LOCAL DEVELOPMENT IN THE TOURIST SECTOR. 
THE APPLICATION OF A MODEL TO ANALYZE 
INDUSTRIAL DEVELOPMENT

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ABSTRACT
The study of the governance of tourist destinations – understood as the management of the offering system – presupposes the delimitation of the boundaries of tourist systems. The spatial identification of such systems becomes even more necessary when they are the object of normative recognition and incentive policies. In Italy, the Law 135/2001 for tourism reform provides for public financing of projects for the development of local tourist systems, but does not establish a method to determine which areas are eligible for funding. This paper uses the model of industrial districts to identify the spatial areas and to analyze the local tourist systems as a necessary preliminary step in the study of the management of destinations. The industrial district is the principal model for the study of local development in the industrial sector, but is also an effective tool to interpret forms of development in the service sector, this on the condition that the territory represents an essential component of the productive process and of the way in which the process is organized. The case study conducted in the alpine area of the provinces of Trento, Bolzano and Belluno is an empirical evaluation of the application of analytical categories, methods and tools able to identify and measure tourist systems that have the features of a district.

1. INTRODUCTION
The Law 135/2001 known as the “Reform of national legislation on tourism” recognizes that this sector has a strategic role in the labour market and overall economic development of the nation, realizable through a competitive growth of the offering of the tourist system at a national, regional and local level. At the local level the law identifies the offering system with the Local Tourist System and defines it as the “homogenous or integrated context of tourism, comprising territorial environments that belong even to different regions, characterized by the integrated offering of cultural and environmental assets as well as tourist attractions, including typical agricultural and locally made
The importance of the law is twofold. It recognizes in the local tourist system the geographic unit within which to conceive and manage the tourism development of the territory and its resources. It also recognizes the opportunity to manage this system using an integrated approach in that it makes it possible to realize network economies outside of the single enterprises but within the system they belong to, and also to realize gains in productivity for the entire system. For this reason the law encourages the integration of tourist systems, allocating public resources to finance projects aimed at overcoming the sectoral and geographic fragmentation of local tourism development.

The means that these projects use to pursue the objective of integrating tourist systems and increasing competitiveness are numerous and varied. They 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). The most useful tools for guaranteeing an integrated management of the systems from a perspective of competitiveness and sustainability of tourism development are nonetheless not the same for all systems. A correct identification of the most appropriate tool depends on the structural characteristics of each system and on the relationships that exist among its actors.

The spatial identification and analysis of the social and productive structure of tourist systems constitutes a preliminary condition for further study of the issues related to the management and competitiveness of the systems. The research for this paper takes place in this context. It aims to take from the literature and existing empirical research on industrial districts some methods and tools which, when adapted appropriately, can be of use in identifying and analyzing local tourist systems.

The normative and the literature from the tourist sector are not so useful to pursue these aims. While the Italian law provides for public financing of projects aimed at the integrated management of local tourist systems, it fails to establish a method for recognizing areas within the national territory that are eligible for funding. In the literature on tourism, the concept of destination is used indifferently in reference to places that have geographic scales of diverse dimensions and for which extension is not immediately nor precisely identifiable (Franch 2002).

The validity of the methodological approach taken in this paper and of the results coming from the empirical research conducted in the northeastern Italian alpine provinces of Trento, Bolzano and Belluno is confirmed by the mapping of local tourist systems in Italy set forth by the National Institute of Statistics (Istat) and made public upon the conclusion of this research with the press release of 21 July 2005 (http://www.istat.it/salastampa/comunicati/non_calendario/20050721_00/).

2. A MODEL TO ANALYZE THE DEVELOPMENT OF TOURISM

Local development represents an alternative model of industrial development to the large, vertically integrated enterprise. It is based on the spatial concentration of a plurality of small- and medium-sized
independent enterprises specialized in one productive process; through the integration and coordination of the division of labour they are able to gain advantages in terms of efficiency and productivity.

The theme of local development matured in the context of studies and reflections on industrial development in some central and northeastern Italian regions after the Second World War. It also arose during the late 1980s in the international debates regarding new forms of industrial organization led by rapid changes in markets and new technologies (Bagnasco 1977; Fuà 1983; Garofoli 1983; Brusco 1990 and 1989; Piore and Sabel 1984).

