### ANTI-COMMONS IN TOURISM: EVIDENCE FROM PORTUGAL AND BULGARIA

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### **ABSTRACT**

The present study analyzes the cases of Alentejo Region (Portugal) and Bansko Region (Bulgaria) as tourism destinations and demonstrates that situations modelled as anti-commons are obstacles to individual entrepreneurial efforts of agents within the tourism destination as well as impediments for the expansion of the tourism destination as a whole. This paper posits that anti-commons theory is an appropriate theoretical framework for identifying, analyzing and explaining problems emerging in tourism destinations. This framework is useful for modelling optimal development strategies for tourism products and destinations, combining measures provided by national and local authorities with the ones of economic agents. The paper provides recommendations for the future.

**Keywords:** anti-commons, tourism destination, regulation, coordination

### INTRODUCTION

The present chapter combines anti-commons theory and the research on tourism destination to explain the underutilization of resources and a loss of value for economic agents resulting from a set of situations modelled through the theory of anti-commons in two

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European tourism destinations (Alentejo Region in Portugal and Bansko Region in Bulgaria) as well as recommendations for possible solutions of the observed problems.

Tourism became one of the most important economic sectors for the economies of Bulgaria (see National Statistical Institute, 2015) and Portugal (see for example Silva et al., 2011). Tourism problems are classically discussed by authors around the world bringing to the discussion eclectic aspects of tourism phenomena. Many improvements have brought new tourism models to the actual debate. The case of the commons and anti-commons theories applied to tourism can be included in these new developments emerging in literature. In Tourism Economics the discussion around commons and anti-commons in tourism can be found recently for authors as Andergassen, Candela and Figini (2013), Candela, Figini and Scorcu (2006), Álvarez-Albelo and Hernández-Martín (2009), or Filipe (2014a,2014b,2015), for example. Drawing upon the theoretical developments related to anti-commons in tourism, this study presents a case study of two European outstanding tourism destinations (Alentejo region and Bansko region) where the problems of under-production, the underutilization of resources and the loss of value for economic agents are often due either to the lack of coordination among agents and to the presence of overregulation. The destruction of value can be seen in many different areas (see for example for aquaculture projects Filipe et al., 2008, 2012). However, Cooperation and coordination bring often interesting results (see for example Filipe, 2014a, b).

The paper is organized as follows. The next section presents the anti-commons theory and the theoretical contributions on tourism destination as a theoretical framework of the study. The third section discusses the literature on anti-commons in tourism. The following section provides empirical evidence about how situations modelled as anti-commons impede a greater development of Alentejo region in Portugal and Bansko region in Bulgaria. The final section presents conclusions, recommendations and future research directions.

### THEORETICAL BACKGROUND OF THE STUDY

### **Commons and Anti-Commons**

In the field of property rights, it is possible to define the actions that individuals can take in relation to other individuals regarding one object: if one individual has a right, someone else has the corresponding duty to match that right. In common pool resources, there is an evident relationship between the separation in property rights and economic incentives, which has been studied in order to highlight the resulting implications and externalities. Coase (1960) stated that well-defined property rights could contribute to well understand and overcome the problems of externalities, particularly those related to the common pool resources (open and shared resources). The commons problems are discussed since the middle of last century, involving the idea that commons problems reflect usually the overexploitation of resources. The "lack of property rights" implies that no one may exclude others to access to a given resource. The existence of many agents to use a given resource, in these conditions, causes an inefficient level for the resource use and causes a special motivation for agents over-using the resource. The real level of use for the resource will take place at a higher level compared with the optimal level for the society as a whole. A problem

on the commons arises when the property rights are not clearly assigned and therefore private costs underestimate social costs, which results in over-production.

There are very diverse implications in the way that commons are managed. For instance, formal and informal cooperation between local government agencies in a region may lead to interesting solutions in terms of economic and ecological effects. Ostrom (1990) wrote that there is not a trap in the inflexible tragedies of the commons nor that people is free of moral responsibilities through the creation and support of incentives that facilitate the occurrence of results. There are rules and principles, community institutions and sometimes even partial property rights which may serve as engines of social effective arrangements to share common pool resources. Yet high transaction costs may imply that completely defining extensive property rights over common pool resources might probably be impossible.

