LOCAL TOURIST SYSTEMS DESIGNED FROM THE TOP-DOWN AND DEVELOPING FROM THE BOTTOM-UP.
THE CASE OF THE DOLOMITES AND LAKE GARDA

Maria Della Lucia
University of Trento
Department of Computer and Management Sciences
eTourism Research Group
http://www.economia.unitn.it/etourism/

ABSTRACT

Law 135/2001, which deals with the “Reform of national legislation on tourism” recognizes the strategic role of tourism in the economic and occupational development of Italy, which is realized through the competitive growth of the tourist offering at the local, regional and national level. At a local level, the law identifies the tourist offering with the Local Tourist System, and defines it as the “homogenous or integrated context of tourism, comprising territorial areas that can belong to different regions, characterized by an integrated offering of cultural and environmental assets as well as tourist attractions, including typical agricultural products and local handicrafts, or by the widespread presence of individual or associated tourist enterprises” (Art. 5, paragraph 1). The Law acknowledges the importance of a systemic approach to the development of tourism, as outlined in the literature on Destination Management (Ritchie 1993; Laws 1995; Leiper 1995; Bieger 2000; Buhalis 2000; Keller 2000; Pechlaner and Weiermair 2000; Franch 2002) and on Local Systems of Tourist Offering (Rispoli and Tamma 1995; Casarin 1996; Tamma 1999; Della Corte 2000). In particular, the Law identifies the local tourist system as the geographic unit at which to define an integrated tourist offering and at which to manage the development of tourism in the territory and the entirety of the resources in the territory. In this sense the Law encourages an integrated development of tourism and provides public resources to finance Local Tourist systems and their related development projects.

The Law has not been applied systematically and homogeneously throughout the Italian territory. Neither does the concept of destination found in the literature on tourism help to define a precise geographic dimension that makes it easier to identify local tourist systems (Franch 2002).

In light of this normative and theoretical gap in the identification of local tourist systems, this paper uses the model of industrial districts to check for the presence of and to identify local tourist systems, and from among these to look for tourist districts. This model was designed initially for the study of industrial development (Becattini 1979 and 2000; Bellandi 1982 and 1987; Dei Ottati 1995; Sforzi 1987). Recently, however, some studies have noted and provided clarity on the connections between the industrial district and models of non-industrial local development (Bellandi and Sforzi 2003). With reference to tourism, the community models of tourist development (Murphy 1985; Kaspar 1995; Bieger 1998; Flagestadt and Hope 2001) show characteristics analogous to those typically found in local industrial development – spatial concentration, productive specialization, small size of
enterprises, and the local and community-based development (Pyke et al. 1990). This circumstance justifies the application of the industrial districts model to the study of local tourist development and also makes it possible to evaluate the ability of the model to identify local tourist systems, to analyze their productive structure and the relationships that form among actors within the systems.

The ability of the industrial districts model to identify local tourist systems has been implemented in two areas which are representative of the community model of tourist development: the Dolomite area in the Alpine provinces of Trento, Bolzano and Belluno, and the area surrounding Lake Garda.

The nature of the local tourist systems identified in the two areas is very different.

The tourist systems in the Dolomite area are natural economic systems that are spontaneously born of bottom-up processes that stem from the local social and cultural conditions found in the territory. The geographic dimension of the single system is limited to the Dolomite valleys, and the borders of the systems are established by social and economic relationships of the local community with the economic system. The strongly felt socio-cultural identity of some tourist systems (tourist districts) and the keen sense of belonging to the territory expressed by the population, have positive effects on relationships among actors and on efforts to coordinate systems. These socio-cultural factors generate a climate of mutual trust, a greater propensity towards collaboration and associations with other actors at every level of the tourism chain, as well as the development of automatic or spontaneous mechanisms to coordinate the system. As a consequence, the deliberated and informed management of the system tends to reproduce participatory forms of social interaction and to define strategies and objectives that look to a sustainable development of tourism, environmentally, socially and economically (Swarbrooke 2000).

The tourist systems in the area surrounding Lake Garda are characterized by a high concentration of small- and medium-sized enterprises specialized in offering tourist services, yet operating without a strong sense of local identity or attachment to the local culture. Operators thus work without this natural factor which could otherwise serve to aggregate and coordinate their business activities. Moreover, this area has a Local Tourist System carried out in response to projects for the development of tourist systems promoted and funded through the Law 135/2001. It is the result of a top-down initiative of integrated promotion of the Garda area, and comprises all of the local tourist systems identified through the district analysis. The Lake Garda system covers a large geographic area; it extends across regional borders and is defined by the geographic range of the activities of the actors, public and private, who have adhered to a project explicitly aimed at promoting tourism in the area (tourist marketing, branding, qualification of the offering, creation of infrastructure). This medium-term strategic project serves as an aggregating factor and as a tool for coordination of local operators in the face of the rather weak socio-cultural identity of the area and the limited propensity towards collaboration and fiduciary relationships of its actors.

The empirical research verified the ability of the model of industrial districts to identify local tourist systems in places where the territory represents a fundamental component of the development of tourism, its organization and processes to coordinate activities of local operators. In the Dolomites, where the dimension of the territory plays a key role, the industrial districts model can be applied in its entirety and used to recognize natural tourist systems and, from among these, tourist districts. In the Lake Garda area, where the territory plays a weaker or less significant role in development initiatives, the model can be applied only partially, nor is it possible to identify tourist districts.

