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Abstract

When thinking about clusters, primarily agglomerations of manufacturing and related service industries come into mind. Yet, clustering in tourism is as salient as in few other industries. Tourism clusters are an empirical fact. Considering the high relevance of tourism to many regions and nations, linking cluster and tourism policy seems worth considering. For this, a special theory of tourism cluster policy is needed, as tourism offers some particular characteristics that set it apart from other industries. On the basis of an analysis of these specifics, this article develops a toolbox for cluster policy specifically aimed at agglomerations in the tourism industry. It offers an overview of ways to use tourism agglomerations for the economic development of nations and regions, including rural ones.

Keywords: clusters, cluster policy, tourism economic growth, regional policy, rural development

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I Introduction¹

Tourism agglomerates. This is an obvious fact. Either in vibrant cities such as Paris or New York or along magnificent Mediterranean or Caribbean beaches: hotels, restaurants, shops and other enterprises longing to attract the attention of tourists do cluster. One of many salient examples is that of Mallorca's S'Arenal, one of Europe's foremost mass tourism destinations that is confined to just a few square kilometers between the Mediterranean coast and the airport of Palma de Mallorca.

Another example is that of the spatially delimited *zones touristiques* in Tunisian tourism regions, e.g. Hammamet or Mahdia, that span just a few kilometers along the coast. The same phenomenon can be found in Greece (e.g. Stalis/Hersonissos in Crete), Egypt (e.g. Hurghada or Sharm-el-Sheikh) and many other Mediterranean countries.

This clustering on the local scale is not confined to European and neighboring Mediterranean countries. The clustering around major theme parks in Orlando, Florida, the Dominican Republic's Punta Cana or Dubai's Jebel Ali and Jumeirah costal strip are other, albeit completely different shapes of the same phenomenon that becomes very visible to tourists travelling to these destinations or simply by locating them on a map: the strong tendency of tourism (especially mass tourism) to agglomerate.

Despite this apparent reality, cluster theory has mainly concentrated on clusters of manufacturing industries and related business services.² Considering the relevance of clustering in tourism, developing a theory of tourism cluster policy can give policymakers at various spatial scales new levers to develop their destinations. Therefore, existing approaches to cluster policy can be refined and targeted especially at the tourism industry.

Drawing on the research of Benner (2009; 2012a; 2012b; 2012c; 2012d), this article introduces a toolbox that integrates general insights from cluster theory, considers the specifics of tourism, and proposes ways for agents of tourism policy to design their own cluster strategies.

1 This article draws in part on Benner (2012a; 2012b; 2012c).

2 There are, however, exceptions. For example, Porter (1998b) explicitly writes about tourism clusters and their characteristics.

2 Is there such a thing as a “tourism cluster”?

Before a tourism policy that draws on the cluster concept can be developed, it should be clear whether the cluster notion applies to tourism at all.

Defining a cluster is a complicated task as there are innumerable definitions of clusters (Benner 2009; 2012c). When doing so, scholars often think about manufacturing or business services. This perspective is rarely stated explicitly but becomes obvious while looking at case studies in the economics and economic geography literature. Still, common cluster definitions do not rule out tourism, neither explicitly nor implicitly. For example, Porter writes that

“Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate” (Porter 1998a: 197-198).

This very popular definition (as many other ones) is rather general. It contains nothing that could not be applied to tourism clusters. The same applies to the working definitions proposed by Benner (2009; 2012c; 2012d) which provide the basis for the further reasoning in this article. Following these working definitions, a clusters are understood here as “spatial agglomerations of businesses in the same or in related industries, particularly on the local and regional, but also at the national or supranational scale (...). The same or related industries are understood to be located in the same value chain, in similar value chains or in their environment” (Benner 2012d: 6).

There is, however, one important distinction between tourism and manufacturing clusters. For manufacturing and business services clusters there are many possible reasons why a cluster emerges in the first place. Tourism, in contrast, usually clusters where some kind of attractions are located, or better yet, it clusters at a certain location predisposed by nature or by other factors external to the tourism industry. Depending on the kind of tourism, its businesses cluster near a beach or lake, in the mountains, in a city, or at another place of interest to the relevant target group of tourists. Other businesses might be drawn to the location for the same reasons. This way, a cluster comes into being. The cluster itself is then not necessarily the main

reason for new businesses to locate there. In other words, continued clustering in an established cluster does not necessarily and primarily have to be due to a dynamic, cumulative process of clustering but rather to the reasons that already attracted the first businesses. Designation of tourist zones by government also plays a role. Still, in a market system this alone would not lead to the establishment of flourishing tourism clusters if their locations were not attractive to tourists and thus to investors and businesses seeking to engage in tourism ventures.