The Italian economy has focused the widespread presence and competitiveness of local systems of small- and medium-sized enterprises specialized in one industry and that have intense and unique socio-economic links with the territory where they are located (Bagnasco 1977; Pyke et al. 1991). The contemporaneous crisis of the Fordist model, made it possible to recognize in these territorial forms of organizing production a new economic paradigm of flexible specialization based on the small enterprise (Piore and Sabel 1984).

In the debate on the transformation of the modern economy, the efficiency and competitiveness of the small enterprises is explained through the concept of external economies connected to productive processes that are geographically concentrated (Marshall 1966). They represent the advantages (growing revenues) of spatial concentration and of sectoral specialization, external to the individual firm but within the local system it belongs to. The nature of these external economies is a complex grouping of technological, together with economic and social-institutional factors (Signorini 2000: XXIII). These economies include technological spill over and other forms of local transmission of information, thick market externalities related to the development of complementary industries and subsidiary manufacturing and service activities, the direct effects of the presence of infrastructures and of cultural models and social behaviours. The proportions in which these factors are combined depends on the type of localized model. In the case of local Italian development (industrial districts), the literature on districts identifies a specific form of externality in the social capital, meaning the existence of fiduciary relationships and of collaboration based on productive specialization and on shared values and local identity (ibidem).

The model of local development makes it possible to affirm that achieving economies in production does not depend so much on the size of the single enterprise but on the way in which production is organized at the local level and how it interacts with the surrounding social and productive environment. In other words, the economies reached by the small enterprise should not be evaluated apart from its socio-economic relationships with the sector and with the territory where it is located (Sforzi and Lorenzini 2002).

Empirical evidence has revealed that over the course of the 1980s the Italian economy has undergone a process of expansion of the tertiary sector that has preserved the characteristics typical of Italian industrial development, that is, a predominance of systems made up of small enterprises (Sforzi 1997). The features of spatial concentration, productive specialization and small firm size characterize in particular the development of systems particularly endowed with natural, historic and artistic resources.
and with infrastructures through the introduction of the systems in circuits of national and international tourism (*ibidem*). The highest rates of growth are found, in fact, after services to business, in the principal tourist services (accommodations, restaurants, recreation, cultural events, entertainment, travel intermediaries, real estate and renting, commercial services …).

The *development of tourism* that preserves the distinctive features of Italian industrial development is therefore a *form of local development* that is expressed in the *service sector* rather than in the manufacturing sector. In this sense the tourism development represents a path of development of the territory that is an alternative to industrial growth and that by nature relies mostly on the *non-mediated sector of the tourist industry*. As with industry, also in *tourism* there is a contrast between the path of growth of small- and medium-sized enterprises belonging to local systems and the growth of large, vertically integrated firm. *Non-mediated tourism* falls in the local and community-based models of production in that it is based on a plurality of small-and medium-sized family operated enterprises that are specialized in tourist services, and also on private and public tourist organizations that offer support services. *Organized tourism*, on the other hand, fits in the integrated models of production because it relies on the use of large intermediary companies, often multinationals, specialized in providing an integrated offering of services.

Starting by matching characteristics in the tourist sector with those typical of industrial development, this paper attempts to apply the model of *industrial districts* to the analysis of tourism development and to test this application by means of a case study conducted in the alpine provinces of Trento, Bolzano and Belluno. *The analytical categories and the methods and tools of analysis* present in the literature and in empirical research on industrial districts can be useful in identifying the spatial boundaries of local tourist systems and in analyzing their productive and social structures. These are preliminary conditions for the study of the management of these systems.