The anti-commons theory (Michelman, 1982) has emerged in the 1980s to address situations where too many agents have the right of excluding others from a given resource and no one has the privilege to use it except as particularly authorized by others. Heller (1998) stated that in an anti-commons problem there is a property regime in which numerous owners hold effective exclusion rights over a scarce resource. The "anti-commons" settings are characterized by an excessive partition of property rights. Consequently, the co-existence of multiple exclusion rights creates conditions for the suboptimal use of a common resource. The anti-commons concept helps to explain how and why potential economic value may disappear into the "black hole" of resources underutilization (Buchanan and Yoon, 2000). It was acknowledged that in comparison with commons dilemmas, anti-commons dilemmas seem to elicit more individualistic behavior and are more prone to underuse than commons dilemmas are prone to overuse (Vanneste et al., 2006). Therefore these authors stated that "if commons leads to 'tragedy', anti-commons may well lead to 'disaster'" (see Filipe, Ferreira, and Coelho, 2011). The anti-commons theory has been applied as a theoretical framework for understanding the underutilization of resources and loss of value for economic agents in various areas including patenting, telecommunications, eminent domain, tourism, aquaculture and fisheries, etc. The problems arising from the tragedy of anti-commons represent significant challenges for policy makers and practitioners. The ability for one person to veto a solution drastically increases the obstacles to get a solution in such situations.

### **Tourism Destination: Definition and Distinctive Characteristics**

In general, the theoretical developments in Tourism Economics are based on the systemic nature of tourism and on the big heterogeneity of tourism activities. Tourism presupposes a strong net of relationships among economic agents in a complex system of interactions among local, regional and national levels of governmental agencies, firms, tourists and residents. In this sense, tourist products necessarily include a set of heterogeneous and complementary goods and services, supplied by firms belonging to different industries which are mainly, but not exclusively, located in the tourist destination.

Considering that the tourist destination is, in essence, a travel destination that gets the attention of a large number of tourists, visitors may come to visit these destinations to see historical sites, natural wonders, national buildings, etc. Some tourist attractions also include many activities and souvenirs that are often got on these destinations. As Leiper (1990) refers, cited in Andergassen, Candela and Figini (2013), from the researcher's perspective the

tourism destination embodies all the specific and problematic features of tourism, such as its systemic nature, in which, the "space" plays a fundamental role. In Leiper (2004), tourist destinations are defined as "places where travelers choose to stay awhile for leisure experiences, related to one or more features or characteristics of the place – a perceived attraction of some sort". In Genç and Filipe (2016) a set of attributes is selected for choosing a destination among some different possible (geographical) choices in Portugal. Derived from the concept of tourist destination, also the tourist destination region may be considered for analysis as a geographic concept.

Considering that often the perspective of the definition may be depending on the scientific area of study, the tourism destination may, in fact, be understood, for example, as a product or a territory where visitors arrive to, or - as Cooper et al. (2008) defend - a territorial system supplying tourism products to satisfy the complex demand needs of tourists. For this definition, Cooper et al. (2008) have identified the following common features of the destination:

- The destination is a "product" in itself, with an economic value;
- Such economic good is perishable: seasonality, the overload of tourists over its carrying capacity, the unsustainable use of natural resources etc. can reduce its economic value, thus leading the destination out of the market;
- In the destination, tourists and residents compete for a limited amount of available resources;
- The variety of goods and services which compose the tourism product must be of the same quality to guarantee the economic success of the destination.

Andergassen, Candela and Figini (2013) have pointed that:

- tourism supply meets demand in the destination;
- environmental and cultural resources, attractions and the hospitality industry are all located in the destination;
- the demand for tourism is revealed in the destination;
- tourism destination is the conceptual link between the complexity of the sector, the complementarity and substitutability of the many goods and services of which the tourism product consists, and the supply of available local resources.

# COMMONS AND ANTI-COMMONS IN TOURISM: A LITERATURE REVIEW

During the last decades the property rights discussion has generated important theoretical and practical implications for many different scientific areas, as it is the case of natural resources or tourism, for instance (see Filipe, 2006; Filipe, Coelho and Ferreira, 2006a,b; Filipe, Coelho and Ferreira, 2007 for natural resources; Álvarez-Albelo and Hernández-Martín, 2009; Filipe, 2014a,b for tourism, for example).