Yet, this process of cluster emergence is not so distinctive for tourism clusters. Taking a closer look, these differences between manufacturing and tourism clusters are weaker than expected. First, there may still be some cumulative processes of clustering in tourism, e.g. if and when common infrastructure that benefits all tourism businesses is established at the cluster's site and attracts further businesses, or when a destination becomes widely known among tourists and this image facilitates new businesses' marketing efforts. In other words, externalities between tourism businesses can occur in tourism, too. They will typically differ from externalities known in (some) manufacturing industries like spillovers of sophisticated technical knowledge. Still, even among various manufacturing clusters, the kind of externalities that occur can vary widely. Second, the exact mechanisms that are at work in clusters are not a matter of definition for clusters in general. Every cluster is more or less different from each other. This holds true not just for tourism clusters compared to other ones. Rather, the exact configuration of mechanisms is a matter of each idiosyncratic case of cluster (or type of cases). Third, the reasons for the emergence of a cluster can vary widely among all kinds of clusters, including those in manufacturing or business services industries. Chance often plays a very strong role (Benner 2012c). Physical conditions can be a major aspect of location decisions in manufacturing, e.g. when it comes to the extraction and refinement of natural resources. In this case, it is the oil well rather than the beach that causes a cluster's emergence, but analytically these cases are not that different.³ Considering the wide range of possible triggers for clustering, the reasons for the initial impetus for cluster emergence should not be one of a cluster's defining characteristics.

3 Benner (2009: 4) excludes clusters based physical factors from his working definition. Considering the wide range of reasons, and combinations of them, that may account for the emergence of clusters, this perspective seems too narrow. This is why Benner (2012c) does not maintain this restriction.

The spatial environment of tourism clusters may at first sight appear different from that of (many) manufacturing clusters. Tourism can agglomerate not just in urban regions, but also in rural ones. While this is also true for manufacturing clusters that sometimes emerge far away from large metropolitan regions, tourism cluster will often be located in rural regions. Thus they can be expected to be one of the industries (together with, notably, agriculture and related industries) in which cluster policy can have the strongest impact on rural development. Because of its high labor intensity (Benner 2011a: 8-9; 2011b) this impact will often be very powerful in terms of reducing local unemployment, especially among jobseekers with lower formal education. The cluster concept is, however, not confined to urban regions. It may in appropriate instances overlap with notions of urban dynamics (e.g. Jacobs 1969; 1984; Florida 2004), but there is no reason why this should necessarily be the case. It can equally apply to rural regions.

Another aspect should be noted. In the cluster definition used in this article, functional links between cluster agents like input-output relations or other kinds of networking are not considered a constituent component for clusters (Benner 2009: 4; 2012c). Some clustering mechanisms can work without any functional links. This holds true for manufacturing and possibly even more so for tourism.

In sum, there is no analytical reason why tourism clusters should not be examined by cluster theory on the basis of its general cluster definitions. The fact that the cluster literature rarely treats tourism clusters should therefore not be regarded as a general denial of the fact that the cluster concept is relevant to tourism but rather as a coincidence.

3 Specifics of tourism policy

Notwithstanding the analytical equivalence of manufacturing and tourism clusters suggested above, tourism does exhibit certain specifics that should be considered in the formulation and implementation of a tourism cluster policy.

First of all, the product of tourism does not consist solely of component services provided by single businesses (e.g. hotels, restaurants, shops, cultural venues, transport providers) but is a combination of many of them. Porter emphasizes that

“In a typical tourism cluster, for example, the quality of a visitor's experience depends not only on the appeal of the primary attraction but also on the quality and efficiency of complementary businesses such as hotels, restaurants, shopping outlets, and transportation facilities. Because members of the cluster are mutually dependent, good performance by one can boost the success of the others” (Porter 1998b: 81).