The decision to use the industrial district is justifiable in that it is the main model for the study of forms of industrial development based on the *territory* rather than on the *sector or firm* (Becattini 1979). The notion of territory includes the geographic space, the local populations and their history and culture. While the concept of *cluster* has analogous aspects to industrial districts – and therefore is often used synonymously – there are important differences which preclude its use for the purposes of this research. The concept of cluster is based on the industrial sector (Porter 1998) rather than on the territory, which remains an accessory variable which can have geographic scale different from the local one (nation, region, province …). Therefore, lacking the intrinsic component of the territory, also the unique social and cultural factors of the locality are absent, even though they are the features that lend distinctiveness to the organization of the local productive process. In the definition of a cluster, moreover, there is no precise reference to the size of the firm, while the small and medium size is a central characteristic of the enterprises in the district (Sforzi and Lorenzini 2002). Finally, the concept of cluster does not provide the means to define a specific methodology of spatial identification that can translate its constituent parts into operative variables.

This new way of conceiving industrial development presupposes that the territory becomes an essential component of the productive process and of the way in which this process is organized. If
this situation remains, the territorial dimension of development inherent in the concept of the district can make it possible to extend the industrial districts model of analysis to the study of non-manufacturing paths of development without prejudicing its interpretive abilities.

This initial necessary condition is present in the non-mediated sector of the tourist industry inasmuch as it is a form of local and community-based development. Nonetheless, the extension of the model of industrial districts to tourism development requires a check for the presence of indispensable factors in order to use the concept of the district: the prerequisites for its application (the possibility of breaking down the productive process in time and in space and the fragmentation and variability of demand) (Becattini 1989; Bellandi 1982); the constituent elements (high number of small firms, a community of people and a system of shared values and traditions) (Becattini 1987); the processes carried out in a district (the process of division of labour among neighbouring firms, the process of coordination and integration of this division of labour and a localized process of learning) (Becattini 1998). In this context it is also necessary to identify the unique features of tourist systems, the limitations of the research hypothesis, and the domain wherein to test the hypothesis through empirical study.

These conditions are found within local tourist systems, with the exception of some specific features that the nature of the service sector – tourism is in this category – confers to the elements and the structure of the tourism chain and to the mechanism that coordinates the division of labour.

For tourism the productive process is more articulated than for industry in terms of the variety and variability of sectors that can potentially have some role in the tourist industry (Medlik and Middleton 1973; Burkart and Medlik 1974; Krippendorf 1987; Rispoli and Tamma 2001; Casarin 1996). The interactive nature of services means that also the tourist participates in the productive process by activating, at the moment of fruition of a tourist product, those components of the productive process that together make up the specific vacation. As a consequence, the tourist industry has a more complex organization than the typically vertical sequence found in an industrial process. Besides the tourist, also the territorial resources become a constituent element of the productive process. In tourist systems these take on a distinguishing role while in industrial districts such critical role takes the form of “implicit knowledge” (Becattini and Rullani 1993). These resources not only determine the location and the specialization of businesses within the tourist sector, but also often confer on them a success that can be explained more by the attractiveness of the resources than by the business acumen and strategies of the operators. Therefore, as with the district, human capital is charged with the proactive management of business activities and the coordination of the diverse specializations of a group of firms to whom favourable environmental conditions grant the possibility of operating independently, yet they have limited themselves to benefiting from the advantages of their geographic location.

The need to move beyond entrepreneurial spontaneity and a certain reliance on the strong presence of public goods within tourist systems, explain why the mechanism for coordinating the division of labour is more favourably balanced towards an informed and planned management of the system rather than towards the automatic mechanisms of the market and the community (Dei Ottati 1987 and 1995). In industrial districts coordination is carried out through a specific blending of cooperation and competition in local markets. Nonetheless also in processes of coordination of the district take place forms of orchestration among the main local institutions (Dei Ottati 2001).
The unique features of tourist systems do not prevent the extension of the industrial districts model to tourism development, but do increase the number of components to consider in the analysis. This renders it necessary to define the domain within which to test the research hypothesis through field research.

The empirical research looks at the definition of the tourism chain (Istat 1997), the analysis of productive specialization (Signorini 2000; Sforzi 1991), spatial concentration (Sforzi and Lorenzini 2002) and of firm size (Franch et al. 2005). The study of social capital and the role of institutions is treated indirectly through categories of actors who are representative of the system (hoteliers and territorial tourist entities), limited to some sociological categories that refer to specific relationship profiles (Dei Ottati 2003; Franchi and Reiser 1991). Two areas are not included in the research: the integration of tourists in the productive process and the topic of territorial resources.