Considering the specificities of the common pool resources and their particular inherent features of subtractability and nonexcludability, they appear as usually indivisible local or

global resources whose boundaries are difficult to delineate (Berkes, 1998). Many resources that are used by tourists are freely available (the landscape and the territorial spaces in general). In consequence, they can be considered as common resources, as proposed by Hardin (1968); other resources can be developed by the destination country or region, as it is the case of sports events, cultural events, etc. For the tourism activities, it is possible to say that the resources are used in common by tourists, locals, and others. Usually it is difficult, even socially unacceptable, or physically impossible, to exclude any of these groups from using a given resource. In addition, consumption by one user may reduce the quantity of resources (of the same quality) available to others. This includes even those resources relatively abundant in supply, such as air, water, and scenery. The abandoned or the decaying structures, for example, are blots that spoil the area's landscape. Also the congested and overcrowded streets and other facilities, especially in highly heterogeneous tourism places, diminish variously the value of the tourist experience. This discussion suggests that the tourism resources possess the two distinguishing characteristics of common pool resources (nonexcludability and subtractability/rivalry) in addition to being indivisible and with "fluid" boundaries (see Briassoulis, 2002).

A central issue in the debate about common resources in tourism is how to manage the natural, built, and socio-cultural resources of visited communities in order to meet the fundamental conditions of promoting the economic well-being, of preserving the natural and socio-cultural capital, of achieving intra-generational and intergenerational equity in the distribution of costs and benefits, of securing their self-sufficiency, and of satisfying the needs of tourists (Briassoulis, 2002; Butler, 1991; Eber, 1992; Farell, 1992; Hunter, 1997; Ko, 2001). As referred in Briassoulis (2002), the supra mentioned resources are used, on the one hand, by tourists together with other tourists and, on the other hand, by tourists and locals. The exploitation of "common pool resources" by one user reduces the amount (or quality) available for others and makes the inclusion of additional users difficult or impossible (Bromley, 1991; Ostrom, 1990). As a result, tourism resources exhibit the typical problems of common pool resources: overuse and lack of incentive for individuals to invest in maintaining or improving them (Healy, 1994). Once they are overexploited, however, the sustainability is difficult to accomplish; thus, sustainable tourism development may be severely threatened.

Cerina (2007) examines the existing relationship involving growth dynamics and environmental sustainability in a model in which tourism resources are considered as common goods. A theoretical basis for the concept of sustainable tourism is described. Candela, Figini and Scorcu (2006, 2008) were the first to use the concept of anti-commons to analyze tourism markets. In their paper, these authors concluded that tourist product is composed by a bundle of different goods and services, complementing each other in the tourist destination and, hence, the local tourist systems might be able to solve a problem of production coordination. However, such a combination might not automatically develop, since tourist production presents an anti-common problem, the policy maker intervention is required, although a private intervention (i.e., tour operator) could solve the problem as well, even if a profit distribution conflict arises. Within the destination, the tourism product is successful if the many firms offering single parts of the holiday are coordinated (Candela and Figini, 2010). This observation is based upon the existing complementarity between the

single items composing the holiday<sup>1</sup>. Considering that each firm owns the right to accept or to refuse the tourist in the destination, a problem of rights management is involved here<sup>2</sup>. The assumption of a good on which many agents share the same property right defines the anticommon. According to Candela and Figini (2010), a tragedy of anti-commons may be present in tourism, once three dimensions of the coordination problem may be taken into account on this area: the coordination in quantities, the coordination in quality and the coordination in prices:

- Coordination in quantity: it simply means that the carrying capacity of one firm has to match with the carrying capacity of its complements; otherwise tourists would not gain the physical access to the destination. This involves, for the destination management, the right to plan the (sustainable) development of the territory in the long run, and the possibility to use pricing and booking strategies in the short run to counteract phenomena such as seasonality, overbooking etc.
- Coordination in quality: if there is a luxury hotel in the destination its guests would
  probably ask for a luxury restaurant. If, instead, there is only a pizzeria, or a takeaway, tourists would probably not come to the destination at all. A complication
  arises when, at the same time, the destination hosts different types of tourism. In such
  case, the destination has to offer a range of different qualities (and varieties) in order
  to match the specific demands.
- Coordination in prices: without coordination among firms, the final price paid by the tourist may be too high, the number of overnight stays too low and, as a consequence, profits of the firms are not maximized. So, without coordination, there will be a market failure stemming from the anti-common property.

