DECENTRALISED TOURISM ADMINISTRATION: IS IT THE WAY FORWARD?

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Abstract:
The concept of decentralised management, or bottom-up approach, has gained growing support from researchers, as it is thought to offset problems emanating from centralised tourism management. While tourism authorities are advised to switch to relatively decentralised forms of tourism administration, no research has attempted to ascertain whether this form of administration is viable and applicable given the prevailing constitutional and institutional contexts of centralist countries. Building on the administration literature, this paper discusses potential limitations of the centralist tourism administration and questions whether the concept of decentralisation represents a realistic alternative to the centralist model.

Introduction

Previous tourism research has generally focused on tourism planning and development issues and on tourism impact assessments. However, despite its central effect on the success of the planning activity and profitability of tourism industry, limited attention has been paid to tourism administration systems, their efficiency, effectiveness, and their potential limitations and implications on tourism plan formulation and implementation processes. Two opposing administrative frameworks, the centralised and decentralised administrative structures, have generally been exercised in tourism management. In general, the centralised form supports the notion of a central steering agency, having all information, resources and solutions at its disposal, whereas the decentralised form involves the transference of power from central agency to local governments, and takes the interests of local actors as the point of departure.

At present, there is inadequate understanding of whether top-down (centralist) or bottom-up (decentralist) administrative forms are likely to be more or less effective in handling complex interactions between various organisations and parties, with different perceptions, preferences and strategies. Given the scarcity of research, the focus of this paper is on potential efficiency, effectiveness, and limitations of these two common forms of tourism management. The first part of the paper reviews the concept of governance; a term interchangeably used with

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administration or management, and explices the dimensions of effective governance. A section discussing the centralist tourism administration and its potential limitations and their causes follows this. Then, the concept of decentralisation and its forms are introduced, and its potential benefits are presented. Obstacles in the way of decentralised tourism management are highlighted and whether it can be put into practice is discussed.

**Administration**

Effective governance is central to create and maintain an environment, which fosters strong and equitable development, and it is essential to the achievement of social and economic objectives. In general, governance is described as “the manner in which power is exercised in the management of a country’s economic and social resources for development” (World Bank 1992). It is a process, which includes the legislative, administrative and judicial functions of government (or the governing body within the subsystem), and the role of non-government institutions, and individuals in relation to them (GID 1993).

Effective governance is concerned with the legitimacy, the accountability, the institutional pluralism, and the competency of the process of the governing body. **Legitimacy** is the issue where “there is a range of institutions outside government which represent other interests and provide a counterweight to the power of government; in other words healthy civil society” (GID 1993: 5). **Accountability** is the driving force “that generates the pressure for key actors involved to be responsible for and to ensure good public service performance. It may focus on regularity where public servants are expected to follow the formal rules and regulations of a bureaucratic type of organisation” (Paul 199: 5, in Turner and Hulme 1997). Accountability entails transparency of decision-making and relationships, availability of information including freedom of the press; and some means of holding to account those who have responsibilities (GID 1993: 5). Accountability is established “where rulers readily delegate authority, where subordinates confidently exercise their discretion, where the abuse of power is given its proper name, and is properly punished under a rule of law which stands above political faction” (Londsdale 1986: 135, in World Bank 1992). **Competency** means the capacity which is needed to formulate policies and strategies and to take timely decisions both on the longer term, and on more immediate issues which arise; to implement policy decisions and to manage the delivery of services (GID, 1993). **Institutional pluralism** refers to allowing competition in economic life and the formation of a variety of institutions representing and reflecting different interests in a society.

Based on the concepts discussed above, it could be stated that the success and profitability of tourism industry increasingly relies on the effectiveness and efficiency of the administrative framework. A framework which promotes participative decision-making, delineates clear balances between responsibility and authority, sets co-operative relations and effectively co-ordinates the fragmented activities carried out by different public and private sector agencies and organisations undoubtedly enhances the chances of success. Whereas, a framework endorsing coercive decision-making, resulting in ambiguous balances between responsibility and autonomy, and inducing a distant bureaucracy and uneven power relations between public and private agencies can undermine the legitimacy of policy decisions and their implementation. Thus, a successful tourism administration requires a process which supports a democratic and transparent participation system in decision-making, promotes greater accountability of institutions to those people they are instituted to serve, improves the availability of information, and optimises the use of resources by clarifying responsibilities, authority and standards.