3. THE EMPIRICAL RESEARCH: METHODOLOGICAL NOTES

The empirical research included the northeastern Italian alpine provinces of Trento, Bolzano and Belluno, areas highly representative of a localized form of tourism development composed of small- and medium-sized enterprises. The development of tourism in the three provinces tends to coincide with the development of villages and valleys. Firms are small in size and family operated; ownership of enterprises and tourist infrastructure is mostly in the hands of local operators who have a sense of belonging to the area, this reinforced by the benefits that the business gives to the local community. Entrepreneurial initiatives proceed through business branches, new startups, and through imitation of other businesses, and the local division of labour interweaves with community relations (immediate family, relatives, friendships and acquaintances). This productive structure has the advantage of being more flexible and personalized, as well as maintaining the geographic characteristics during the formation of the offering, but also the limitations of such simplified organizational structures, less innovation and the tendency towards an individualistic approach to business.

The research method reproduces, with the necessary adaptations and original additions (Della Lucia 2005), the official procedure used to classify the Italian national territory into district and non-district areas. The aim is to identify local tourist systems in the three provinces and to analyze their productive and social structures (Istat 1997; Sforzi 1991).

Subsequent to the conclusion of this research, Istat identified local tourist systems for the entire nation; as in this paper the methodology used to identify systems in the tourist sector was the official procedure for the identification of districts (http://www.istat.it/salastampa/comunicati/non_calendario/20050721_00/).

There are nonetheless differences in the articulation of the procedure, in the definition of the tourism chain and in the territorial unit under analysis.

This paper combines the official procedure with a statistical analysis of the structure of the tourist systems and with a qualitative field analysis of relationships among actors.
The tourist industrial chain integrates the Istat list of tourist activities (*customer services*, Istat 1997: 34) with other services that could cater to tourists, and also with agricultural and manufacturing businesses that are connected to tourism. Their selection was informed by the analysis of the impact of the expenditure of tourists in the province of Trento (Autonomous Province of Trento 2002 and 2003).

The territorial units where the procedure is applied are the *local labour systems* (LLSs), identified in 1991 and updated in 2001 only after the conclusion of the research (*cfr. infra*). Despite this, the 2001 census statistics referred to these data (8th General Census of Industry and Services of 22 October 2001). The local labour system is the most appropriate territorial unit for study of phenomena that have to do with local development (Bacci 2002). It is defined as the area which has a certain concentration of workplace positions occupied by local residents and where employers recruit most of their own workforce (Istat-Irpet 1986). Operatively this area is delineated by the daily movements of residents for work purposes and it is composed by a series of neighbouring municipalities (Istat 1997).

Keeping in mind these points, the method of analysis implemented in this paper is developed at *two complementary and consecutive levels*. Presented herein are the principal methodological aspects of the research, while a more in-depth description is available in the Doctoral Thesis (Della Lucia 2005).

*The first level* regards the *spatial identification* of tourist systems of the three provinces and the analysis of their *productive structure* through the use of *quantitative tools* (coefficients of territorial concentration of workers in tourism, indexes of spatial concentration and productive specialization, and the statistical techniques of the Analysis of Principal Components as well as Cluster Analysis) (Sforzi 1991; Istat 1997). Also taking place at this level is the definition of activities that make up the productive process of tourism in the three provinces, the determination of the size threshold to define small- and medium-sized enterprises, the study of productive specialization and spatial concentration.

This level of analysis makes it possible to identify those local systems specializing in tourism where small (up to 10 workers) and medium-sized (up to 20 workers) firms predominate. These are identified through the *coefficients of territorial concentration of workers in tourism* and defined as the systems where the percentage of workers in the tourism chain is higher than the national average. Through the application of the *Analysis of Principal Components and Cluster Analysis* to the *indexes of spatial concentration and productive specialization* in tourist activities, the local tourist systems are further separated based on whether they have the characteristics of a *district or non-district economic structure*. The former are the *test group* and the second the *control group* for the study of the social profile of the systems that is necessary in order for them to qualify fully as districts. The analysis of the structure of tourist systems is a key aspect in understanding the degree to which they approximate the specifications for a district, but is treated later in the discussion through the field research as it is difficult to include among quantitative criteria.