1. THEORETICAL BACKGROUND
More than twenty years of academic literature and researches on themes of local development and productive systems of small- and medium-sized enterprises, recognizes the territory as the critical factor in the competitive advantage at the local level (Bagnasco 1988; Brusco 1989; Becattini 1989; Pyke et al. 1991; Porter 1998 and 1991; Saxenian 2002).

The territory as defined in the literature is more than a geographic space. It includes geography, social features, as well as local history and culture, all combined to foster a sense of belonging, identity, common language and cultural assumptions and shared processes of learning and division of labour.

The concept of external economies is used to describe the advantages coming from the territory and to explain the efficiency and competitiveness resulting from productive processes rooted in the territory. The concept refers to the advantages external to the firms themselves but within the local system where the businesses operate (Marshall 1966). The nature of these external economies is composite and heterogeneous in relation to the specific features of the territory (Signorini 2000: XXIII). Some economies are linked to the process of the division of labour – the local know-how, widespread processes of innovation, skills, access to information, and the development of complementary industries and subsidiary manufacturing and service activities, as well the endowment of infrastructure (Signorini 2000). Other economies are related to the civic tradition and the social capital of the territory (Bagnasco 1988; Becattini et al. 2000; Fukuyama 1994; Granovetter 1985; Putnam 1993).

The importance of external economies is that they have identified the culture of the territory as a strategic factor in sustaining local development over time. Insomuch as it is the result of historical and social processes evolving over a long period of time, the local culture represents a unifying and distinguishing factor that is not easy to reproduce in other contexts. Since cultural features are involved in determining how the local productive system is designed, it therefore influences how networks are established among local actors. Shared cultural bonds confer a greater sense of mutual trust and collaboration among businesses and favours forms of spontaneous coordination of processes for a division of labour at the local level.

At first the territorial dimension of development and the importance of the territory for the local competitive advantage were studied with respect to industry. Local development, in fact, initially meant a model of industrial development that was an alternative to the large, vertically integrated enterprise. Instead of a productive process fully integrated and coordinated within a single firm, the productive process is structured through the integration and territorial coordination of single small- and medium-sized enterprises, each specialized in a phase of the production process (Sforzi and Lorenzini 2002).

The theme of local development matures in the 1970s in Italy with certain reflections on the nature of industrial capitalism in some of its northeastern and central regions. This led to the rediscovery of the marshallian industrial district as a concept that was able to explain the development and competitiveness of systems made up of small, specialized firms (Bagnasco 1977; Becattini 1979; Bellandi 1982; Fuà 1983; Garofoli 1983; Brusco 1989; Pyke et al. 1991). In the late 1980s the theme of local development receives greater attention also at an international level with the affirmation of a new model of industrial production (Piore and Sabel 1984). It was then possible to recognize in these territorial forms of organizing production the new economic paradigm of flexible specialization based on the small enterprise (ibidem).
The territorial dimension of development is not limited to industrial production but can also be seen in the service sector, including tourism. The development of tourism represents a duality analogous to the one that in industrial development places the large, vertically integrated firm in contrast to local systems of small- and medium-sized enterprises. In particular, the literature on tourism makes a distinction between corporate and community models of tourist development (Murphy 1985; Kaspar 1995; Bieger 1998; Flagestadt and Hope 2001). The corporate models (organized tourism) are integrated and based on large enterprises, often multinational companies, that operate as intermediaries and also as direct producers of integrated tourist services. In these models, the territory constitutes mainly a set of natural, cultural and artistic resources to exploit for competitive purposes, while the local populations are not directly involved in managing the local productive process. Community models, on the other hand, are based on a multiplicity of locally owned small- and medium-sized enterprises specialized in offering tourist services and on the involvement of the local community in the coordination and management of the tourist offering. The territory is not only an intrinsic component of the productive process and a determining factor in its organization, but is in itself a tourist attraction and therefore an important component of the tourist offering. These analogies between community models of tourist development and local models of industrial development – i.e. spatial concentration, productive specialization and the small size of businesses – helps to place the community model within the larger framework of local development that is based on the territory rather than on the economic sector or firm (Becattini 1979). Local development of tourism thus becomes a form of local development that is manifested in service sector rather than in industry.

Local forms of tourist development are studied in the literature on Local Systems of Tourist Offering (Rispoli and Tamma 1995; Della Corte 2000) and on Destination Management (Ritchie 1993; Laws 1995; Leiper 1995; Bieger 1996; Buhalis 2000; Keller 2000; Pechlaner and Weiermair 2000; Franch 2002). The fundamental dimensions that this literature assumes for the analysis of local tourist development can be summed up in the concepts of destination, local offering system and destination management. These concepts refers respectively to the territory as the key element in development and in determining how this development is organized (destination), to the tourist offering – the goods and services – provided by the local system (offering system), and to the management of the offering system by integrating and coordinating activities of the various local enterprises (destination management).

In this sense, these dimensions of analysis define the systemic-managerial nature of the approach adopted in the literature to study local tourist development.

The systemic aspect refers to the ability of tourist destinations to present themselves as systems that can offer integrated services which are coordinated and distinguishable by their unique local origins. The managerial aspect has to do with the attempt to promote and define the best level of coordination and integration among the components of the destination that make up the local offering. Forms of governance must therefore be found that make full use of the local resources and culture. The nature of the form of governance along with criteria for establishing the borders of a destination, are as yet unresolved issues.