The focus of the paper now turns to two seemingly opposing forms of administration, the centralised and decentralised administration.
Centralist Tourism Administration (CTA)

The *centralist administrative* model assumes that a central steering agency has at its disposal the necessary information about existing public problems and preferences and about the available resources and solutions (Kickert et al, 1997). The CTA is generally adopted by developing countries where there is no system that would allow decisions to be taken by the people most immediately affected by them, as tourism usually is considered to be an industry of national concern which should be centrally planned and controlled (Wahap, 1997). This form of tourism management has, however, certain limitations.

There are numerous cases where tourism plans formulated at the top and implemented by people at the bottom have not achieved the desired outcomes. One reason for this consequence is that the formulation and application of plans by central government might be out of touch with the needs of local people and is not based on detailed knowledge of the local environment. The CTA results in local tourism development decisions being taken by central rather than by local authorities, and decisions are inevitably made at a distance from the location of local administrative units. The existence of this physical distance can impact on the willingness of local stakeholders to participate in decision-making process.

Barry (1965: 56) points out that “if bureaucracies are too large or too distant from the people affected by decisions then people become alienated”. When individuals do not have access to decision-making, this brings about a substantive breakdown in the flow of communication. This alienation from participation, whether as a result of distance or bureaucracy may impair the legitimacy of the resulting policy decisions (Almond and Powel, 1966; Barry, 1965). Building on a study conducted in Turkey, Tosun and Jenkins (1996) point out that “the Ministry of Tourism and bodies responsible for the authorisation of tourism investment and incentives are accessible to a rich and educated elite and not to the majority of indigenous people in tourist regions. In this sense, there is a big communication gap between communities and decision-makers. In short centralisation has intensified formidable bureaucracies. Even the physical distance from Ankara is a barrier for people who may not be able to afford to go to the capital city” (p. 527).

As the CTA seems to reduce the legitimacy of the decisions, and it can also hinder plan or policy implementation in local areas distant from the centre. Tourism plans developed by a mono-actor form of centralised administration, generally overlook the knowledge, skills and goals of local tourism organisations, both public and private, in their design phase, and subsequently there may be resistance from the implementing bodies, such as from local government. The centralist model appears to neglect the values and interests of implementing bodies, fails to utilise the resources and capacities of local actors, and promotes the bureaucratisation of the public sector, which therefore diminishes management effectiveness and efficiency (Kickert et al 1997). The main characteristics of the CTA, such as coercive decision-making, ambiguous balances between responsibility and authority, a distant bureaucracy, limited local participation, and uneven power relations are among the potential reasons thwarting the effectiveness of tourism administration substantially.

Decentralised Tourism Administration (DTA)

An alternative form of administration, decentralisation, has been suggested in order to overcome the potential problems that may ensue from the CTA. Decentralisation involves a transfer of authority to perform some service to the public, from an individual or an agency in central government to some other individual or agency, which is closer to the public to be
served (Turner and Hulme, 1997). Smith (1985: 1) describes this concept as “the delegation of power to lower levels in territorial hierarchy, whether the hierarchy is one of governments within a state or offices within a large-scale organisation. Thus decentralisation refers to territorially-based delegation not to purely functionally based delegation” (in Turner and Hulme, 1997).

Alderfer (1967: 53) defines decentralisation as “the transfer of powers to locally elected authorities where policies are both made and carried out on the local level”. Somewhat differently, Rodrinelli (1981: 133) views decentralisation as “the transfer of planning, decision making or management functions from the central government and its agencies to field organisations, subordinate units of government, semi-autonomous public corporations area-wide or regional development organisations, specialised functional authorities or non government organisations” (in Huque, 1986).