The anti-commons problem may emerge when the complementary goods in tourism are produced under imperfect competition in the local tourist systems (Álvarez-Albelo and Hernández-Martín, 2009; Candela, Figini and Scorcu, 2006; 2008). This problem appears when there is no coordination among the firms in making their decisions. As a consequence, each industry charges its own mark-up, which leads to a higher package price and a smaller tourism production than if a unique mark-up was charged on the package price. Álvarez-Albelo and Hernández-Martín (2009) analyzed the effects of the commons and anti-commons problems on the aggregate equilibrium of a tourism economy in countries with a high level of specialization in tourism. They studied these market failures with consequences on factor allocation and welfare as well as the appropriate governmental measures to reach a suitable policy. According to Álvarez-Albelo and Hernández-Martín (2009) from the firms' point of view the joint maximisation of profits would be a solution for the anti-commons problem, but not from the perspective of the tourism economy because the maximization of the total surplus does not imply the maximization of profits earned by the tourism country. It should be noted that foreign tour-operators and tourism destination do not have the same objectives, and consequently their views on the problems' solution for commons and anti-commons may differ considerably. In that situation, in the particular case of an economy specialized in

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<sup>&</sup>lt;sup>1</sup> Lodging in a hotel is a complement good of the meal offered in the restaurant and, in general, of all the other goods offered by local firms.

<sup>&</sup>lt;sup>2</sup> For example, if the hotel refuses the accommodation, it would produce a negative externality on the restaurant, since tourists would not travel to the destination. See Candela and Figini (2010).

tourism the commons problem may remain unsolved (congestion problem), and therefore, a public intervention is needed to reduce the tourism production.

In this study, the authors conclude that:

- since the foreign transport services and the local tourism goods are complementary, they can be combined as a package, and hence the direct selling and the presence of foreign tour-operators emerge as possibilities;
- in the direct selling situation the optimal policy depends on the relative importance of the problems;
- the presence of either one or several tour-operators does not solve the anti-commons problem provided, and it always leads to tourism over-production;
- the existence of a unique tour-operator does not solve the congestion problem;
- under sensible assumptions, the switch from several tour-operators to a single one turns to be welfare reducing;
- the tour-operators seek to maximize profits and not welfare of the tourism destination;
- the government at the destination should not leave the solution of these problems in the tour-operators' hands;
- the study is somehow limited once there are restrictive hypotheses in their theoretical framework (although they believe the main conclusions may prevail).

Andergassen, Candela and Figini (2013) model the optimal development strategy of a tourism destination<sup>3</sup> by identifying and analyzing two key economic features:

- the long-term choice of whether to invest in the enhancing of natural and/or cultural resources (which act as common goods in the destination) or to increase the degree of sophistication of the tourism product (intended as the variety of complementary services to accommodation that are demanded by tourists);
- ii) the short-term choice of whether or not to implement price coordination among local firms, a problem stemming from the anti-common nature of the tourism product.

Their economic model for the tourism destination focuses on these specific aspects of the economics of tourism which have not been properly addressed by existing literature, i.e.,

- i) the issue of coordination between local firms and
- ii) the degree of sophistication of the tourism product.

The contribution of Andergassen and Candela (2012) on the issue of sophistication was extended by the Andergassen, Candela and Figini (2013) study, including in the analysis the supply of a variety of different local goods and services that are also demanded and purchased by tourists during their stay, and also the works of Candela, Figini and Scorcu (2006, 2008) and Candela and Figini (2010), who addressed the issue of price coordination. Andergassen, Candela and Figini (2013) approach also follows Papatheodorou (2003), who was the first to

<sup>&</sup>lt;sup>3</sup> These authors make a classification of destinations based on the type of coordination and on whether the primary resource is natural, cultural or organizational.

formally analyze the issue of the complementarity and variety of services within the tourism product, and Wachsman (2006), the first to formally analyze the problem of price coordination within the destination (see also Alvarez-Albelo and Hernandez-Martin, 2009). In Andergassen, Candela and Figini (2013), the authors generalized the problem of coordination, tackling the main limitations in the results of Wachsman (2006) and Candela, Figini and Scorcu (2006/2008) and jointly considered sophistication and coordination, thus building a unique economic model to describe the development and the organizational pattern for the tourism destination. This approach allows important implications for the economics of the destination, by highlighting important policy outcomes for destination management and local stakeholders. By comparing the solution of no coordination with those in the case of exogenous coordination through the destination management and endogenous coordination through the tour operator, the authors present the following:

Theorem 1 (The Coordination Theorem). Given the anti-common property of the tourism product, coordination among firms in the destination, which can either be provided by the destination management or by a tour operator, increases profits from tourism.