Several of the factors Porter suggests are typically provided by private businesses. Others, like transportation facilities, are typically operated by public agents. Therefore, in tourism private businesses are mutually complementary to each other and to public agents. But this is not the whole story. These services and the destination as such are complementary, too. The destination as a whole with its sights, its atmosphere, its amenities, and the services offered, is what attracts tourists. It may have, as Porter emphasizes, a primary attraction or be the primary attraction itself (e.g. a city or a landscape consisting of a combination of natural and man-made characteristics). The appearance and appeal of a destination as a complete experience and product will be shaped by public agents in various ways (e.g. by urban planning, the planting of trees along streets, or the existence, efficiency, or absence of waste collection). But it will also be shaped by private businesses, firstly through the quality of the services they offer themselves, and secondly through their (positive or negative) externalities on the destination's attractiveness.

Thus, the product is a combination of services provided both by private businesses and public agents. The latter can be municipalities, regional governments, national government and many others. They “manage” the destination (e.g. city or region) in general and they design it through regional and urban planning or village renewal. Sometimes, they also care for its marketing, either directly or indirectly through public tourism marketing agencies or offices. In addition they maintain public transport facilities like airports, roads, railroads, bus systems, or ports. They can also provide services exclusively or in part directed at tourists, e.g. concert venues, conference centers, museums, theaters, tourist information offices, or parks. Thus, public agents (both administrative agents and policymakers) take a more active role than in other industries where their role tends to be limited mainly to guaranteeing economic freedom, fostering competition, issuing permits (e.g. zoning, construction, or professional permits), moderating, initiating or taking part in participatory processes (e.g. cluster policy), or providing some

services to businesses (e.g. export or investment promotion, entrepreneurship promotion). In tourism, they are themselves (co-) producers. This even holds true if a large part of the destination is shaped by private businesses (e.g. in large theme park resorts), although to a lesser degree. In some cases private agents might take over some tasks typically performed by the public sector by developing integrated tourists destinations themselves, but there are limits to this. For example, a private investor building an own airport for a tourist destination is unlikely. In contrast, private provision of access roads appears much more plausible.

Thus, public agents have a chance to influence economic development more directly than in most other industries. But this is not just a chance but also a necessity. Without public investments in a destination's quality, substantial further tourism development is not likely to occur. Even if private agents could in principle fulfill all typically public tasks, the probability of externalities that could benefit other businesses raises doubts whether incentives for private agents to do so are sufficient.

This means that in a market system, coordination is needed between possibly all private and public agents, including government agents on various levels of government and on various spatial scales (Nabli, Keller et al. 2006: 12). This is because the product “destination” is a combination of many components without central coordination (in contrast to, for example, value chains led by a focal company and its suppliers). A theoretical alternative would be for public agents themselves to take over all activities of tourism businesses within the destination. Then, government (understood in a wider sense) would be the sole provider of tourism services. Notwithstanding the enormous and probably irresolvable difficulty of establishing a precise border between the tourism and non-tourism sectors (e.g. in retail), such a solution does not go well with a market system. In addition, it is most unlikely to occur because of public budget constraints that lead to the inability of public agents to undertake the necessary investments in the whole range of the tourism sector. Finally, in the view of achieving a high and constantly growing level of competitiveness of a destination, such a configuration appears undesirable because of bureaucratic incentive structures that can severely inhibit dynamic and possibly even static efficiency (Benner 2013: 9). Thus, while such a model might be adopted in economies with a very high or even all-encompassing degree of direct government intervention (e.g. in command economies), it is not an option in a market or mixed economy. A combination of

private and public co-production will then be the predominant supply-side market design of tourism destinations. Even so, the exact share of public involvement may vary greatly.

Investments in upgrading the destination as a whole can also consist of individual tourism entrepreneurs' private investments because of the interdependence between various tourism service providers within a destination. Their private investments, combined with public ones, are a public good. This leads to a possible free-riding problem. Private businesses do not have incentives to invest into the destination as a whole to degree sufficient to maximize their welfare in the long run. For example, hotels, restaurants, or shops have little incentive to contribute to the maintenance of airports or parks that benefit all of them, as they might expect other businesses or the public to finance them. This problem can be solved by a collective provision of these investments funded by obligatory contributions of those who benefit from them. Consequently, it is a government task to organize such a solution, e.g. by setting up a public-law chamber and committing tourism businesses to fund it.

