Region of Istria- Report on Deliverable

5.3.1. Defining the QH governance plan to establish a long-term platform
Document references

Deliverable 5.3.1. Defining the QH governance plan to establish a long-term platform

Credits

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Scope:

This deliverable results from the logical union of WP3, WP4 and WP5 outcomes and aims at jointly establish the platform for follow up and for the benefits of the CB stakeholders.

For public dissemination: Yes
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1. Introduction

The governance of the Blutoursystem platform is detected adopting a quadruple helix model where the Knowledge Production System is the result of wide complex structure made of universities, public organizations, private bodies and civil organizations; and where this Knowledge System enables an actual innovation in the tourism sector. The platform meant in this deliverable is not the web platform, but an operative tool to ensure partner will continue to work in synergy with the stakeholders for the development of new business ecosystem.

2. Coherence with EUSAIR

The governance of the Blutoursystem platform is detected adopting a quadruple helix model where the Knowledge Production System is the result of wide complex structure made of universities, public organizations, private bodies and civil organizations, and where this Knowledge System enables an actual innovation in the tourism sector. The governance plan allows to identify and engage networks to trigger, catalyse, and accelerate their involvement and intervention in a focused and structured manner to help realization of the BLUE TOURISM Development goals.

As a guide for delivering the BLUE TOURISM governance strategic plan the EU Strategy for the Adriatic and Ionian Region (EUSAIR) and its Action plan¹ are found to be very useful.

Namely, the EU Strategy for the Adriatic and Ionian Region (EUSAIR) is a macro-regional strategy adopted by the European Commission and endorsed by the European Council in 2014. The Strategy was jointly developed by the Commission and the Adriatic-Ionian Region countries and stakeholders, which agreed to work together on the areas of common interest for the benefit of each country and the whole region. The EUSAIR is one of the four EU macro-regional strategies,

¹ The following text is adapted from: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Adriatic and Ionian Region, Action plan, (2014), retrieved from: https://www.adriatic-ionian.eu/about-eusair/
besides the EU Strategy for the Baltic Sea Region (2009), the EU Strategy for the Danube Region (2011) and the EU Strategy for the Alpine Region (2016).

Its general objective is to promote economic and social prosperity and growth in the region by improving its attractiveness, competitiveness and connectivity. With four EU members and four non EU countries the strategy will contribute to the further integration of the Western Balkans.

The participating countries of the EUSAIR agreed on areas of mutual interest with high relevance for the Adriatic-Ionian countries, being it common challenges or opportunities. The countries are aiming to create synergies and foster coordination among all territories in the Adriatic-Ionian Region in the four thematic areas/ pillars, i.e. Sustainable tourism, Environmental quality, Connecting the regions, and Blue Growth.

The Strategy encourages a horizontal approach highlighting interdependence between its four pillars. For example, climate change mitigation and adaptation as well as transition to a low-carbon economy have an impact on transport, energy, tourism, and other policies whilst the latter also have an impact on climate change. Accordingly, for each topic, involvement of bodies and institutions representing other policy fields is required².

With regard to the Sustainable tourism pillar the specific objectives are:

- Diversification of the macro-region’s tourism products and services along with tackling seasonality of inland, coastal and maritime tourism demand
- Improving the quality and innovation of tourism offer and enhancing the sustainable and responsible tourism capacities of the tourism actors across the macro-region.

To achieve the abovementioned objectives, it focuses on two topics:

- Topic 1 – Diversified tourism offer (products and services,)
- Topic 2 – Sustainable and responsible tourism management (innovation and quality).

² Ibid.
In line with the fact that tourism is a multidimensional activity (or set of activities) which requires an integrated approach, ‘Sustainable Tourism’ pillar is strongly linked to the other three pillars.