The need for a systemic approach to the study of local tourist development has been recognized at an institutional level through Law 135/2001 which reformed the national legislation on tourism. The concept of the Local Tourist System (LTS) which it introduces is intended to be used as an operative tool to pursue integrated forms of tourist development and to overcome the sectoral and geographic
fragmentation that is still widespread in Italy (Art 5, comma 1 of Law 135/2001 defines the Local Tourist System (LTS) as “the homogenous or integrated context of tourism, comprising territorial areas that can belong to different regions, characterized by an integrated offering of cultural and environmental assets as well as tourist attractions, including typical agricultural products and local handicrafts, or by the widespread presence of individual or associated tourist enterprises). The systemic approach is then associated with the term integration, meaning the involvement in local tourist development of a plurality of actors, starting from business owners whose products and services together make up the local offering, their associations or affiliations, along with local private and public entities involved or connected with any aspect of promoting or producing the offering (Art. 5, comma 2). In essence, the strategic collaboration among actors proves to be the critical condition making local tourist systems practicable and successful.

Given the strategic importance of this objective for the development and competitiveness of the national tourist offering and the integration of tourism with other productive activities, the Law encourages an integrated form of tourist development by using public resources to finance development projects for LTSs.

The Regions are charged with identifying local tourist systems. They can identify LTSs by establishing criteria that reflect the definition of LTS introduced in the Law. Regions can also recognize the development projects of local tourist systems, whether proposed by public or private actors or entities, that have specific goals, all within the framework of an integrated development of the tourist offering. The projects can focus on the processes of aggregation and integration among tourist enterprises, intersectoral and infrastructural activities for the requalification of the tourist and territorial offering of the destinations, and the processes of technological innovation and requalification of tourist enterprises, of the sector or of the territory (brands and certifications) (Art. 5, paragraph 4).

To this date the Law has not been applied systematically and homogeneously at the national level and has been met with criticism from operators and experts (Becheri 2003b).

On one hand, the problems stem from difficulties in interpreting the Law and from the variety of organizational models existing at the regional level. This has resulted in a number of different approaches adopted by regional governments to identify local tourist systems. On the other hand, criticisms refer to the risk of further complicating the organization of tourism within the territory. The LTS constitutes a new tool for organizing the territory, coming from the regional level, which is added to the already numerous local entities and organizations already active in the territory. The risk is that it will simply be superimposed on the territory without any substantive coordination (ibidem). The worst case scenario is that the LTS would become another in the long list of tools for territorial management that have been introduced in Italy in the last two decades but that have failed to achieve any tangible results. The reason for the failure of these tools stems mostly from the lack of consideration of the real needs of the territory and from the planning and imposition of these tools from the top down (ibidem).
2. A TERRITORIAL APPROACH TO IDENTIFYING NATURAL ECONOMIC SYSTEMS: THE INDUSTRIAL DISTRICT

The literature on tourist development and the legislation for the sector have left some unresolved issues, the most important of which are the identification within the territory of local tourist systems and the best forms of governance.

Neither the literature nor the legislation regarding the tourist sector provide guidelines or methods that can be used to systematically identify within a territory the areas to study or to receive public funding. The concept of tourist destination refers indistinctively to places that cover geographic areas of diverse dimensions and without precisely defined delimitations, and as such is not useful in identifying local tourist systems (Franch 2002). The tourist destination is an area made up of a series of services and products offered to the tourist during the vacation (Bieger 1998: 7). The criteria for implementing the law are affected by the specific features of the regions, and attempts to identify LTSs have thus far been sporadic and therefore not viable reference cases. The majority of these initiatives have been the result of a top-down approach, motivated by the possibility foreseen by the Law of receiving public financing for the LTSs identified, and moreover are aimed mostly at promotional activities. They do, however, embrace at least partially the spirit of the law regarding the creation of a broader and deeper network among tourist businesses and the integration of tourism with other productive activities.

The systemic approach adopted in the literature and by the legislation presupposes the coordination among actors within a LTS and implies the management of this coordination, meaning a series of strategic, organizational and operative decisions that make it possible to take full advantage of (define, promote and commercialize) the resources, products (tourist and non-tourist) and culture of the territory (Martini 2005). The theme of management refers to the best forms of governance to manage the system (Martini 2002; Tamma 2002). Issues yet to be resolve regard which and how many actors should be involved in managing the territory and which tools they should use to do so. There is not any single solution to the issue of governance and some indications can be found in the structure of the system, the nature and intensity of relationships that exist among the actors within the system and in the goals for tourist development and development of the overall economy pursued by the territory.

The inclusion of tourist development in the larger framework of local development (i.e. local tourist development is a form of local development that is manifested in tourism rather than in manufacturing) makes it possible to identify in other studies the concepts and tools that can give indications for further study and reflections on the themes and issues surrounding the development of tourism.

