors are favourable?
- Etc.

In the field of industrial districts, international research co-operation has (mostly, although sometimes incidentally) ensured the comparability of case studies, and continual conceptual development is taking place informally on a transnational basis (Bramanti and Ratti, 1997). Fortunately, this intensive interest has also fostered critics who help researchers avoid the pitfalls of “romanticising” (Amin, 1994).

It would be desirable for similar formal and informal research collaborations to be established in the field of tourism destinations, and for links to the industrial districts researchers to be generated.

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