With regard to the first topic, i.e. Diversified tourism offer (products and services), some indicative actions are proposed, being:

- Brand-building of the Adriatic Ionian tourist products/services
- Initiative to improve quality for sustainable tourism offer
- Diversification of the cruise and nautical sectors and enhancement of the yachting sector
- Sustainable tourism R&D platform on new products and services
- Sustainable and thematic tourist routes
- Fostering Adriatic-Ionian cultural heritage
- Improving accessibility for Adriatic-Ionian tourism products and services
- Upgrade of Adriatic-Ionian tourism products

The topic “Sustainable and responsible tourism management (innovation and quality)” is operationalized by the following actions (and related project):

- Network of Sustainable Tourism businesses and clusters (aimed at stimulating innovation through interaction between different tourism actors and creation of strong synergies with complementary sectors along the value chain);
- Facilitating access to finance for new innovative tourism start-ups (aimed at facilitating access to information on funding possibilities for innovative sustainable tourism start-ups, and for SMEs and university spin-offs capitalizing on new research results and bringing new products and services into the sector);
- Promoting the Region in world markets;
- Expanding the tourist season to all year-round;
- Training in vocational and entrepreneurial skills in tourism;
- Adriatic Ionian cooperation for facilitating tourist circulation;
- Adriatic-Ionian action for more sustainable and responsible tourism (aimed at the establishment of an Adriatic-Ionian Charter to encourage sustainable and responsible tourism practices in the Region.)
According to the EC Report/analysis of the EUSAIR national tourism strategies, 8 topics with related activities at macro level have been identified in the EUSAIR action plan:

1. Promotional activities:
   - Development of a package of EUSAIR tourist products, to be promoted in China, in view of 2018 the EU Year of China;
   - Establishment of the EUSAIR tourism Agency, composed by the staff from the 8 participating countries for the marketing promotion of the Adriatic and Ionian macro region, to be considered as a sustainable and responsible tourism destination;

2. Development of a unique EUSAIR brand;

3. Measuring and monitoring sustainable tourism:
   - Explore the possibility to establish also within the Adriatic and Ionian Macro Region area, the INSTO (International Sustainable Tourism Observatories) endorsed by UNWTO. INSTO was recently established in Croatia (by the Institute for tourism in Zagreb, named CROSTO) and could become a model and driver also for the other EUSAIR countries;
   - Capitalizing the successful experience of some ETIS awarded Croatian, Slovenian, Italian and Montenegro destinations, in order to share the good practices for measuring the impact and collecting data on sustainable tourism and to expand the number of ETIS destinations within the EUSAIR territory;

4. Skills and vocational training:
   - Developing multilingual training courses and establishing a Master program on tourism management, hospitality and services, sharing the same methodologies and approaches, within the EUSAIR countries;
   - Follow the model (in terms of replicability) of the e-Capital culture master

5. Governance and capacity building:
   - Foster capacity building regarding the Destination Management Organizations - DMO,

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3EC (2017), EU Strategy for the Adriatic and Ionian Region – pillar IV, report/analysis of the EUSAIR national tourism strategies for identifying common priorities and actions in relation to the EUSAIR action plan-pillar IV: “Sustainable tourism”. Defining relevant EUSAIR macro-regional mid-term tourism result indicators and targets”- Executive summary

- Organize Annual DMO Forum, also in the EUSAIR context
- Community LED Local Development (CLLD) approach aiming at fostering the local level of the territorial integrated development

6. Cultural tourism and local identity:
- Be involved in the European Parliament Preparatory Action on cultural heritage, which aims at developing i) a large-scale project that integrates UNESCO recognized outstanding cultural heritage into a consumer-friendly platform and ii) a series of thematic routes for sustainable tourism development across Europe;
- The mapping of the existing routes certified by the Council of Europe, as well as the exploration of new thematic cultural routes relevant for EUSAIR.
- Establishment of networks based on thematic tourism already existing in the countries;

7. Innovation, ICT and digital agenda:
- Creation of a ‘digital ecosystem of culture and tourism’, with the participation of all stakeholders
- Development of a standardized ICT platform digitalization of the tourist services, Development of an EUSAIR smart specialization network for tourism and cultural issues;

8. Link between cultural tourism and creative industries:
- Establishing an EUSAIR Film Commission
- Creating Art Networks (such as, music and fashion festivals, theatres, art exhibitions; museums, archaeological sites)
- Setting up an EUSAIR cluster for sport tourism initiatives and competitions;


Special significance regarding fulfilment of the realization of the BLUE TOURISM Development goals is to be given to the topics from 3 to 7.