*The second level* uses *qualitative tools* (online questionnaires and in-depth interviews) to analyze the *nature and intensity of relationships* that are formed among actors within the tourist systems of the three provinces (Dei Ottati 1995 and 2003; Franchi and Reiser 1991). Specifically, the analysis looks at five profiles of relationships described in function of the types of interaction that hoteliers and territorial tourist entities have with the other operators in the system. These profiles are drawn from...
the sociological model of the community, which goes beyond an exclusively economic interpretation of relationships among individuals and enterprises within the district; included in these profiles is also an analysis of relationships with the territory, relationships within the firm, relationships among enterprises operating in the same phase or in different phases of the productive process, relationships with institutions and with the external environment (Franchi and Reiser 1991).

The study of these relationships is done through field research that makes use of online questionnaires and in-depth interviews. The questionnaires shed light on general tendencies in the interaction among actors in the overall area included in the research, while the interviews identify specific relationships that are activated within the single tourist systems.

The questionnaire and interviews were given to a sample of hotels (all had to have an email address), which were stratified by geographic area. The questionnaire was thus sent to a sampling of 209 hotels, with a total of 181 respondents. A total of 43 hotels both responded to the questionnaire and participated in the in-depth interviews. Further interviews were conducted with about 15 people who occupy institutional roles at the territorial level for promotion of tourism or for territorial development and coordination of local operators.

4. METHODOLOGICAL RESULTS

The case study confirms the possibility of applying the model of industrial districts to local tourism development by adapting it to the specific features of the service sector. In particular, the field research made it possible to identify local tourist systems in the provinces of Trento, Bolzano and Belluno and to set up some taxonomies.

The mapping of the local tourist systems of the three provinces essentially reproduces what Istat found for the entire national territory when LLSs were updated based on the 2001 census data. The repetition of these results stems from the implementation of the same spatial identification procedure and from the use of the same census statistics. The maps are compared in figure 1.

The two maps represent the local tourist systems of the three provinces, classified by their degree of specialization in tourist activities with respect to the national average. A specialization index of 1 indicates that the system has the same degree of specialization in tourism as the national average, an undiscriminating level. Higher indexes reflect increasing levels of specialization.

In the Istat elaboration (right-hand map), the tourist systems are distinguished by classes, in which each class has a characterising range of the index of specialization.

In our rendering (left-hand map), the tourist systems are distinguished by type of productive structure, which is qualified by the value of the specialization index. The productive structures that are of the district type are identifiable by their higher levels of specialization in tourism and of the spatial concentration of tourist firms (cfr. infra).
Figure 1 – Local tourist systems in the provinces of Trento, Bolzano and Belluno

Source: Della Lucia 2005

Source: Istat 2005
These presuppositions make it possible to compare the two maps and to find substantial similarities between the tourist systems delineated in each, and between the type of productive structure in the systems and their degree of specialization. In particular, the systems that our research found to have a district-type productive structure (meaning they meet the highest level of requirements of specialization and concentration of the productive activities – district systems of the first type) coincide exactly with those to which Istat also attributed the highest levels of tourism specialization (class 3.59 – 6.05) (systems that are inside the circle in the maps).

The tourist systems identified in the area under study were later classified on the basis of criteria that consider their location with respect to the Dolomite mountain group (in, near or outside of the Dolomites). The classification also considered the level of integration of tourist, agricultural and manufacturing activities in the system (integrated and non-integrated systems) and their degree of specialization in tourism (district systems of the first type, second type, quasi-districts, residual systems, and non-district systems).

Of the 35 systems specialized in tourism in the geographic area of the study (of a total of 42 local systems of labour), 13 are Dolomite systems, meaning they are located in the heart of the Dolomites and are the valleys, villages or localities that are most attractive from the perspective of Dolomite tourism. Nearly all are non-integrated tourist systems, that is, systems where specialization is centred mostly on the component of tourist services of the tourism chain also includes agricultural and manufacturing activities linked in varying ways to tourism (typical local products and agricultural produce). In other words, in these systems a productive fabric has formed which is specialized in activities typical to the tourist industry, making it the flagship of the local economy. These same systems have, in fact, the highest levels of tourism specialization and of spatial concentration of small- and medium-sized enterprises that engage in these activities.