Then, can be seen that price coordination enables the tourism activity in the destination to be more efficient. It can be noted that this is an example of the prisoner dilemma where (price) coordination yields a Pareto superior solution to non-coordination.

Besides, a "Love for Variety Theorem" for the destination is presented by the authors, allowing tourism to "take-off" in the long run. Variety in the tourism product can then be a strategic asset:

Theorem 2 (Love for Variety Theorem). As long as the negative externalities on tourism quality are small, reorganization of the tourism destination toward increasing the variety of available goods and services raises tourists' welfare and their willingness to spend on tourism at the expense of non-tourism consumption, thereby stimulating the economic development of the destination.

As a conclusion, the authors show that there are two key issues that have been identified in order to understand the rise, specialization, development and institutional arrangement of tourism destinations:

- i) the choice between investing in the variety of the tourism product (its sophistication) or enhancing local resources;
- ii) the coordination of local firms, stemming from the anti-common property of the tourism product.

As can be noted, important developments which analyze the tourism destinations as a significant part of the tourism literature have emerged. This approach is an important contribution which provides a manageable tool to the decision makers in order to solve several kind of tourism dilemma when facing tourism management problems. The framework of commons and anti-commons allows to organize methodically possible solutions for a set of problems arising in the field of tourism.

# CASE-STUDIES OF ANTI-COMMONS IN TOURISM: ALENTEJO REGION (PORTUGAL) AND BANSKO REGION (BULGARIA)

## Alentejo Region (Portugal) and Bansko Region (Bulgaria) as Tourism Destinations

The Alentejo Region<sup>4</sup> is one of the most preserved regions in Portugal, which has been kept offside of all tourist paths and from tourism mass. It encompasses spectacular natural resources such as vast plains, mountains, thermal waters, dolmens and menhirs stones, manor houses, ancient convents, wineries, etc. as well as cultural resources including festival and fairs, popular music and dancing, local art and other traditions. There are archeological artifacts indicating that this region has been inhabited by mankind since prehistoric times. Over half a hundred dolmens and menhirs - of which that Meada (Castelo de Vide) is the biggest of the Iberian Peninsula - bear witness to the exuberance of the megalithic culture. There are numerous Roman fortifications and other structures built on the best lands of the valley and plains including the Roman town of Ammaia (Marvão) and the Roman villa of Torre de Palma (Monforte) possessing beautiful mosaics. Following the Barbarians, the Moors left their indelible imprint on the language, the agriculture, the military architecture (Elvas, Marvão) that the Christians from the North were able to assimilate and transform into anchors of Portuguese nationality. The castles and town walls of the Northern Alentejo which form the country's most important group of fortifications - as well as the headquarters of the powerful military religious orders (Crato, Avis) constitute the eternal documentation of those disturbed times of the fight for independence. They now form a countless nucleus of historic centers unmatched in Portugal: Marvão - World Heritage candidate, Castelo de Vide, Portalegre, Crato, Alter do Chão, Campo Maior, Elvas. Touches of Manueline, Renaissance and Baroque erudition's were added to their vernacular purity, in places, churches and convents, permitted by the centuries of the Discoveries.

In the region there are significant investments in a number of tourism projects, some of them with considerable amount. The first golf course situated away from coastal areas in Alentejo countryside emerged in 1997 and was named "Ammaia". It was a beautiful area part of the Natural Park of Serra de S. Mamede and the first golf course in Eastern Portugal and the first one in Alentejo, located in a close proximity to the historical village of Marvão (UNESCO world patrimony candidate) and to Castelo de Vide, also known as "Sintra of Alentejo". The fabulous landscape in the area allowed magnificent sightseeing over Marvão and S. Mamede's mountain. It offered varied infrastructure: areas to train, bunker and chipping areas, putting green, a clubhouse offering restaurant and bar services, manual and automatic trolleys, among other services.