Recently the OECD was asked by the European Commission to identify the multi-level governance structures supporting the EUSAIR strategy in each country, in order to gain a better understanding of the challenges and opportunities with respect to potential policy outcomes. The methodology consisted of a background questionnaire sent to countries in Spring 2017, a series of national case studies focused on multi-level governance institutional and administrative structures, arrangements and tools, and individual country visits, as well as desk research. The research has pointed that the concept of “multi-level
governance” extends from the European level to the local level and includes cross-sector coordination at each. However, countries participating in EUSAIR organise the multi-level governance system supporting the strategy around their unique institutional settings and administrative organisations.⁵

As the following step, the OECD was requested to review and assess national multi-level governance systems and challenges that can support or hamper achieving macro-regional strategy objectives for the Adriatic and Ionian Region (EUSAIR). Hence it provided for the Multi-Level Governance Self-Assessment Tool for that supports EUSAIR key implementers enhance their ability to effectively and efficiently address multi-level governance challenges with respect to EUSAIR, and to take corrective action.⁶

3. Tourism multi-level governance trends

As indicated by the OECD research⁷ virtually all countries have a government department or unit responsible for tourism policy. Yet, among these, relatively few nowadays have a separate, independent ministry or department for Tourism. Croatia is one of these. In other countries, tourism is one of the specified competencies within a ministry with two or multiple portfolios such as in Italy (Ministry of Cultural Heritage and Tourism or in Greece (Ministry of Economy, Infrastructure, Shipping and Tourism). It may also be located within a ministry or department which bears no mention of ‘Tourism’ in its title like in Austria (Ministry of Science, Research and Economy) or in Portugal (Ministry of Economy, Innovation and Development). Examples of this type of ministry are numerous, especially in developed economies,

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where there is an increasing trend to integrate tourism more into higher-profile, arguably more prestigious, ministries such as economic planning and policy-making.  

The majority of national tourism administrations (NTAs) claims to consult and co-operate with other ministries and departments, as well as with industry, on tourism policy issues. This might be understandable given the number of stakeholders involved but, in many cases, this consultation is not formalised – i.e. there is no statutory body involved. Horizontal or inter-ministerial/departmental committees tend to exist at national level, like in Croatia. Consultation with lower level tourism authorities is much more likely and easier to implement and manage in economies with a decentralised political system, such as in Spain.

Councils established as inter-ministerial or inter-agency groups across government, and between national, regional and local tourism and other tourism-related authorities, increasingly involve the private or operating sector of Travel & Tourism – primarily through trade associations, but also through the appointment of individuals, usually industry leaders. And this is a trend expected to intensify in future, with more and more involvement of sectors not directly involved in Travel & Tourism.

Such a trend of cooperation in delivering important tourism policy measures is usually being referred to as governance. Governance is a broader term than government, because it encompasses non-state actors and because existing within it is interdependence between organizations, as well as continuous interactions among them. Go and Trunfio talk about the need of bringing about the realization of the

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8 ibidem, p. 16
10 ibidem, p.19
11 WTTC (2015), p20
so called “embedded subject of governance” into still dominant political-institutional hierarchic model. It should be designed in a way to create interactive governance both dynamic and contextually sensitive to mobilize collaboration between actors, especially entrepreneurs and community members.

To this end, a Destination Management Organisation (DMO), as an embedded touristic governance body would have to represent a platform between political actors, business and community. This process must be supported by “collaborative and social inclusive consensus-building practices, designed to create three kinds of shared capital: social capital – trust, flows of communication and willingness to exchange ideas, intellectual capital – mutual understanding, and political capital – formal or informal agreements and implementation of projects.\textsuperscript{14}