Having taxonomies of local tourist systems makes it possible to:

- identify those tourist systems that are endowed with a district-type economic structure. The typology of aggregation of small- and medium-sized firms with a high level of concentration and specialization in tourist services reflects the standard description in the literature of the typical structure of industrial districts (Becattini 1987);

- associate the district economic structure with the Dolomite typology of systems. The highest level of district requirements of sectoral specialization and concentration of productive activities is found, in fact, in the classes of tourist systems composed of only LLSs of the Dolomite typology (district tourist systems of the first and second type).

These initial results lead to the conclusion that natural factors – the Dolomites themselves – influence the level of spatial concentration and tourist specialization of the businesses. While an intuitive and logical finding, this consideration is true for the area studied here but does not necessarily have a general application. In fact it does not explain nonexisting or very limited development of tourism in areas full of natural resources; conversely it fails to explain the strong emphasis on tourism in areas that are significantly less endowed with attractive natural features.
In this sense the undisputed value of the natural patrimony of the Dolomites, together with its overall attractiveness for tourists, provided the initial push towards the development of tourism in these areas and facilitated the success of spontaneous entrepreneurial initiatives of the local community (Nocifora 2001). These favourable environmental conditions also allowed many firms to maintain their distinct characteristics of entrepreneurial improvisation over time, these being the tendency towards an individualistic approach to business, simple organizational structures that reproduce and combine the competencies of different family members, and a limited openness to possibilities for innovation.

These same conditions and the local model of development that they gave rise, define the range of opportunities that the small firms can take advantage of in order to face and overcome in an informed and planned way the challenges of the competitive environment and the limitations of their small size. The integration of the offering and the coordination of the activities of single enterprises lead to network economies at the level of the local system where they operate. Such economies thus make it possible to go beyond the small size of individual productive units and expand their effective size to that of the entire system they belong to. In this scenario the efficiency and competitiveness of small firms continue to benefit from the original advantages stemming from business specialization and differentiation (Porter 1985), but also come to depend on the links that the firms make with other operators in the sector and with the territory.

The presence of coordination among business activities, or of an aptitude for it, is studied by looking at the nature and intensity of relationships among actors of tourist systems. Those systems found to have active cooperation among businesses, collective trust and integration of the division of labour – typical traits of economic and social interaction in districts – are systems that:

- have the highest level of characteristics of the productive structure of a district;
- show a strong ethnic, cultural and linguistic identity. These systems correspond to Dolomite territories that are historically of Ladino language and culture (Verra and Rabanser 1997; Delai and Marcantoni 2005).

In other words, the tourist districts in the Dolomites are systems of Ladino language and culture with a high degree of specialization in tourism and concentration of productive activities (district tourist systems of the first type). This second result led to the conclusion that the unique characteristics of relationships within the district (cooperation, trust, reciprocity and coordination) are concomitant with other agglomerated advantages that tend to increase with the growth of spatial concentration and specialization in tourism of firms in the system (Signorini 2000; Iuzzolino 2004). These characteristics that attribute the “uniqueness” to the district depend on the common cultural identity of the system that is made up of shared values, meanings and language. This intrinsic endowment of social capital has a positive influence on the performance of firms and consequently of the systems where they operate. Indeed, the local identity helps to create a favourable climate for forming reciprocal collaborative and fiduciary relationships that then facilitate exchanges and coordination of activities (Bagnasco 1977; Becattini et al. 2000; Fukuyama 1994; Granovetter 1985; Putnam 1993). This is the last link in the logical and empirical chain required to show the relationship between being in a district and superior firm performance.
Tourist districts therefore appear to have a higher number of collective advantages, a part of which are the product of specific social interactions in district areas, while another part is common also of other kinds of geographic concentration of production (Signorini 2000). In the geographic area of this research the uniqueness of relationships comes from the Ladino culture, which is the historic and cultural foundation of the tourist districts in the Dolomites, a confirmation of the centrality that the literature attributes to socio-cultural factors in the birth and development of a district (Bagnasco 1983 and 1988).