Although slightly different definitions of the concept exist in the literature, these definitions share a similar key notion that decentralisation involves power transference from upper governmental levels to lower levels or functionally designed bodies. It is important to note that decentralisation does not imply that all authority should be delegated. The central government may retain a core of functions over essential national matters and ultimately has the authority to redesign the system of government and to discipline or suspend decentralisation units that are not performing effectively. However, “how extensive this core of central government functions should be remains a major ideological and intellectual debate of the late twentieth century” (Turner and Hulme, 1997: 154).

According some, the DTA needs to be adopted in order to “emphasise an equitable distribution of the benefits of development which have required programmes that need the support and involvement of local level administrators and the citizens. It has been necessary to develop the administrative capacity of local organisations to provide services in the remote areas as well as to improve the effectiveness of central government” (Roddinelli 1978: 45 in Huque, 1986).

**Potential Benefits of the DTA**

Decentralisation affects the way state and society interacts, and is assumed to enhance the legitimacy, perceived fairness and accountability of local government in the eyes of the public (Crooks and Manor, 1994). According to Turner and Hulme (1997), decentralisation, “when implemented properly”, could offer greater efficiency and effectiveness in a number of different areas. Through decentralisation, plans can be tailor-made for local areas using detailed and up-to-date information that is only available locally, and inter-organisational co-ordination can be achieved at the local level. Experimentation and innovation can be fostered by decentralisation, and this can increase the chances of generating more effective development strategies. Decentralisation may also help enhance the motivation of field level personnel, as they have greater responsibility for the programmes they manage. Workload reduction of agencies at the centre of government will relieve them from routine decision-making and give them more time to consider strategic issues so that the quality of policy should improve.

Smith (1985) classifies the potential benefits of decentralisation as follows: (1) *Political education*, occurs which teaches the mass of the population about the role of political debate, the selection of representatives and the nature of policies, plans and budgets in a democracy. (2) *Training in political leadership*, occurs which creates a seedbed for prospective political leaders to develop skills in policy-making, political party operations, and budgeting, with the result that the quality of national politicians is enhanced. (3) *Political*
stability is secured by participation in formal politics, through voting and perhaps other practices (for example, active support of a party), which strengthens trust in government. In addition, a mechanism is created to prepare the masses for the profound social and economic changes associated with development. (4) Political equality, is gained from greater political participation which reduces the likelihood of the concentration of power. Political power will be more broadly distributed, thus making decentralisation a mechanism that can meet the needs of the poor and the disadvantaged. (5) Accountability is enhanced because local representatives are more accessible to the populace and can thus be held more closely accountable for their policies and outcomes than distant national political leaders (or public servants). A vote at local elections is a unique mechanism for the populace to register its satisfaction or dissatisfaction with the performance of representatives. (6) Responsiveness of government is improved because local representatives are best placed to know the exact nature of local needs and how they can be met in a cost-effective way.

Crook and Manor (1994) demonstrate that some countries, such as India, have benefited from the practice of decentralisation. They suggested that in India decentralisation has resulted in a clear division of responsibilities between central and local government. Through India’s decentralisation policies, community needs have been taken into account better and benefits have sometimes been channelled more effectively to vulnerable groups. Other achievements have included greater effectiveness in project delivery, the mobilisation of local resources and improved horizontal co-ordination. In addition, political awareness has been created among local residents, and better information gathering networks have been established in local constituencies. Through decentralisation, the completion rate of local projects has increased and the distribution of resources in localities has sometimes become fairer. Decentralisation has also prompted an increase in the institutional response to the problems identified.

**Forms of Decentralisation**

Depending on how authority is transferred, the forms of decentralisation could be classified into two, these being territorial and functional decentralisation (Turner and Hulme 1997). Territorial decentralisation means that authority is placed at a lower level in a territorial hierarchy and hence geographically closer to service providers and clients. Functional decentralisation implies that authority is transferred to an agency that is functionally specialised. Functional decentralisation is further divided into three different forms. First, functional decentralisation may involve delegation within formal political structures, such as when central government delegates additional authority to local government. Second, functional decentralisation can take the form of power transfer within public administrative or parastatal structures, such as from the headquarters of a ministry to its district offices. Finally, functional decentralisation may occur when the transfer of power is from an institution of the state to a non-state agency, such as when a parastatal national airline is sold to private shareholders.