With the aim of enhancing realisation of the EUSAIR Sustainable Tourism Pillar objectives, i.e. Diversified tourism offer (products and services) and Sustainable and responsible tourism management (innovation and quality), local DMOs as (tourism) governing bodies would have to:

\begin{itemize}
  \item establish long-term strategic planning processes to guide the sustainable management, development and marketing of tourism;
  \item seek the support of their state or territory/regional tourism organisations;
  \item have a good cooperation and support from the local government;
  \item establish a good cooperation and support from park and heritage agencies and other relevant government authorities;
  \item undertake research to support decision-making for tourism;
  \item educate and communicate the significance and local values of tourism to visitors, the community, governments and business;
  \item promote and enhance service excellence;
\end{itemize}

\textsuperscript{14} Ibidem
• develop crisis management plans for tourism;
• promote access for visitors by planning and taking part in developing effective transport infrastructure and systems;
• take part in planning and development of appropriate infrastructure and support facilities for tourism with local government and other relevant bodies and agencies;
• plan and develop a range of appropriate (sustainable) visitor products and experiences;
• establish an effective and consistent destination brand and image that is used to position and promote the destination to attract appropriate/responsible visitor markets and guide the development of appropriate/sustainable tourism product;
• plan for the preservation of natural, built, socio-cultural environments.

Given the roles and activities of a DMO as an embedded touristic governance, it would be very convenient if it served as a platform for cooperation between different tourism actors in different areas of innovation that may contribute to the enhancement of quality, innovation and sustainability of the coastal destinations. However, since DMOs in most destinations are usually acting as public or semi-public organisations and as such are often under-financed and under-staffed, they are often not able to act as focal points for the exchange of ideas regarding the innovations within the Quadruple Helix framework.

This is why the Blutoursystem platform resulting from the adopted quadruple helix model is conceptualised as a hub where two cross-border academic institutions, several public and civil organizations and SMEs meet and exchange ideas, knowledge and skills.
4. The Blutoursystem platform QH governance plan

In absence of a DMO serving as a cooperation hub between different tourism actors in different areas of innovation, the Blutoursystem platform is established and activated so called Advice Blue Points (ABPs) as one of the two operational branches, grounded also on the Cross Border Living Lab.

Through the ABPs the knowledge-based tools are jointly developed by Ca’Foscari University from Venice, Italy as the leading partner and Faculty of Economics, Business and Tourism from the University of Split, Croatia as the partner institution for the purpose of providing to the stakeholders through the ABP a market intelligence. Advice Blue Points are respectively installed in Split and Venice. The Advice Blue Points are the focal and meeting points for a cross-border participatory multi-stakeholder process that engages key tourism-related stakeholders from different cross-cutting sectors and policy areas at all levels (cross-border, national, regional and local) that is pivotal to ensure an effective and inclusive process of tourism blue economy, developing at the same time the capacity of identification of new Cross Borders Tourism Scenarios (CBTS).

The authorities, institutions and organizations, partners of the BLUTOURSYSTEM project, which co-signed Memorandum of Understanding underlined the need to promote responsible and sustainable Blue tourism innovative management and development ensuring attractiveness, growth and sustainability of Adriatic region destinations in a long-term vision and perspective of the strategic framework of the European Union planning, based also on the principle of subsidiarity, and taking into account the implementation of MSP (Maritime Spatial Planning) and ICZM protocol (Integrated Coastal Zone Management) principles, the UNEP/MAP Mediterranean Strategy for Sustainable Development, the Blue Growth Strategy, the Blue Med initiative and the Integrated Regional Development policies on Sustainable Tourism and the Integrated maritime policy.
Blutoursystem partnership:

- Finalized tailored strategic “roadmap” advisory services for the development of new competitive spin-off, highlighting the importance of a holistic and coherent approach to ensure impactful tangible results in the field of tourism blue economy;
- Identifying and exploiting the enabling tourism blue-economy skills and competences in a structured multilateral approach that clearly defines and engages stakeholders in consultations at cross-border, national, regional and local level for the purpose of defining goals and strategies in the Adriatic arena;
- Setting up training courses and modules able to cover vertical and multidisciplinary competences needed by the blue economy entrepreneurs, policy-makers and public and private stakeholders in order to enable their management capacity building, operational capacity building, financial management capacity building and also personal capacity building in the medium and long term perspective of development of a more effective tourism blue economy and open innovation entrepreneurship;
- Ensure a sound and timely exchange of knowledge, of data information through the Smart Cross Border Data System (SCBDS) that will enable the sound implementation of an effective market intelligence that will lead to the improvement of the framework conditions for blue growth and innovation.