Public agents can also play an even more activist role. This will, for example, often be the case with cultural infrastructure provided by local or regional governments (e.g. theaters, museums, or art galleries, but also municipal conference centers). These investments can be funded, for example, by taxes on hotel stays that will often be born economically both by guests and hotels.⁴ Revenues can (and in view of the necessity for public agents to invest in infrastructure relevant to tourism, should) be used to finance tourism infrastructure that creates a unique selling proposition for tourism destinations, e.g. cultural facilities. Such an approach should be reserved for infrastructure that really caters to the interests of the target group. Basic infrastructure that does not visibly enhance the destination's attractiveness (e.g. the general road network) or that is being taken for granted and thus does not provide a clear competitive advantage in the relevant tourist market should not be funded with such special contributions. It should be kept in mind that basic infrastructure, if is being taken for granted, may be a necessary condition for a destination's outstanding attractiveness but not a sufficient one. Addressing basic infrastructure needs only mitigates competitive disadvantages, but it is not enough to develop a destination's attractiveness. Here the notion of “ubiquitification” known from cluster theory can be borrowed: competitiveness can only be built on the basis of heterogeneous resources (Maskell and Malmberg 1999). Thus, if public agents demand a

4 The exact distribution of the tax burden depends on the price elasticity of demand.

premium on prices by imposing a tax on tourist stays, it should be used for salient amenities. “Standard” infrastructure like airports usually do not render a destination particularly attractive but are a precondition for it to enter a wider tourism market in the first place.

Such an approach requires solid judgement on the kind of infrastructure that best responds to the needs of the relevant target group of tourists. Public agents will find it difficult to target customers in a competitive market, as they are lacking both the experience and the information to do so. Often incentive structures in public administration and politics further complicate this task. To counter the difficulties associated with these weaknesses of public agents in operating in a competitive market, coordination can be handed over to organizations closer to the market, e.g. tourism associations. In this case, public agents will need to adhere to the common vision of the destination that can be developed in a participatory process involving most or even all relevant public and private agents.

National or regional planning can help in coordinating public investments, for example in transport infrastructure and particularly in airports, as well as in flagship projects of cultural infrastructure. This is to prevent a possibly inefficient use of public funds by public investment in redundant infrastructure at too many places at the local level. Not every medium-sized city needs an airport. Rather, when it comes to public investments, a certain functional specialization of destinations is needed. This specialization should be harmonized with private businesses' competitive strengths. Public agents do not directly compete and do not need to respond directly to market signals as they accept to run deficits to a certain degree. After all, infrastructure investments are undertaken by government because they are not directly profitable. The ability of public agents to run deficits (which should of course be equalled by tax revenues or other contributions at the level of the government's total budget) is therefore an important characteristic of the role they play in tourism clusters. But it requires coordination between public agents. Higher level coordination for public tourism investment is very desirable. It can be complemented by tentative subsidization of local or regional public agents' investments by public agents on higher political and spatial levels. This means, if local or regional public infrastructure investments are to be subsidized by higher government levels, they have to be coordinated on this higher aggregate level. Local public investments that do not fit higher-level coordination should not be subsidized. This vertical dimension of coordination of

public infrastructure complements the above-mentioned horizontal dimension of coordination between public and private investment at the level of an individual destination. Cluster policy can be particularly useful to fulfill the horizontal coordination function.

In sum, public and private agents will need to invest (public agents at least up to a certain degree) and to coordinate themselves. Public agents need to have an investment strategy and a coordination strategy. They should act as a catalyst for investment (including other public investment) and for coordination. If, for the reasons outlined above, they do not take over the coordination role themselves, they can still (and might even need to) initiate coordination by another organization that can be created and/or funded – at least during the first years – by public agents. They will need to participate in these coordination fora in the long term in their role as infrastructure providers. Horizontal coordination between private (and public) investment on the one hand and regulatory government activity (e.g. zoning) on the other can also be accomplished in these fora.

In a certain sense, tourism cluster policy is a kind of destination management. These particularities of tourism policy must be integrated into a theory of cluster policy targeted specifically at tourism clusters.

4 A toolbox for tourism cluster policy

Drawing on the cluster policy toolbox proposed by Benner (2009; 2012a; 2012b; 2012c; 2012d), those aspects of cluster policy that are relevant for tourism clusters can be identified. The aim is to develop a more specific toolbox targeted at tourism clusters by integrating the specifics of tourism policy where appropriate.

Among the mechanisms and instruments suggested by Benner (2009; 2012a; 2012b; 2012c; 2012d), the ones listed in Table 1 are likely to pertain to tourism clusters.