In the study of industrial economics, the industrial district is the main model to analyse industrial development based on the territory rather than on the sector or firm (Becattini 1979, 1987 and 1989). The territory is the key to understanding the model and a prerequisite for its interpretive efficacy. The centrality of the territory means that its history (productive traditions), culture and the local society become a fundamental component of the local productive process and of the way in which this process is organized and coordinated. The local systems that the district analysis identifies are therefore natural economic systems that are born spontaneously within the territory in the presence of social and cultural conditions that converge to make it possible. The strength of the model resides in its
adherence to the territory and in its ability to understand and interpret the conditions within the territory (Becheri 2003: 14)

If the territory is a fundamental factor in development, the industrial districts model is also an effective tool for interpreting forms of local development that are not industrial (i.e. tourist development). Where the role of the territory in development is weak or absent, the interpretive efficacy of the model is partially or greatly hindered (cfr. infra).

In addition to the territory, the industrial districts model is also useful in analyzing the other two key dimensions that the literature adopts in the analysis of local tourist development – the product and management. The product refers to the productive chain which is made up of phases in which the population of small- and medium-sized enterprises in the industrial districts are specialized (Marshall 1966). The articulation of the production chain of the district into a wide range of sub-industries and subsidiary industries allows it to encompass the variety of components of the tourist product and of the tourism chain. Management is linked to the mechanism for coordination of the district (i.e. Mercato Comunitario; cfr. Dei Ottai 1987) which combines the propensity towards spontaneous adaptation and projects for coordination defined in agreement among the economic categories and the local government (Dei Ottati 2001). This mechanism makes it possible to deal with issues of coordination and governance of the LTS.

In adopting the industrial districts model it becomes possible to borrow from the literature and empirical research on industrial districts those concepts, methods and tools which, once appropriately adapted, can be useful in identifying local tourist systems within the territory and also in analyzing their productive structures and relationships that exist among actors within the system.

As for their partial or complete application, the local tourist systems that are identified using the model can be spatial concentrations of small- and medium-sized enterprises specialized in offering tourist services or tourist districts. Tourist districts are further characterized by the presence within the tourist system of a social environment which is typical of a district insomuch as it is oriented towards cooperation, collective fiduciary relationships and the spontaneous integration of the local division of labour. The underlying factors in this environment are historical and cultural conditions which facilitate the development of these district characteristics.

3. METHODOLOGICAL IMPLICATIONS: NOTES

The research method used for this paper reproduces, with the necessary adaptations and original additions (cfr. infra), the official procedure used by Istat (National Statistics Institute) for the classification of the national territory into district and non-district areas (Istat 1997; Sforzi 1991). The validity of the method is confirmed by the mapping and classification of local tourist systems in Italy realized and published by Istat after the conclusion of the case study in the Dolomites.

This section briefly presents the conceptual framework wherein the research method was developed, along with some useful reflections regarding the results emerging from the field research.

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1 For a more detailed study see Della Lucia 2006 and for a more in-depth look at the quantitative and qualitative aspects of the model, see Della Lucia 2005.
The application of the industrial districts model translates operatively the key words in the definition of industrial district proposed by Giacomo Becattini (Becattini 1979). They are the components of the industrial district: the productive system, the local community and the strong relationships that exist between the productive system and the local community. The strong ties between the economy and society are the distinctive feature that qualifies an area as an industrial district (or tourist district) with respect to other local productive systems (LTSs), and that defines the borders of the district in which the people live and work.

The standard description that the literature gives of the typical productive structure of industrial districts (Becattini 1987) includes spatial concentration, high numbers of small- or medium-sized enterprises specialized in only one or just a few phases of the productive process existing in the territory (production chain). The production chain is made up of firms selling whole products, firms that offer products or services that correspond to one or more phases of the process, and of subsidiary firms that carry out different service, at the beginning or end of this chain.

The socio-economic structure is the result of the strong ties between the economy and the local society and is the distinguishing feature of industrial districts. The idea is that a continuity exists between the local community and the productive system and that the characteristics of the social relationships (sense of belonging, spontaneity, mutual trust and collaboration) are transferred to economic relationships and to the coordination of productive activities by virtue of this continuity. For their part the characteristics of social relationships are rooted in the local culture and social capital which is made up of a collective identity, shared cultural assumptions, common languages and tacit knowledge.

The geographic space and borders of the industrial district are therefore established by this sense of belonging to the territory in which these close socio-economic relationships develop. In operative terms, the identification of the industrial district requires the definition of a tool that is able to approximate the space in which these socio-economic dynamics play out, which does not necessarily coincide with the administrative borders of the area (municipalities and provinces). In Italy this tool is the Local Labour System (LLS) and is the result of a rigorous procedure periodically applied to the territory by Istat (Istat-Irpet 1986; Istat 1997; Sforzi 1997). The LLS is a series of neighbouring municipalities, aggregated in relation to the daily commutes of the resident population for work reasons. The idea is that the sense of belonging to the territory and the socio-economic relationships express themselves for the most part within the area where the population lives and works. The LLSs approximate the local economic systems in which it is then possible to study the phenomena of local development (Bacci 2002).

In light of these considerations, applying the industrial districts model to the study of local tourist systems implies analyzing the productive and socio-economic structures of the LLSs in the area covered, referring specifically to the phenomenon of local tourist development.

The empirical analysis was conducted in two tourist destinations in northeastern Italy: the Dolomite area of the provinces of Trento, Bolzano and Belluno and the area surrounding Lake Garda. This choice was informed by the representativeness of the two areas of a community-type development of tourism, the importance of tourism for both areas in terms of number of businesses in the sector and numbers of incoming tourists, their notoriety both nationally and internationally and the tendency

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2 Becattini defines an industrial district as “a socio-territorial entity which is characterized by the active presence of both a community of people and a population of firms in one naturally and historically bounded area. In the district, unlike in other local systems, community and firms tend to merge” (Becattini 1979).
towards homogeneity on one hand and variety on the other of the tourist offering produced in each
destination (i.e. the presence of a tourism chain based on the mountains and on the lake respectively).