According to implemented activities and agreed follow up plan, ad hoc tailored services, advisory activities and consultancy will be provided in the following fields of competences:

- Digital competences: Social media use; E-commerce,
- Needs assessment survey, study and analysis of tourism destinations,
- Blue economy and tourism destination management,
- Market intelligence /tourist market research,
- Service/product design,
- Business planning,
• Strategic destination planning,
• Tourism marketing planning,
• Event management/planning,
• Eco standardisation in hospitality and tourism,
• Strategic destination development and marketing planning,
• Integrated Quality Management of a destination.

4.1. Academia sector

The first helix is academia, i.e. two universities, partners on the Blutoursystem project, i.e Ca’Foscari University from Venice, Italy as the leading partner and Faculty of Economics, Business and Tourism from the University of Split, Croatia as the partner institution.

They create new knowledge and make it available to other helices by using a platform enabling virtual space (living lab) for knowledge exchange. There, different stakeholders, above all SMEs can find advanced support services and an open space for innovation and testing. In this way academia becomes a kind of knowledge advice point that helps reducing the gap between research and practices. On the other side, by cooperating with the entrepreneurial helix (as well as with other helices), academia gets necessary inputs for its further research and innovation thus closing up the feedback loops.

4.2. Business sector

Second helix refers to economic operators from the field, i.e. SMEs active in blue tourism: accommodation, sharing economy subjects, food and beverage, incoming tour operators and other tourism related enterprises that may enjoy benefits from the innovation co-creative process.

Different sectors of business may necessitate different incentives and support mechanisms. For example, sectors in which the innovation is driven by end users differ in this respect from sectors in which innovation is more dominated by business-to-business relations or public procurement. Policies and measures for supporting user-oriented QH innovation are only in their infancy.

Cultural and Creative industries and organizations, training organizations, and other alike associations also make essential part of this helix. Being essentially the most creative organizations, they may have an
extremely important contribution to the “bluetour” network. By taking part in QH network enterprises receive a support in terms of knowledge and capacities development. They improve skills and competences what eventually leads to new innovations. As for the particular organizations to be involved in the CB LL activities, except for those project partners that have already been involved in it in the first project stage (30 businesses), as “the engine for project development”, in the implementation phase it is recommended to reach more different economic/business operators from tourism related activities such as: organizations representing tourism SMEs (chambers, development agencies and alike) transport and mobility managers, cultural organizations, creative industries representatives.

Business companies:

• May necessitate a development of new business models.

• Necessitates a huge change of culture, the R&D experts and managers of firms have to give up some of their decision-making power to users/consumers/citizens and apply user-oriented approaches instead of technology- or expert-oriented approaches.

• Also the roles of firms’ R&D experts may have to be changed; earlier they were the ones who knew best what was worth doing, in the QH model also users know this, R&D experts may have to become also supporters of user innovations instead of only being makers of R&D expert innovations.

• Necessitates new skills and methods to find right users, to cooperate with users, to motivate them and to utilize the input of users. Therefore the QH model can be more easily applied by firms with better financial resources and therefore a better ability to acquire more QH know-how and expertise.

• User involvement, especially in several phases of innovation, is also a time-consuming task; smaller companies may have difficulties to find enough resources to do this (even though it can lessen the risks associated with the development of new products).

• User-oriented innovation models can be more easily applied by firms producing products/services for end users and consumers and therefore operate in areas in which innovation is more driven by end users (IT, mobile technologies, media and health care).
• User-oriented innovation models can also be more easily applied by firms operating on markets where the competing products/services are developing fast.

• Appliance of user-oriented innovation models can be easier for larger firms, where users have long been actively involved in product and services development (e.g. firms with strong brands or operating in the IT sector).