The decentralisation concept can be divided into two other forms: deconcentration and devolution (Crook and Manor 1994). Deconcentration tends to extend the scope or reach of central government and to strengthen its authority by moving executive agencies controlled by the centre down to lower territorial levels in the political system. This type of decentralisation includes delegating responsibilities for functions within specific territories to field level civil servants. “Deconcentration can pursue the objective of technical efficiency leading to greater effectiveness but not popular participation” (Turner and Hulme, 1997: 161-162).
The *devolution* type of decentralisation involves “transferring powers to special bodies endowed with their own legal personalities, and separate from the state, its central ministries, and local authorities” (Alderfer, 1967: 53). Devolution has the opposite effect of deconcentration since it cedes legal control of such agencies and resources to political actors and institutions at a lower level (Crook and Manor, 1994). With *devolution*, power is deployed by central government to sub-national government units and it embodies local democracy together with technical efficiency. Local governments, local authorities, district councils, provincial governments and state governments are typical sub-national units. In terms of their responsibilities, they may have a number of significant functions or just a few minor functions. Riggs (1964: 342) views devolution as an “alternative mode of decentralisation in which full responsibility for policy determination in regard to specified subjects is transferred to the recipient of authority” (in Huque, 1986). Many newly independent countries adopted this classical model of devolved local government in the 1950s and 1960s (Maddick, 1963).

Rondinelli (1983) has also suggested four forms of decentralisation which have been determined on the basis of degree of authority, and power and scope of functions of different government levels (in Huque 1986). In a similar way to Crook and Manor’s classification, *deconcentration* is the transfer of functions within the central government hierarchy through the shifting of workload from central ministries to field officers, the creation of field agencies, or the shifting of responsibility to local administrative units. *Delegation* is the transfer of functions to regional or functional development authorities, parastatal organisations, or special project implementation units. *Devolution* is the transfer of functions or decision-making authority to legally incorporated local governments. Lastly, a *transfer to non-government institutions* involves shifting responsibilities for activities from the public sector to private or quasi-public organisations that are not part of the government structure.

It is important to note that the structures for administrative systems, which differ from country to country, may impact on the form of decentralisation that may occur. Smith (1985) provides a framework for considering specific systems, distinguishing between functional, integrated prefectoral, and unintegrated prefectoral systems. In *functional systems* senior representatives of the state in the provinces are responsible for functionally specific state services, such as education, health and economic development. Basically, functional systems highlight the importance of vertical links in terms of communication, technical expertise, and specialisation of service provision (Smith, 1985). With *integrated prefectoral systems*, a considerable amount of power is given to a general representative of the central government, such as the prefect or district governor. Basically the prefect is the superior authority over all other civil servants within the territory, including the Chief Executive of the local government authority. Undoubtedly, such a system is bound to reduce the autonomy of the sub-national government and it places emphasis on co-ordination rather than specialisation. With *unintegrated prefectoral systems* less power is usually left in the hands of one individual. He or she is usually responsible for departmental co-ordination and is not the superior authority over other senior technical officers in the territory. Responsibility is also limited to giving advice. It is stated that developed countries such as the UK and USA have showed a tendency toward functional systems, whereas developing countries have mostly embraced prefectoral systems (Turner and Hulme, 1997).

**Obstacles to Decentralisation**

It is important to note that countries, switching from a centralised to a decentralised management system, are likely to encounter a number of problems in this transition. Most of these problems stem from the long-established operating principles embedded in a centralised system. For example, there may be reluctance among some politicians holding power to share
their authority, and this is can be a severe obstacle to the success of decentralisation. Crook and Manor (1994), for instance, argue that the historical legacy of centralist attitudes and interests from both politicians and bureaucrats hampers the implementation of decentralised policies. Turner and Hulme (1997: 172) note that with a transition towards decentralisation it may be the case that “national politicians are reluctant to cede power; central bureaucracies resist the delegation of responsibilities; when responsibilities are transferred there is rarely a corresponding transfer of financial resources; and those resources that are available at the local level are often poorly deployed by inexperienced, ill-trained and underpaid field staff”.