This golf course has been ranked by the magazine "European Golf" in 1999 as the 7th most beautiful of Portugal (with respect to the surrounding landscape and insertion of the field in the landscape) and was distinguished as the "Golf Course of the year" by the Portuguese Federation of Golf, in 2000. As published in the website http://www.portugalgolfcourses.com/portugal/golf/alentejo/marvao.html, covering 137

<sup>&</sup>lt;sup>4</sup> See figure 1 in Annexes.

<sup>&</sup>lt;sup>5</sup> Ammaia is the name of a 1<sup>st</sup> century Roman city, located at 2 Km from the golf course, and that gave the name to the golf project. The Ammaia-Clube de Golfe de Marvão, S.A. was the owner of the project.

hectares of the São Mamede Natural Park and strategically placed in the Marvão – Portalegre - Castelo de Vide triangle, the Ammaia Club de Golf of Marvão was a pioneer in the Alto Alentejo. As referred before, the name comes from an ancient Roman town that was once there, and which historic remains can still be seen scattered about the course. The welcoming clubhouse was inspired by the design of a typical Alentejo house, perfectly blending with the local landscape. The course<sup>6</sup>, designed by the Architect Jorge Santana da Silva (also responsible for the Amarante and Quinta da Barca courses), has undulating greens, several bunkers and four lakes. Three of these lakes are in the early part of the course (14 holes in flat terrain), and one in the challenging final sequence of four holes set in elevated countryside.

Bansko<sup>7</sup> is a ski and mountain resort located in the south-western part of Bulgaria. The town is situated 160 km from the capital of Sofia. Bansko lies on the two banks of the Glazne river at the foot of the Pirin mountain, right bellow the highest part of it. The Pirin mountain is an Alpine type mountain with its highest peak - Vihren (2914 m). Pirin National Park encompasses the larger part of the Pirin Mountains and was included in the United Nations' UNESCO World Cultural and Natural Heritage in 1983. As Bulgaria joined the EU in 2007, Pirin National Park became part of Natura 2000 – Europe's ecological network. The huge relief diversity of the park is the reason for the variety of plant species on its territory, making it one of the most botanically interesting areas in Bulgaria. The town of Bansko is located 925 m above the sea level whereas its ski area - at an altitude of 2000 - 2600 m. The good location and wonderful nature of Bansko brought inhabitants to the region since ancient times. Numerous archeological sites in the community reveal ruins of ancient strongholds, Thracian funeral mounds, churches from the late Medieval ages.

Bansko is number one ski resort in Bulgaria. It has become an international resort for both winter and summer tourism. The surroundings of the town of Bansko include a diversity of mountain peaks, numerous lakes and old pine woods which are more than 120 years old, including the Baikusheva White Fir – the oldest tree on the Balkan Peninsula (approximate age of 1,300 years). This makes it a popular site for recreation. The nearby village of Banya, located only 5 km (3 mi) from Bansko, has 27 thermal mineral springs. Bansko's share in Bulgarian winter tourism is steadily rising, and Bansko increasingly competes with resorts in other countries due to the comparative lower costs.

Bansko ski resort is attractive in all seasons. It provides excellent ski and snowboard facilities, as well as a unique history and architecture of an old and new part of the town. It is a starting point for hiking trips in Pirin Mountains, nearby Rila Mountains and Western Rhodope Mountains and offers a number of mountain bike routes. There are excellent opportunities for ski touring, snowshoeing and cross-country skiing. Bansko has a several tennis courts open to the public for free. There is a number of swimming pools that operate all the year round. Thanks to these features Bansko is a favorite ski and snowboard destination. It features the best ski centre and the longest ski season of all Bulgarian ski resorts. In 2013, an elite and prestigious international award recognized Bansko as an outstanding resort at the World Ski Awards Gala Ceremony in Kitzbühel.

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<sup>&</sup>lt;sup>6</sup> Running to 6,170 metres, the emphasis of this course is on holes number 4, 12 and 17. Hole number 4, is a Par 4, requiring a precise drive because of water running along the right side of the fairway. Hole number 12, a Par 5, rises sharply to finish with a green made up of a double platform. Hole number 17, a Par 3, has a teeing-off point set on high ground, while its green is placed in a peninsula surrounded by water on three sides and exposed to the wind.