Table 1: Instruments of cluster policy

Mechanism	Instruments
Recruitment of qualified new staff among alumni of higher education institutes	<ul style="list-style-type: none"> ▪ Job fairs ▪ Direct matching between employers and qualified job-seekers

	<ul style="list-style-type: none"> ▪ Direct dialogue between companies and R&D/education institutions ▪ Public relations initiatives for the cluster ▪ Online job exchange ▪ Use of social media tools ▪ Lobbying for measures of education and science policy (e.g. for locating R&D/education institutions within the cluster)
Labor mobility among companies or between higher education or research institutes and companies	<ul style="list-style-type: none"> ▪ Job fairs ▪ Direct matching between employers and qualified job-seekers ▪ Public relations initiatives for the cluster ▪ Online job exchange ▪ Use of social media tools ▪ Lobbying for measures of education and science policy (e.g. for locating R&D/education institutions within the cluster)
Student work in companies (e.g. as interns or student trainees or through writing theses)	<ul style="list-style-type: none"> ▪ Job fairs ▪ Direct matching between employers and qualified job-seekers ▪ Direct dialogue between companies and R&D/education institutions ▪ Public relations initiatives for the cluster ▪ Online job and internship exchange ▪ Use of social media tools ▪ Scholarships for theses and internships ▪ Lobbying for measures of education and science policy (e.g. for locating R&D/education institutions within the cluster)
Spinoff formation	<ul style="list-style-type: none"> ▪ Entrepreneurship or business plan competitions ▪ Foundation of technology centers or science parks ▪ Entrepreneurship seminars ▪ Consulting for (possible) entrepreneurs before and after the new business formation and information about support options ▪ Matching of entrepreneurs and experts ▪ Industry and technology-specific subsidies for new business formation ▪ Lobbying for measures of education and science policy (e.g. for locating R&D/education institutions within the cluster)
Availability of venture capital (including financing through angel investors)	<ul style="list-style-type: none"> ▪ Allocation of venture capital by venture capital funds ▪ Direct coaching for spinoffs by venture capital donors ▪ Development of technology centers or science parks into incubators through the offer of venture capital
Cooperation between higher education or research institutes and companies	<ul style="list-style-type: none"> ▪ Technology transfer departments of subsidiaries of universities ▪ Technology transfer specialists at university institutes or chairs ▪ Management of cooperation projects ▪ Direct matching of potential partners ▪ Congresses, seminars and other meetings as a means of initiating and maintaining contacts ▪ University classes for industry workers ▪ University training programs for industry workers ▪ Use of universities' or R&D institutions' infrastructure (e.g. laboratories or machines) by industry ▪ Financial support for collaboration (also through cluster competitions) ▪ Innovation vouchers ▪ Formation of associations or working groups encompassing industry and universities or R&D institutions ▪ Use of contacts to other associations or networks for trans-regional matching in the external cluster dimension

	<ul style="list-style-type: none"> ▪ Industry semesters of university teachers ▪ Collaboration in designing a cluster strategy in order to participate in a cluster competition ▪ Online cooperation database ▪ Use of social media tools ▪ Creation of a cooperative climate by building a common cluster identity (e.g. through public relations initiatives) ▪ Lobbying for measures of education and science policy (e.g. for locating R&D/education institutions within the cluster)
<p>Horizontal cooperation among companies (including cooperation in trade associations)</p>	<ul style="list-style-type: none"> ▪ Management of cooperation projects ▪ Direct matching of potential partners ▪ Congresses, company visits, seminars and other meetings as a means of initiating and maintaining contacts ▪ Use of leading companies' infrastructure (e.g. laboratories or machines) by other companies ▪ Financial support for collaboration (also through cluster competitions) ▪ Formation of industry associations or working groups ▪ Use of contacts to other associations or networks for trans-regional matching in the external cluster dimension ▪ Collaboration in designing a cluster strategy in order to participate in a cluster competition ▪ Use of trade fair participation programs for trans-regional or international matching in the external cluster dimension ▪ Use of delegation trips for trans-regional or international matching in the external cluster dimension ▪ Online cooperation database ▪ Use of social media tools ▪ Creation of a cooperative climate by building a common cluster identity (e.g. through public relations initiatives) ▪ Focused investment promotion towards external companies, including through focused allocation of subsidies ▪ Use of public relations initiatives for trans-regional matching in the external cluster dimension
<p>Vertical cooperation among companies</p>	<ul style="list-style-type: none"> ▪ Management of cooperation projects ▪ Direct matching of potential partners ▪ Congresses, company visits, seminars and other meetings as a means of initiating and maintaining contacts ▪ Use of leading companies' infrastructure (e.g. laboratories or machines) by other companies ▪ Financial support for collaboration (also through cluster competitions) ▪ Formation of associations or working groups encompassing various industries ▪ Use of contacts to other associations or networks for trans-regional matching in the external cluster dimension ▪ Collaboration in designing a cluster strategy in order to participate in a cluster competition ▪ Use of trade fair participation programs for trans-regional or international matching in the external cluster dimension ▪ Use of delegation trips for trans-regional or international matching in the external cluster dimension ▪ Online cooperation database ▪ Use of social media tools ▪ Creation of a cooperative climate by building a common cluster identity (e.g. through public relations initiatives) ▪ Focused investment promotion towards external companies,