They go on to state that “authentic decentralisation policies (particularly devolutions) are likely to be manipulated by local elite that may use decentralised power to strengthen their position at the expense of lower income groups” (p. 172). Griffin (1981: 225) also observes that “it is conceivable, even likely in many countries, that power at the local level is more concentrated, more elitist and applied more ruthlessly against the poor than at the centre… greater decentralisation does not necessarily imply greater democracy let alone “power to the people” - it all depends on the circumstances under which decentralisation occurs”.

Decentralisation may be potentially difficult to implement, and that its policies may often yield very limited or negative outcomes at a high cost (Turner and Hulme, 1997). Experience of decentralisation in less-developed countries has almost everywhere fallen short of expectations and the declared objectives of policy - makers (Smith 1985). The pronounced preference that governments have shown for deconcentration and converting locally elected bodies into mixed authorities has meant that the participative quality of decentralised institutions has been especially prone to erosion (ibid.).

Prerequisites of Successful DTA

It has been suggested that success with decentralisation policies requires that changes in policies should be incremental (Rondinelli and Nellis, 1986). This is largely because the complexity of changes, notably in terms of changes in financial and human resources, necessitates incremental steps. However, in addition to incrementalism, some argue that fundamental social change is essential prior to the use of decentralised policies to achieve developmental goals. For instance, Hyden (1983) argues that enhancements in government performance generally depend on the transformation of society.

Rondinelli (1981: 138) has also identified several conditions which are needed for decentralisation to be successful in developing countries (in Huque, 1986). Firstly, local government must be autonomous, independent, and clearly distinguished as a separate level over which the centre exercises little or no direct control. There must also be clearly defined geographical boundaries over which local units exercise authority and within which they perform public functions, and have the corporate status and power to raise adequate resources for their duties. In addition, local government units must be developed in such a way so as to be perceived by their citizens, as organisations providing services that satisfy their needs and over which they have some influence. Finally, there must be reciprocal and mutually benefiting relationships between the centre and local government tiers. For successful decentralisation, it is necessary that the government decides at the beginning, the objectives and methods of transferring power to local authorities (Huque 1986). While it is almost impossible to obtain all the preconditions specified by Rondinelli, care must be taken to ensure some of the requirements.

Others argue that a clear constitutional framework may provide a strong foundation for decentralised administration to be carried out in localities. There is some extra protection when decentralisation is embedded in a nation’s constitution rather than merely in legislation, as the law then gives people sufficient power and status to encourage them to be assertive in
representing their interests (Crooks and Manor 1994). However, even this may not have effect in countries where the constitution is taken less seriously. The features of normal bureaucracy, which include the centralisation of authority (especially of financial control and the standardisation of rules, recommendations and actions), may not facilitate the empowerment of decentralised local administration.

According to Manwhood (1987: 12), devolution should involve five major components:

- It should be a local body that is constitutionally separate from central government and responsible for a range of significant local services;
- It should have its own treasury, budget and accounts along with substantial authority to raise its own revenue;
- It should employ its own competent staff who can hire, fire and promote;
- A majority-elected council, operating on party lines should decide policy and determine internal procedures; and
- Central government administrators should serve purely as external advisors and inspectors and have no role within the local authority.

Decentralisation: Is it really a realistic alternative to the CTA?

While decentralisation has received growing support from researchers, the application of this type of administrative system appears to be problematic. This calls for the question of whether adopting decentralisation is a productive strategy at all. In spite of the lip service paid to the concept of decentralisation, no research has attempted to ascertain whether this concept can be applied to a given country’s current institutional and constitutional context. Although tourism authorities are advised to switch to relatively decentralised forms of tourism administration, there is no information readily available for authorities that can help to guide this transition. While the decentralisation concept supports the notion of central government retreating from the public domain, central government is also being urged to give more attention to the problems of local organisations, to provide them with more resources, and to improve co-ordination. Thus, the extent to which decentralisation represents a realistic alternative to a centralist model, may be disputed.