5. RESULTS OF THE EMPIRICAL RESEARCH

The field research made it possible to identify the tourist systems in the three provinces and to analyze their productive structures as well as the relationships that exist among actors. From these tourist systems it was then possible to identify the Dolomite tourist districts which became the subject of this paper.

The research made use of an online questionnaire and in-depth interviews. The questionnaire brought to light the general tendencies regarding interaction among the actors in the whole area studied. The interviews delved further into the nature of relationships activated within the single tourist systems identified, describing their characteristics using the categories of the interpretive model of economic and social relationships of a district (Franchi and Reiser 1991). These relationships are described in terms of the interactions that hoteliers and territorial tourist entities have with the other operators in the system.

The questionnaire revealed the presence of structural characteristics typical of those in a district: agglomeration and fragmentation of production, traditional management styles in which the family is a key participant in business activities and where the owner handles directive as well as operative tasks rather than delegating (Bagnasco 1988; Becattini 1989; Bellandi 1982). The predominance of direct sales, together with Internet sales (negligible use of intermediaries), is indicative of these characteristics as well as the exclusive prerogative of the owner to decide to have a web site and manage online activities.

The collaboration is widespread but consists mostly of occasional unstructured initiatives, whether off line or on line, while the more frequent collaborative activities take place through the territorial tourism organization. The intensity of relationships with the territorial tourist entities depends on the institutional role that these bodies have in promoting and commercializing the tourist offering. Differences at an approach of provincial level reflect the different timing and ways in which such entities have been privatized and how a territorial marketing approach has emerged and matured. Belluno is the weakest province.

The in-depth interviews helped to identify the relationships developed within the individual tourist systems with respect to five profiles: relationships with the territory, relationships within the firm, relationships among operators in the same or different phases of the productive process, relationships with institutions, and relationships with the external environment (Franchi and Reiser 1991).
The profile of relationships within the firm reconfirms the presence of fragmented entrepreneurial fabric of private partnerships, originating mostly in the last century through spontaneous initiatives of the local community and characterized by organizational structures and informal operative and relational approaches.

In some tourist systems the profile of relationships with the territory shows a marked sense of socio-cultural identity found in the Ladino culture of these areas, manifested in a common language, and long-standing customs and behaviours to civic life. The positive difference that the strong sense of community and solidarity has on the other three relationship profiles justifies considering these systems as tourist districts.

As regards the profile of relationships with other businesses in the tourist industry, the competitive dynamic in tourist districts is loyal and oriented towards increasing the quality of the offering. Price competition is limited to specific situations: during low season or in the presence of large enterprises and/or structures that are managed or owned by operators who come from outside the territory. The propensity towards collaboration is widespread, even if relationships among operators have until now been relatively unstructured. Suppliers are usually other local operators who provide their products either directly or through buying consortia, and relationships tend to be long-term and highly fiduciary.

Regarding the profile of relationships with institutions, the study confirmed the widespread collaboration of diverse categories of actors with the territorial tourist organization, the willingness of the actors to make their own contribution to this entity, and the negotiation in decision-making processes. Consortia and associations that form because of the initiatives of small groups of operators have proved effective operative tools for achieving precise objectives, also feeding into virtual circles of motivation, cooperation and satisfaction.

Finally, with respect to the profile of relationships with the external environment, the openness to channels of external intermediation is modest insomuch as large tourist operators are perceived to be far from the communitarian logic of the systems. Greater trust, however, is extended to local intermediaries since they have a direct shared interest in maintaining the original traits and identity of the system. Computer technologies are used mostly to provide visibility and to manage contacts and bookings, but with some openness to a more evolved application of these tools, beginning with a more integrated management of customer contacts through better online transaction services.