The analysis of the productive structure is an adaptation of the official procedure used by Istat to
classify the national territory into district and non-district manufacturing areas (Istat 1997; Sforzi 1991). Quantitative tools were used to identify the tourist systems in the areas covered in the study and to analyze their productive structure in order to identify the characteristics of a district that they have. Also taking place at this level is the definition of the businesses which make up the tourism chain in the Dolomites and Lake Garda (Smith 1988; Costa and Manente 2000; Bacci 2002; Provincia Autonoma di Trento 2002 and 2003), the analysis of business size (Becheri 2003a; European Commission 2003; Franch et al. 2005), the study of productive specialization and spatial concentration (Istat 1997; Sforzi 1997a; Cannari and Signorini 2000; Signorini 2000; Iuzzolino 2004).

The analysis of the socio-economic structure is an original addition and consists of a qualitative field study of the relationships among operators in tourist systems (Dei Ottati 1987; Franchi and Reiser 1991). This analysis makes it possible to identify tourist districts from among the tourist systems in the two geographic areas studied.

The analysis of relationships was conducted on a sampling of hoteliers and a selection of territorial
tourist entities. The choice of these two categories is justified by their importance as actors in the
majority of relationships that exist in tourist systems, thereby making them representative of the
relationship dynamics. In-depth interviews were conducted to study the nature and intensity of the
relationships that these groups form with the other operators. A specific analysis was undertaken of
some typical characteristics of district-type relationships – identity, sense of belonging, mutual trust
among actors, cooperation, integration of the division of labour – with respect to five relationship
profiles: relationships within the firm, with the territory, among enterprises operating in the same
phase or in different phases of the tourism chain, with institutions and with the external environment
(Dei Ottati 1987; Franchi and Reiser 1991). These profiles come from the Sociological Model of the
Community, which interprets in a not exclusively economic key the relationships among actors and
among enterprises within the district (ibidem).

4. SUMMARY OF THE MAIN RESULTS OF THE EMPIRICAL RESEARCH

The empirical research conducted in the Dolomites area of the provinces of Trento, Bolzano and
Belluno and in the Lake Garda area was developed at two levels, the first quantitative and the second
qualitative (cfr supra).

The first level of analysis made it possible to identify the local tourist systems in the two areas (20 in
the Dolomites and 7 near Lake Garda), to analyze their productive structures and to select those
systems having a district-type economic structure. At the second level it was then possible to identify
the tourist districts, where relationships among actors show the same characteristics of relationships
present in industrial districts.

3 The hotel sector has a strong relative weight in the tourism chain in terms of employment, tourist spending and the activation of
consumption within the system (Bacci 2002; Valdameri 2002). The territorial tourist organization plays a fundamental role in disseminating
information about, promoting and commercializing tourist products.

4 The interviews were administered to a sampling of hotels stratified according to geographic criteria. Of the 123 interviews conducted with
hoteliers, 43 were in the Dolomites and 80 in the Lake Garda area. Interviews also took place with territorial entities that are institutionally
responsible for tourist promotion, development of the territory and coordination of local operators.
The tourist systems of the two areas present the characteristics typical of local industrial development (Pyke et al. 1990) and common to those of community models of tourist development (Murphy 1985; Kaspar 1995; Flagestadt and Hope 2001): spatial concentration, productive specialization, small business size, the local nature of development and the consequent endogenous benefits from it.

The productive structure of the systems shows characteristics of agglomeration and fragmentation at all levels of the tourism chain. Firms are numerous, single entities of small (up to 10 workers) or medium size (up to 20 workers), often family-run and mostly partnerships. In both areas, in fact, over 95% of the firms in the tourism chain have fewer than 20 workers and the percentage of small enterprises is higher than medium-sized enterprises (over 85% of businesses have fewer than 10 workers). As for the hotel sector of the tourism chain, in the Dolomites the percentage of small hotels is higher than in Garda (88% vs 73%). The percentage of hotels of small and medium size is at any rate very high: 98% in the Dolomites and 93% in the Garda area. The small size and family-based ownership of these firms leads predominantly to informal organizational structures and management styles. Precisely defined roles are often lacking and where they exist the hierarchical structure is simplified and roles are based on the competencies and skills of family members. The business owner who is also head of the family tends to occupy various business functions and roles, whether managerial or operative. This productive structure offers the advantages of flexibility, personalization and geographic characterization of the offering but also the limitations of such simplified organizational structures, as well as scarce opportunities for innovation and a tendency towards individualism.

In both areas studied, tourist development originated locally and has a long history (Leonardi 2003). Early initiatives date from at least the beginning of the last century, which is defined as the pioneer stage of tourist development in the Alps (Weiermaier 2002) and are examples of the spontaneous professionalization of the local community in tourist businesses in response to the first forms of demand and the opportunity to provide additional income (Nocifora 2001: 50). These initial experiments evolved into businesses which were more aware of the value of the local resources and of other local features that could be attractive for potential tourists. These operators have tended, however, to maintain the distinguishing features of the original entrepreneurial spirit and reliance on the family as the source of labour, without taking into account the economic return represented by its members (Bagnasco 1979). Business initiatives therefore grow out of mechanisms of continuity and imitation of business practices, all phenomena that develop within the extended family and from friendships and direct acquaintances in the community. Indeed, the larger part of local communities in villages and entire valleys is involved in tourism. Ownership of the tourist structures and infrastructure and the control of capital is mostly local, with the consequent endogenous benefits for the entire community either directly or indirectly. This occurs directly through the growth in income coming from tourism and indirectly through the increase in household consumption of local residents.