4.3. Civil sector

The third helix refers to civil sector, including some relevant NGOs as well as local communities and tourists who have very important role in the co-creation of contents and data. Their opinions and contributions to the innovations may be valuable considering that on one side, tourists as consumers may precisely evaluate products and services they consume, while local population on the other side, being most directly influenced by tourism industry, may be creative in finding solutions to the problems posed by it. In order to reach this audience Living lab would have to be accessible to both these two groups of stakeholders who may use the content and share opinions and ideas through then LL platform.

Finally, the fourth helix, public sector is inevitable in the Quadruple Helix living lab platform. Besides regional authorities taking part at the partnership, local municipalities are also to be involved.

Namely, some of destination’s 6A assets, being public goods (commons) are under direct jurisdiction of the public authorities (such as accessibility assets, some of the heritage attractions, ancillaries etc.). Therefore, there is no doubt that they make an intrinsic element of the QHelix network, the one that may give a valuable contribution to innovations related to public goods management and enhancement. Within this helix an unavoidable element is Destination Management Organization. DMOs have recently changed their role, from purely marketing oriented organizations towards those having coordinating and strategic management role.
4.4. Public organizations/authorities

Finally, the fourth helix, public sector is inevitable in the Quadruple Helix living lab platform. Besides regional authorities taking part at the partnership, local municipalities are also to be involved. Namely, some of destination’s 6A assets, being public goods (commons) are under direct jurisdiction of the public authorities (such as accessibility assets, some of the heritage attractions, ancillaries etc.). Therefore, there is no doubt that they make an intrinsic element of the QHelix network, the one that may give a valuable contribution to innovations related to public goods management and enhancement. Within this helix an unavoidable element is Destination Management Organization. DMOs have recently changed their role, from purely marketing oriented organizations towards those having coordinating and strategic management role.

Innovation policy measures expected from public authorities may increase significantly. After this transition, in addition to measures supporting the development of TH environments, they should implement also measures supporting the development of different QH environments. QH is an under-researched and under-documented topic; therefore public authorities do not have enough reliable information about QH and good policy measures related to this model. Open/citizen-centred innovation is in contradiction with top-down and bureaucratic practices of public organizations and it necessitates a huge cultural change and also changes in the official regulations of public organizations. It also may necessitate new public service models (citizen-driven models) which calls for new skills and methods at all levels in the public sector.

Local and regional authorities have an important role in QH, via strategic use of resources, integrating knowledge and skills in innovative thinking, community building, procurement, regulation, grants and rewards. However, in order to succeed in this, they also need to develop their own ability and skills to accomplish these and to cope with the constraints, inflexibilities and bureaucracies inherent in public organizations. This means that public authorities are faced with a double challenge of renewing themselves in order to be able to be an interesting partner in renewing the local-regional “innovation ecosystem”.

European Regional Development Fund
4.5. Follow up strategic plan

A stepwise process, which is relevant for the context, of building awareness, connection, learning and mutual trust-building is advisable, and here the four QH models and the wealth of experiences already contained in relation to them could be helpful. We recommend that each locality/region identify their particular stage of development, challenges and opportunities by means of the four basic QH models and the good practices identified in them, and designs and executes, together with the necessary stakeholders, a local-regional learning process with a distinction of a short-term and a long-term opportunity perspective. Thus, we recommend making a careful self-assessment against the different QH models, goals, types of innovations produced, and the roles, skills and activities needed from public authorities to support innovation. It is recommendable to:

- cooperate in integrate planning for the preservation of natural, heritage, built, social and cultural in strategic tourism planning processes and other relevant local government plans and strategies;
- work with natural resource management and environmental agencies to assess and plan for visitor impacts;
- work with local environmental groups to investigate accreditation models that encourage and improve environmental performance and efficiency of tourism businesses;
- establish an environmental management framework that defines sustainability indicators to monitor environmental impacts (natural, social and economic);
- cooperate in planning for the sustainable management systems of natural resources (e.g. sewage and water management);
- support and encourage tourism operators to achieve environmental accreditation.

This list is not exhaustive and indicates a range of principles and activities that underpin integrated planning for (coastal) tourism destinations. As the matter of sustainability is a very broad area of research, elaborated principles could be an object of further elaboration and research.
5. Literature:


6. Murphy, P. (1985), A Community Approach to Tourism Development,