The concept has been taken as a theoretical panacea to solve administrative problems, however, in practice this is not necessarily the case. Poor outcomes obtained from decentralisation practices suggest it would be naive to believe that decentralised management will resolve all the problems stemming from centralised management (Bienen et al 1990; Chitere and Monya, 1989; Hyden, 1983; Oberst, 1986). It should be conceded that centralised management, despite its shortcomings, might be more effective and economical than decentralised administration and that it might be more suitable particularly in poor countries (Alavi, 1971; Bienen et al., 1990; Ray and Kumptala, 1987). In such countries skilled manpower as well as material and financial resources are scarce and governments intend to utilise optimally the resources available to them (Huque 1986). Such governments are unwilling to decentralise because the amount of resources at their disposal does not permit the luxury. Additionally, there may be political reasons behind this unwillingness to share power. For political convenience, governments find it essential to retain effective control over the localities through local councils and their leaders (ibid.).

Some argue that it may be more suitable to incorporate a combination of principles adapted from both centralised and decentralised management approaches (Turner and Hulme 1997). However, while it might appear easy to achieve in theory, implementing a combination of central control and local autonomy that responds to administrative needs and popular
participation is still a puzzle for governments. The excessive concentration of decision-making and authority within central government continues to represent an obstacle to the effective performance of public administration in most developing countries (ibid.).

A decentralised governance structure may also become difficult to operate when political parties, which are not in power at the central level, run the local administrations. The production and delivery of certain goods, and services may be still controlled by the central state administration. Conflicts are likely to occur in such cases when the centre wants to impose its decisions on local tourism administrations. The features of normal bureaucracy which include the centralisation of authority, especially financial control and standardisation of rules, recommendations, and actions, may not facilitate the empowerment of local administrations, and thus possible benefits of decentralisation can not be harvested.

Conclusion

A major characteristic of centralised management, which causes management inefficiency, is that public sector institutions are often geographically and socially remote from local people. It is often the case that the decisions taken in centralised management do not reflect, or address local needs and problems. This is largely because of a lack of consultation with local people or with their representatives. Centralised management is often found to be ineffective and slow as a result of lengthy bureaucratic procedures, prompted by laws regulating interactions between government agencies at different levels and by conflicting responsibilities and authorities. As a result, a more decentralised management approach has been adopted by a number of governments around the world in order to overcome the difficulties and constraints of centralised management.

Decentralisation conventionally has taken three forms: (1) deconcentration which refers to transferring resources and decision-making from headquarters to other branches of central government; (2) devolution referring to devolution of resources and power to autonomous units of governments such as municipalities and local governments; (3) and delegation meaning delegation of resources and power to organisations outside the regular bureaucratic structures, such as public corporations and development agencies. When carried out properly, the forms of devolution and delegation can make development programmes effective. However, decentralisation in developing countries have generally taken the form of deconcentration, which implies that the potential benefits of decentralisation are likely to be enjoyed by the dominant power groups of the ruling political party, not by the local people.

In addition, although it may be appealing in theory, the policies produced by a bottom-up model of tourism administration seem to take the interests of local actors only as the point of departure, and therefore are likely to be one-sided and may be inconsistent with national policies. In contrast, the top-down or centralist model may well disregard the values, interests and strategies of local actors by labelling them as “uninformed”, and it may also fail to capitalise on the resources and capacities of local government. Thus, both centralist and decentralist models may suffer from significant limitations. Both administration forms fail to consider tourism management from a network perspective which recognises that multiple actors involved in plan formulation and implementation are essentially interdependent stakeholders. In other words, actors are dependent on each other because they need each other’s resources (capital, technology, labour, expertise, and information) necessary for goal achievement, as no organisation can generate independently all the necessary resources. Thus a framework which endorses co-operation and co-ordination between interdependent parties with different and often conflicting rationality, interest and strategies, needs to be considered so that all decisions, policies, and activities are consistent and coherent and not at cross-purposes.
References