The sustainability of this development over time nonetheless requires that the endogenous benefits of tourism and local control of capital be combined with safeguards on natural resources and on local society (Swarbrooke 2000).

The productive structure of the two areas is based on different resources: mountains and a series of related attractions in the Dolomites, the lake and related attractions in Garda. Within each area the offering of the tourist systems tends to be both homogeneous and diversified. Some systems provide mostly basic tourist services (accommodations, restaurants, sports, recreation, cultural and commercial
activities, transport and intermediation) (i.e. non-integrated tourist systems: tourist systems). In others, the specialization in tourist products and services is combined with agricultural and manufacturing businesses which are part of the local productive tradition (i.e. integrated tourist systems: tourist-agricultural systems and tourist-manufacturing systems) (Figures 1 and 2). In non-integrated tourist systems, the tourist sector is the engine of the local economy while in integrated tourist systems it is one component of a diversified economic structure.

Both categories of system have, to differing degrees of intensity, the integrated tourism that the legislation was intended to promote. The tourist systems express potentially the integration of a plurality of various tourist services; the integrated tourist systems also have the potential integration of tourism with other productive activities within the territory. However, the presence of both tourist activities and a series of businesses that can potentially complement the tourist industry does not in itself mean that collaborative relationships exist among actors within the system. Nonetheless the conditions are present for such social environment to form, through repeated direct contacts, which is favourable to the integration of the territorial offering.

**Figure 1** – Local tourist systems in the Dolomites. Classification based on the composition of the tourism chain and on the levels of concentration and specialization of businesses.

![Figure 1 – Local tourist systems in the Dolomites. Classification based on the composition of the tourism chain and on the levels of concentration and specialization of businesses.](image-url)
As for its morphological characteristics, most systems in the Dolomites are specialized in tourism, followed in numbers by systems specialized in both tourism and agriculture, where fruit and other agricultural products are cultivated in addition to the tourist services provided. In the Garda area, the favourable climatic conditions lend themselves to a prevalence of tourist and agricultural systems, of which olive and olive oil production are prime examples of local products.

The degree of spatial concentration and specialization in tourism of the businesses makes it possible to select, from among all the tourist systems identified, those having a *district-type economic structure*. The tourist systems that best match the standard description found in the literature regarding industrial districts (Becattini 1987) are those that have the highest levels of concentration and specialization in the tourist sector (i.e. *district systems of the first and second type*) (Figures 1 and 2). These are systems where specialization is predominantly in tourist products and services and where tourism constitutes the driving sector of the local economy. In the Dolomites, these systems coincide with the territory that covers for the most part the Dolomite mountain group. This natural resource has a positive influence on the district-type characteristics of high specialization and concentration of tourist businesses.

**Figure 2** – Local tourist systems in the Lake Garda area. Classification based on the composition of the tourism chain and the levels of concentration and specialization of businesses.

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5 Based on a decreasing level of specialization in tourism (Cannari and Signorini 200), five classes of systems have been identified: district systems of the first type, district systems of the second type, quasi-district systems residual systems and non-district systems. The tourist systems with a district-type economic structure are found in the first and second classes.

Source: *our elaboration*
The mapping and classification of the local tourist systems completed by Istat after the conclusion of the case study of the Dolomites confirms the validity of the method and of these initial results. Despite some procedural differences between the Istat study and the research conducted for this paper, the borders of the tourist systems, the type of productive structure of the systems and their specialization were found to be substantially the same as was found for the areas covered in the analysis described here.

The second level of analysis is an original contribution of this paper and made it possible to identify the tourist districts, meaning the local tourist systems that also have a social environment which is typical of that found in industrial districts as such is oriented towards cooperation, collective fiduciary relationships and the integration of the local division of labour.

Three tourist districts were identified in the Dolomites. These are systems that have the highest level of district-type characteristic in their productive structures and where there is also a strong sense of ethnic, cultural and linguistic identity. These systems coincide with the Dolomite areas that are historically of Ladino language and culture (Verra and Rabanser 1997; Delai and Marcantoni 2005).

No tourist districts were found in the Garda area. The Garda tourist systems are characterized by a high degree of spatial concentration of small- and medium-sized enterprises specialized in tourist services, yet by the relative absence of the characteristics of the local relationships among actors typical of districts. Moreover, in the Garda area a Local Tourist System (STL) is present, having been identified in order to implement the projects to develop tourist systems foreseen and financed through Law 135/2001. This system is the result of a top-down, inter-regional initiative to promote an integrated tourist offering in the Lake Garda territory and includes all of the local tourist systems identified through the district analysis.

The nature of the local tourist systems of the two areas is therefore very different, even though the analysis of the five relationship profiles found some common characteristics between the systems (Franchi and Reiser 1991). The decisive profile is the one dealing with relationships with the territory insomuch as it represents the prerequisite on which the interpretative efficacy of the industrial districts model is based.