	including through focused allocation of subsidies <ul style="list-style-type: none"> ▪ Use of public relations initiatives for trans-regional matching in the external cluster dimension
Intensive local competition	<ul style="list-style-type: none"> ▪ Sophisticated public procurement ▪ Implementation of common parameters for competition through standard-setting and certification ▪ Focused investment promotion towards external competitors, including through focused allocation of subsidies
Competition in the local social hierarchy	<ul style="list-style-type: none"> ▪ Information about cluster personalities (e.g. in newsletters and publications) ▪ Allocation of awards ▪ Use of social media tools
Cafeteria effects	<ul style="list-style-type: none"> ▪ Foundation of technology centers of science parks ▪ Use of universities' or R&D institutions' infrastructure (e.g. laboratories or machines) by industry ▪ Use of social media tools
Social networks	<ul style="list-style-type: none"> ▪ Congresses, company visits, seminars and other meetings as a means of initiating and maintaining contacts ▪ Use of well-connected personalities as a means of initiating and maintaining contacts ▪ Industry semesters of university teachers ▪ Collaboration in designing a cluster strategy in order to participate in a cluster competition ▪ Use of social media tools

Source: modified from Benner (2012c: 156-159; 2012d: 10-12).

Not all of these mechanisms and instruments are as important for tourism clusters as they may be for other ones. Typically, venture capital will play only a very limited role. Affecting local competition through setting common parameters can, however, be a very powerful lever. For example, local or regional policymakers might engage hotels or restaurants in a local certification system that surpasses the quality standards of the national star rating system. They might also publish tourists' comments and ratings. Of course, there are established rating sites on the internet. Within a cluster, however, a local tourism association or a municipal tourist information office could, for example, display guest books in participating restaurants and publish their content online. This example demonstrates the value of the cluster perspective in tourism: by examining cluster mechanisms specific measures to promote the localized tourism industry can be discovered.

The horizontal coordination suggested above can be considered as a meta-instrument because it can encompass the coordination of all instruments listed in Table 1 and additionally that of public and private investment too. Apart from this meta instrument of coordination, public investments are not considered as specific instruments of cluster policy here because they do not directly pertain to the mechanisms of cluster theory. Thus, they are not part of cluster policy as

defined by Benner (2012c; 2012d) but rather of tourism policy in general. Still, they are relevant for tourism cluster policy. They shape the frame in which mechanisms work. In addition, they come into play on the level of cluster policy agents. These agents that are listed in Table 2 are divided into the following groups (Benner 2012a; 2012b; 2012c; 2012d):

1. *Businesses:*

All businesses relevant to the tourism industry fall into this group, provided they assume a more active role in cluster promotion instead of simply being its passive consumer. Otherwise they would not qualify as agents of cluster policy (but of course as cluster constituents and thus as the beneficiaries of cluster policy).

But this group does not only encompass private businesses but also public infrastructure and service providers. Agents are defined here in a functional sense. For example, a municipality can be a government agents concerning its policymaking and regulation functions and at the same time a business if it runs a conference center or a tourist information office. Government-owned companies operating, for example, airports, are also defined here as businesses. This definition reflects the tourism peculiarity that public agents are necessarily co-producers of the product “destination”;

2. *Associations:*

This group encompasses both specialized associations (e.g. industry-specific ones such as hotel or restaurant associations) and general ones (e.g. private-law chambers of commerce), as well as types that lie somewhere in between.