In summary, these empirical findings make it possible to identify three tourist districts in the geographic area of study. They exhibit the structure typical of industrial districts and the unique characteristics found in district relationships (Bagnasco 1983, 1985 and 1988; Becattini 1979 and 1989; Bellandi 1982; Dei Ottati 1995 and 2003; Sforzi 1991). Among the five, the profile of relationships with the territory contributes the most to this result in that it has a positive influence on the degree of trust and cooperation among the other relationship profiles. This profile identifies and works to preserve the Ladino culture and identity as the historical and cultural matrix of tourist districts in the Dolomites.
6. CONCLUSIONS AND IMPLICATIONS

The study tested the applicability of the model of industrial districts to the development of local tourism. Through tools and methods taken from the literature as well as empirical research on industrial districts, local tourist systems were identified for the area in the study and an analysis was undertaken of their productive and social structures. The validity of the methodological approach and of the research results is confirmed in the mapping of the local tourist systems for the Italian national territory which was published by Istat after the conclusion of the present study. Beginning with the mapping of tourist systems, the analysis of relationships made it possible to identify tourist districts and is an original contribution of this research. While previous works have established the positive benefits of being associated in a district, this work has also examined the relationships through which these benefits are created with respect to the districts of the tourist sector. This methodological approach represents a necessary point of departure in the study of the management of tourist systems and could be extended also to the study of other geographic areas and into other sectors characterised by local and community based development.

The analysis of the productive structure of tourist systems found that the environmental patrimony of the Dolomites has a positive influence on the level of agglomeration and specialization in tourism of a fabric of small firms. The attractiveness of natural features gave rise to endogenous processes of economic development and specialization in tourism, but also enabled local operators to simply harvest the benefits of their location in a highly popular tourist location. This has meant, however, that most small firms have put off efforts to revamp their organization, management approach and greater use of technology, also missing opportunities to integrate the offering and to have a better coordination of the local system.

A different situation was found in tourist districts when looking at relationships among operators. The tourist districts in the Dolomites are systems of Ladino language and culture with a productive structure typical of industrial districts. They combine the specific external economies that depend on local social capital with the more general agglomerative advantages of geographic concentration of production. Social capital determines the widespread presence of collaborative relationships, a fair play competition and relationships with suppliers that are based on mutual trust. Unique cultural characteristics provide yet another factor that differentiates the local tourist offering (cultural and entertainment possibilities, culinary offerings, products …).

The identification of tourist districts and their unique characteristics can have interesting political and managerial implications. 

Public incentives for projects aimed at integrated tourist systems could make use of the procedure to identify tourist districts discussed in this paper. The Law that in Italy foresees financing has identified local tourist systems as the political-geographic unit to receive funding and has mandated the Regions to identify systems within their boundaries. This public incentive has resulted in top-down ways of delimiting these boundaries that are informed mostly by economic considerations. This approach poses a twofold risk: the system is born upon the initiation of a project and lasts through its
completion, without a widespread involvement and long-term planning with the territory; the borders of tourist systems are also defined through agreements of public and private actors whose participation in the project may change, thus resulting in possible modifications to the borders as participants in the project change over time. For this reason, top-down designed tourist systems can present management difficulties and can be incompatible with a vision of tourism development that goes beyond the short term. The sustainability of development over time requires a combination of positive endogenous benefits of tourism and a local control of capital, along with careful tutelage of natural resources and local ownership of enterprises (Swarbrooke 2000).

When the procedure to identify districts is applied to the development of tourism, it delineates natural economic systems that are born spontaneously, from below, and result from endogenous initiatives of the local community. The uniqueness of these systems stems from the social capital that becomes a source of competitive advantage not easily imitable.

Cultural identity represents the natural glue of tourist districts, the result of longstanding social processes that cannot be instantaneously nor artificially reproduced. The climate of mutual trust and collaboration that this generates can facilitate the sharing of aims for sustainable development and their realization through participatory approaches to management of the system. The integration of the offering and the coordination of the local system enable formation of network economies in the pursuit of the advantages offered by specialization and differentiation of small- and medium-sized local enterprises (Porter 1985). The success of the system and of firms on the market further allows them to undertake processes of innovation of businesses, as well as the affirmation and promotion of the image of the local system, the local tourist product and the territory. In this prospective the requirements exist for a virtuous circle that is self-feeds a sustainable path of tourism development.

In conclusion, this prospective of study of local tourism development can provide local governments with tools and indications for the delineation of tourist systems and also for the identification of forms of management that are coherent with the productive structure of the systems and with the socio-cultural factors that have positive effects on network economies.

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