The profile of relationships within the firm confirms the characteristics of the productive structure that emerged in the first-level analysis: a concentration and fragmentation of productive activities, the prevalence of partnership firms, informal organizational structures and management styles centred on the family, as well as the local nature of tourist development. With respect to the Dolomites, the Garda area has a higher accommodations capacity (over 50% of hotels have over 30 rooms while in the Dolomites over 65% have fewer than 30), a single season (summer) instead of the double season in the Dolomites (summer and winter) and a higher number of individually-owned enterprises (20% instead of 15% in the Dolomites) and capital companies (16% instead of 7%).

The profile of relationships with other enterprises in the tourism chain reveals a competitive dynamic that tends towards loyalty and is oriented towards improving the quality of the offering and long-term fiduciary relationships with providers. In the Dolomites the aptitude for collaboration among local actors is more widespread than in the Garda area, but in both places relationships are still relatively unstructured and engaged in mostly for operative activities.

The relationships with institutions showed the preferential relationship that tourist operators tend to have with the territorial tourist organizations and with consortia and tourist associations in relation to
their role in promoting the tourist offering. The operators request that they play an even greater role in the processes of coordination, integration and promotion of the offering.

From the profile of relationships with the external environment it was found that the operators prefer direct promotion and commercialization activities, whether on line or off line. The preferred channels of intermediation are sectoral associations and local consortia. In the Garda area the intermediation of large travel agencies and tour operators is more frequent than in the Dolomites.

The profile of relationships with the territory is what differentiates the two areas the most. This profile also has a series of effects on the other relationship profiles that amplify these differences. In a more marked and widespread way in the Dolomites than in Garda, the operators show a strong sense of belonging and identification with the territory and indicate that they consider themselves part of the local community. In the Dolomites this sense of belonging is linked in most cases to a circumscribed territory – the village, valley, part of a valley or a specific area of the Dolomites – while in Garda this territory is much more extended, coinciding for the most part with the entire area surrounding Lake Garda. Thus while a strong sense of community exists in the Dolomites, this feature is lacking, or at least much weaker, in the Garda area. In some Dolomite tourist systems the identification and sense of belonging have a socio-cultural and linguistic value, identified with the Ladino ethnic groups in some areas. In Garda the sense of community among actors manifests itself mostly in the professional sphere and concerns the similarity of business size and management style.

These deep differences have an impact on the nature and intensity of relationships among operators within the systems. The strong sense of territorial or socio-cultural identity in some Dolomite tourist systems has positive effects on the levels of trust and collaboration among the actors. These effects are transferred from social relationships to economic relationships and to the process of coordinating the systems, thereby producing positive differentials for the competitive advantage of these systems and for the performance of single enterprises. The virtuous processes that the strong socio-cultural identity of some systems helps to activate, qualifies them as tourist districts in the Dolomites. They coincide with the Dolomite areas that are historically of Ladino language and culture (Verra and Rabanser 1997; Delai and Marcantoni 2005). In Garda, the territorial role in promoting and sustaining development is more fragile and is as yet unable to activate similar processes.

Therefore, in the Dolomites the district analysis makes it possible to identify natural economic systems in which the territory was able to produce the social and cultural conditions necessary for the birth of tourist systems through a bottom-up process. The geographic size of the single systems is circumscribed by the Dolomite valleys and the borders of systems are established by the social and economic relationships between the local community and the economic system. The strong socio-cultural identity of some tourist systems (tourist districts) create a climate of trust, a widespread propensity towards collaboration and forming associations at every level of the tourism chain, as well as spontaneously developed mechanisms to coordinate the system. As a consequence, the informed forms of management of the systems tend to reproduce participative modes of social interaction and to define objectives for sustainable development of tourism (sustainable in environmental, social and economic terms) (Swarbrooke 2000). While the territorial tourist organization plays an active role in processes of coordination among operators in any local tourist systems, in tourist districts some distinctive features are worth noting. In tourist districts the tourist organization exemplifies a model of broad participation among diverse operators of tourist businesses. It implies the involvement of operators in the decision-making processes and their financial contribution for shared projects. On one
hand this model ensures that collective interests will be pursued and on the other it helps to foster an entrepreneurial culture and approach to tourism.

In the Garda area the district analysis found mostly geographic concentrations of tourist businesses motivated by the desire to take advantage and enhance the value of the natural resources (the lake as the most important resource and a series of attractions nearby or somehow connected with it). The sense of belonging in the Lake Garda tourist systems is not linked to a circumscribed territory, as in the Dolomites, nor there is a strongly felt socio-cultural identity that works naturally to aggregate the local operators and coordinate their activities.

The identification of the Lake Garda Local Tourist System, by implementing Law 135/2001, indirectly confirms these findings. This exemplifies a top-down process of aggregation and coordination of the territory that is carried out through a project to promote an integrated tourist offering in the Garda area. The project was conceived in 2003 through an agreement among the provinces of Brescia, Trento, Verona and Mantova and involves the Consortia of Lake Garda, the relative municipal, provincial and/or regional administrations, and the most important businesses and institutions in these areas (sectoral associations, consortia, chamber of commerce, ...). The system encompasses a large geographic area; its borders cross regions and are defined by the geographic range of activities of the actors, public and private, who adhered to a medium-term strategic project. The aims of the project are touristic marketing, the promotion of an integrated offering and its quality evaluation, the development of a brand and the creation of infrastructures favourable to tourism. In this sense the borders of the tourist system can potentially be modified as participants and the aims of the project as originally laid out change.