Tourism associations are particularly important, as they will often be the primary organizations that cover whole destinations on the regional level that go beyond the boundaries of public agents' districts. Thus they will often be at the forefront of marketing efforts for the destination and assume the central horizontal coordination role. On the national level, tourist boards wholly or majority owned by private agents also fall into this category. While associations themselves are agents their formation can be seen

as an instrument. By contributing to their formation, other agents can employ this instrument;

3. *Government agents:*

Government agents on all political and spatial levels can be involved in tourism. On the supranational and the national level, their role will be confined to setting the framework conditions for tourism and maybe in marketing nations and giving subsidies. Regional and local government agents can take a more activist role. For example, on the local level there can be a municipal tourist information office. On the regional level public agents can market destinations. To these functions government agents can perform in tourism cluster policy can be added their roles in other fields of tourism policy. Of major importance are their infrastructure investments. It needs to be stressed again that tourism facilities and infrastructure operations provided by public agents are considered here as businesses as they are direct parts of the tourism value chain.

In addition, public banks can play a role in financing both private and public tourism investments. Tourist boards can be part of this group if they are wholly or majority owned by government. Public-law chambers of commerce also feature in this group, as well as agencies responsible for general economic policy such as ministries of industry, business development agencies, or investment promotion agencies. The latter can, for example, attract external tourism investors to destinations. Job centers can play a role in addressing the labor and human capital needs of tourism clusters;

4. *Educational, research and training institutions:*

In contrast to clusters in other industries, universities and research institutions seem less likely to be relevant to tourism cluster policy as research will not be a primary factor (except those who are qualified in cluster promotion and can help other cluster agents devise and implement their cluster promotion strategies).

Rather, it is (other) educational and training institutions that can be highly relevant in addressing the labor and human capital needs of tourism clusters. Considering the high labor intensity of tourism, they will often be highly important agents of tourism cluster policy;

5. *Cluster initiatives:*

Cluster initiatives are understood here as formalized networks or “institutions for collaboration” (Sölvell, Lindqvist and Ketels 2003). In contrast to clusters in other industries, in tourism clusters the emergence or existence of a specific cluster initiative seems rather unlikely. Considering the public good character of the product “destination” (Benner 2012d: 19) and therefore the apparent need for coordination, a wide array of formalized networks already exist in the form of various organizations.

Because they encompass tourism businesses on various stages of the value chain and often public agents, too, tourism associations on the regional and local levels will probably be the organizations that can fulfill central coordination tasks (and will indeed often do so). Thus, what they are or could be doing is very similar or even identical to what cluster initiatives in other industries are supposed to do;

6. *Other agents:*

Trade unions can be partners in activities to address the labor and human capital needs of the tourism cluster. Private banks and (in rather rare cases) venture capital companies can help fund investments in tourism. Consultants can contribute to the development of a destination. Considering the high relevance of coordination between public and private agents, they might help in elaborating a shared vision based on the structural strengths of the specific tourism cluster and the structure of the tourism market it targets or can target in the future.

Table 2: Agents of cluster policy

Mechanism	Supranational level	National level	Regional level	Local level
Businesses	<ul style="list-style-type: none"> ▪ supranational leading companies ▪ other supranational companies 	<ul style="list-style-type: none"> ▪ national leading companies ▪ other national companies ▪ national public infrastructure companies 	<ul style="list-style-type: none"> ▪ regional leading companies ▪ other regional companies (including small and medium sized enterprises) ▪ regional branches of businesses headquartered in other locations ▪ regional public infrastructure companies ▪ regional government departments running tourist operations (e.g. tourist information offices, conference centers, cultural facilities) 	<ul style="list-style-type: none"> ▪ local leading companies ▪ other local companies (including small and medium enterprises) ▪ local branches of businesses headquartered in other locations ▪ local public infrastructure companies ▪ local government departments running tourist operations (e.g. tourist information offices, conference centers, cultural facilities)
Associations	<ul style="list-style-type: none"> ▪ supranational federations of associations 	<ul style="list-style-type: none"> ▪ national associations or federations of associations ▪ national private-law chambers of commerce ▪ national tourist board 	<ul style="list-style-type: none"> ▪ regional trade associations ▪ regional business associations ▪ regional branches of national associations ▪ regional private-law chambers of commerce ▪ regional tourism associations 	<ul style="list-style-type: none"> ▪ local trade associations ▪ local business associations ▪ local branches of national or regional associations ▪ local branches of regional private-law chambers of commerce ▪ local tourism associations
Government agents	<ul style="list-style-type: none"> ▪ supranational government agencies (e.g. EU commission) and affiliate agencies and institutions ▪ supranational public banks 	<ul style="list-style-type: none"> ▪ national ministry of tourism ▪ national ministry of industry ▪ national ministry of transport ▪ national investment promotion agency ▪ national tourist board ▪ national public banks 	<ul style="list-style-type: none"> ▪ office of the head of regional government ▪ regional government department of tourism ▪ regional government department of industry ▪ regional government department of transport ▪ other regional government departments, if applicable ▪ regional tourism marketing 	<ul style="list-style-type: none"> ▪ municipal departments for business development in towns and villages ▪ municipal departments for business development in counties or districts ▪ joint departments for business development of several municipalities ▪ municipal departments for tourism development in towns