<sup>&</sup>lt;sup>7</sup> See figure 2 in Annexes.

During the recent years a significant investment in a brand new skiing area has been made by Yulen, the company that runs the skiing area of Bansko. Numerous new luxury hotels and facilities in the area of the Gondola lift station have been constructed. The rising number of hotels and tourists led to annual improvements to the infrastructure and organisation of the ski area. In 2003 a new gondola lift replaced the minibus ride to the primary base area of Banderishka Poliana. As of 2010, the ski area has 75 km (47 mi) of ski runs, 14 lifts and drags, serving up to 24,500 persons per hour. The lift-served summit rises to an elevation of 2,600 m (8,500 ft) above sea level. The vertical drop is nearly 1,000 m (3,300 ft) to the base area at Banderishka Poliana, and over 1,600 m (5,200 ft) with the ski runs to town.

## Anti-Commons Problems as Impediments for the Development of Alentejo Region (Portugal) and Bansko Region (Bulgaria)

Alentejo Region has an enormous natural scenery and historical heritage, claiming for being enjoyed and being potentially very significant for tourism exploitation in a sustainable basis, guaranteeing the space and legacy preservation. The existing structures, the cultural features and the communities' organization also reflect an under exploited region but with great potential for developing a sustainable tourism offer. Preserving the region for sustainable tourism development is a central issue for managing the natural, built, and sociocultural resources of the host communities of the region. It seems that there is no enough coordination among local agents, local and national authorities to develop integrated strategies for development of tourism products for the region. There are no joint strategies, including integrated and diversified offers for tourism products, combined with price coordination and a net of joint actions to find chain added value for economic agents in the region. There are no tour-operators concerned with a high value product for the region, integrating a set of activities and facilities. Such a "space" needs the appropriate promotion to become a demanded tourism region. It should be acknowledged that there was't any agents coordination in order to make the appropriate (and higher level) exploitation of the "Ammaia" project, considering the existing tourism products in the region.

The "Ammaia" project was a large investment in a region with relatively little facilities and with no experience in meeting large tourist demand. In order to provide support for the project, several facilities were created and new investors demonstrated an interest in the project. Some of the existing facilities such as the well known hotel in Castelo de Vide also supported the project. Three fundamental economic problems of a destination highlighted by Candela and Figini (2010) are identified in the Alentejo Region. First, in this destination, there was no enough coordination among the different production activities provided by independent firms. The coordination among different local authorities and the economic agents operating in the different municipalities who were interested in the development of the project did not work. The project's direct promoters did not develop or search for new solutions. Second, in the studied tourism destination, there was not enough supply of a variety of goods and services necessary to meet tourists' needs and improve their satisfaction. In Alentejo Region, many goods and services were lacking and there was a great need to develop attractive tourism products. And third, the studied tourism destination was not able to

"complete" the tourism product through the supply of public goods (structures and infrastructures) and services (information) which cannot efficiently be offered by the private sector. Although Marvão Municipality has been very committed with the project's success, the financial resources and influence of the municipality is not enough to open a new perspective for the future of the project.

It should be acknowledged that such kind of a project brings considerable chemical pollution to the water courses, significant in golf area and some other kinds of risks, which amount would be depending on the dimensions of the tourism arrivals. The ways to minimize the negative externalities may be considered, mainly the ones occurred in consequence of the watering and fertilizing system of the golf course with direct environmental impacts on habitats, species, soils and hydric resources.

The carrying capacity of the Alentejo Region is not being reached and therefore many improvements for the region as a whole and for local population may be achieved. Such a project may stimulate a possible increase of investments in the region and new improvements may be achieved considering the facilities in the region. For example, financial resources generated from successful tourism projects may support the implementation and maintenance of various activities in the region in order to develop traditional arts, to contribute for promoting the preservation of historical mankind resources in the region and the natural and other tourism landscapes as well as activities used by tourists, (natural, socio-cultural, built attractions, etc.). To solve the anti-commons problem as a result from the agents' lack of coordination, more coordination and more commitment among the agents are required.