In the Garda area, in particular in the areas of greater concentration and specialization of tourist businesses, the in-depth interviews found positive reactions and a general consensus regarding the benefits of realizing joint initiatives and promoting the Garda tourist offering, even if done by entities from outside the area. In this sense, it becomes clear that the operators are unaware that such an initiative has been ongoing for some time since the constitution of the Garda Local Tourist System. This situation is probably the result of a greater emphasis on and resonance of objectives surrounding touristic promotion for the territory rather than to aims for its internal integration.

5. CONCLUSIONS

The empirical research conducted in the Dolomites areas of the provinces of Trento, Bolzano and Belluno and in the Lake Garda area has confirmed the interpretive abilities of the model of industrial districts in cases where the territory is a fundamental component in the development of tourism, its organization and in the processes of coordination among businesses.

The model could be applied in its entirety in the Dolomites, where it was possible to identify tourist districts, but only partially in the Garda area.

In both areas, the model makes it possible to identify local tourist systems and from among these to select those systems that have a district-type economic structure defined by its highest levels of specialization and concentration of enterprises producing tourist products or services. The validity of the methodological approach and of these initial results are confirmed by the corresponding mapping and classification of local tourist systems produced by Istat for these areas.
In the Dolomites, the strong socio-economic identity and sense of belonging to the territory lead to the identification of natural economic systems, which have their full expression in tourist districts. The tourist districts in the Dolomites coincide with territories which are historically of Ladino language and culture. This finding verifies the validity of the methodological approach insomuch as it confirms the centrality that the literature on industrial districts gives to socio-cultural factors in the birth and development of a district (Bagnasco 1988).

In the Lake Garda area the weak sense of socio-cultural identity and belonging to the territory do not foster strong fiduciary and collaborative relationships among actors, nor spontaneous processes of business coordination. The logic in which a plurality of small- and medium-sized enterprises specialized in tourism is aggregated and coordinated within a Local Tourist System responds principally to economic aims and criteria rather than socio-cultural factors, and instead of being an active player, the territory serves mostly as the geographic area where these activities are carried out.

These results provide material for some observations regarding the issues that the legislation and literature have left open, and which were the starting points for this study.

The application of the industrial districts model to tourist development presented in this paper, and the underlying logic and operative procure that it implies, could provide some indications regarding the possibility and the ways to identify Local Tourist Systems introduced by the Law 135/2001, this also in light of the problems surrounding the application of the law. In particular, this procedure could serve as a preventive analysis to check for the presence in the territory of natural tourist systems and therefore to suggest the adoption of either a bottom-up or a top-down approach in order to recognize the tourist systems.

In contexts where natural tourist systems were found, the identification of local tourist systems seems superfluous or even damaging for the tourist economy (Becheri 2003: 14). On one hand it risks superimposing another organizational layer upon the already existing entities and actors within the territory, thereby creating confusion in terms of competencies and an inefficient use of resources. On the other it risks confining a natural system to a rigid institutional pattern.

The natural tourist systems have launched on a path of developing and presenting their resources and local tourist products on the market (from conception of the product to its commercialization on the market) through processes in part spontaneous and in part arranged together with sectoral associations, local tourist organizations and institutions. The empirical analysis found that these are destinations that not only have a large endowment of natural resources which lends itself to high levels of concentration and specialization in tourist enterprises, but they also have a strong local culture and identity. Because the processes developing and increasing the value of the territory are facilitated by the local culture and social capital, this process therefore enhances and even safeguards the identity, uniqueness and traditions of the territory. Therefore they become distinctive traits of the tourist offering and represent the value behind local, regional and destination brands.

In contexts where it is not possible to identify natural tourist systems, but where there is a concentration of enterprises specialized in offering tourist services but which do not adhere to a local development project, whether implicit or formally organized, the LTS could make some contributions. In particular, the group of projects to develop local tourist systems aimed at specific objectives could reap some benefits from their use. The project to promote the integrated tourist offering in the Lake Garda area is one example. The presence of public incentives could motivate actors towards greater
aggregation on specific activities or projects and as such create the basis for broader forms of collaboration. The initiative for the realization of these projects could start with the local territory, thereby increasing the possibility of success for the projects since the local territory is generally better at understanding and expressing its needs rather than having them from projects dictated from above. In tourist systems which are less well known and do not have a famous brand, the realization of a project to promote tourism could be the right time to reflect on a distinctive name and logo for the territory (Cento Studi TCI 2003: 4). The Dolomites and Garda area have a long history of tourism and a national and international notoriety to the degree that the mere words “Dolomites” and “Garda” have become brands that are sufficient to represent the two destinations. Local tourist systems within the destination can still have their own brands that operate together with the general territorial brand. This shows and promotes their uniqueness within the destination, especially for the internal market.

The prospective for the study of local tourist development presented in this paper leads to the conclusion that in the areas where natural tourist systems exist the identification of local tourist systems is as yet an opportunity waiting for further exploration, possibly implemented in the more flexible and non-institutional framework. In areas where natural tourist systems are not found, projects designed with specific targets for integrated development of tourism seem more effective than identifying LTSs through initiatives imposed from above.

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