			agency ▪ regional investment promotion agency ▪ regional public banks ▪ regional public-law chambers of commerce	and villages ▪ municipal departments for tourism development in counties or districts ▪ joint departments for tourism development of several municipalities ▪ local public banks ▪ local branches of public-law chambers of commerce ▪ local job center branches
Educational, research and training institutions	▪ supranational research institutions in the field of cluster policy ▪ supranational educational and training institutions in the field of tourism	▪ national research institutions in the field of cluster policy ▪ national educational and training institutions in the field of tourism	▪ regional research institutions in the field of cluster policy ▪ regional educational and training institutions in the field of tourism	▪ local research institutions in the field of cluster policy ▪ local educational and training institutions in the field of tourism
Cluster initiatives			▪ regional tourism associations	▪ local tourism associations
Other agents	▪ supranational consultants ▪ supranational private banks ▪ specialized supranational venture capital companies	▪ national consultants ▪ national private banks ▪ specialized national venture capital companies	▪ regional consultants ▪ regional private banks ▪ specialized regional venture capital companies (including angel investors) ▪ regional branches of trade unions	▪ local consultants ▪ local private banks ▪ local regional venture capital companies (including angel investors) ▪ local branches of trade unions

Source: modified from Benner (2012c: 172-173; 2012d: 14-15).

The agents listed in Table 2 (and additional ones that might exist in individual cases) can contribute to tourism cluster policy by employing instruments listed in Table 1. The use of an instrument can and often will need to be organized by several agents. For example, one agent can organize a conference, while other ones can co-fund it or send their executives as speakers. Thus, many combinations of instruments and agents are possible. Benner (2012d) further describes how such a toolbox can be used when elaborating individual cluster promotion strategies. In this regard, the general approach also applies to tourism clusters without any essential modifications.

Coordinating the whole tourism cluster promotion strategy is a critical measure that will most likely be assured by a regional or local tourism association, thus acting as a cluster initiative. If such a central coordinating agent does not exist, the use of single instruments of cluster promotion is still possible. In contrast to other industries, however, promoting a tourism cluster without a central coordinating agent will most likely create severe problems. This is due to the above-mentioned specificities of tourism, in particular the public-good character of the destination and the need for many service providers, including public agents, to contribute to the delivery of the touristic product.

5 Towards a theory of tourism cluster policy

The toolbox proposed here can serve as a cornerstone of a theory of tourism cluster policy as a specific case of a general theory of cluster policy (Benner 2012c; 2012d). It needs to be complemented by conclusions drawn from tourism policy in general. For example, ways to develop (potential) tourism clusters in urban areas apart from the seaside or to broaden the employment effects of tourism clusters (e.g. Benner 2011b) could be integrated into such a theory. It can be further refined to specifically consider market niches like backpacking, cultural tourism, or religious tourism. It may also be enhanced by issues like ecological tourism or corporate social responsibility of tourism businesses.

With such a theory of tourism cluster policy for the design and implementation of destination development strategies, cluster policy can be utilized to combine the dynamics of agglomeration

with the possibly strong contribution of tourism to the economic development of regions and nations. Considering the challenge to create new employment opportunities for large parts of the population in many countries, e.g. those on both sides of the Mediterranean, and especially in their rural regions, such a combination appears both worthwhile and promising.

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