Bansko region possesses historical, cultural and natural resources which can make Bansko a highly competitive tourism destination. The full capacity of the region has not been exploited and the available infrastructure, products and services could be managed and expanded in a sustainable way to meet the increasing interest in this tourism destination from national and international clients. The expansion of the Bansko ski resort in a sustainable way is an important issue not only for local community but also for the government, nature conservation NGOs and the Bulgarian society as a whole. However, the claim of Candela and Figini (2010) that a fundamental economic problem of a tourism destination is the provision of a variety of goods, services and infrastructure in order to meet tourists' needs and improve their satisfaction seems to find support in the case of Bansko ski resort. As in the case of Alentejo Region, there is no enough coordination among local agents, local and national and international authorities and institutions, and NGOs and third parties needed for the development of integrated strategies of development of Bansko ski resort.

The construction of new facilities in the Bansko ski resort, whose ski facilities are on the territory of the Pirin National Park, part of Natura 2000 and a UNESCO World Heritage site, requires significant coordination among several parties. The area of the whole ski zone has been concessioned out to the company 'Yulen' AD and apart from 'Yulen' AD and no other company has infrastructure for public use under a concession contract. The current concession contract makes no provision for the construction of new ski facilities thus changes in the concession contract between 'Yulen' AD and the government are necessary. According to the national Protected Areas Act, the development projects in protected areas are not explicitly restricted by law but subject to Environmental Impact Assessment (EIA) procedures by the Ministry of Environment and Water. In 2004 the Government approved a Pirin National Park Development Plan (NPDP), which is required for each protected territory. The Pirin NPDP states that the Bansko ski infrastructure cannot be expanded more than the

area stated in the concession contract. In 2005, Bansko municipality adopted a Territorial Development Plan for Bansko ski resort, which did not take into account the Pirin NPDP. The plan provided the concessionaire Yulen with the grounds to build new ski runs and facilities. After 2010, in violation of the Pirin NPDP a biathlon stadium and a roller ski facility were constructed and two lifts were replaced with longer ones. The European Commission was approached by Bulgarian environmental organizations on the matter of the illegal construction of new ski runs and facilities in Pirin National Park, which is a part of the European environmental network NATURA 2000 since 2007. Meanwhile, in 2012, Bansko ski-zone was excluded by UNESCO from the protected property and included in a buffer zone and allowed for new ski-facilities in the park which was immediately used by the government to justify new ski-developments in the National park.

It should be acknowledged that the carrying capacity of Bansko region as a tourism destination has not been reached due to the existing bureaucratic regulations and the lack of coordination among interested parties. The key challenge for the concessionaire and owners and managers of tourism businesses in Bansko is to develop tourism products, services and infrastructure in a sustainable way and in accordance with national and international legal requirements and regulations, which will contribute to the prosperity of the region and local population as well as to the competitiveness of the Bansko ski resort. An important issue is the minimization of negative externalities stemming from new construction activities in the Pirin National Park for the historical and archeological heritage and the environment in terms of botanical and animal diversity, soils, waters, etc. As in the case of Alentejo Region, to solve the anti-commons problem as a result from the lack of coordination among agents and interested third parties, more coordination and more commitment among all agents and interested parties are required.

### **CONCLUSION**

Tourism destinations can be considered as tourist products themselves (Cooper et al., 2008), which may have a significant contribution to the regional and national economy as in the cases of Alentejo region (Portugal) and Bansko region (Bulgaria). The management and development of tourism destinations in the globalized world is a great challenge for national and regional authorities and local agents. In order to be able to exploit the full potential of a tourism destination, involved parties should be able to solve emerging problems promptly and efficiently in order to preserve and enhance the competitive advantage of the destination in the context of intensive global competition in tourism.

This paper posits that anti-commons theory is an appropriate theoretical framework for identifying, analyzing, and explaining problems emerging in tourism destinations. This framework is useful for modelling optimal development strategies for tourism products and destinations, combining the measures provided by national and local authorities with the ones of economic agents. It highlights the fundamental importance of coordination among agents and authorities within a tourism destination for undertaking sustainable tourism activities, preserving tourism resources, obtaining suitable profitability rates and benefits from tourism for communities and keeping the governmental aims, of all kinds, consistent with long term exploitation of tourism resources.

The present study analyzes the cases of Alentejo Region (Portugal) and Bansko Region (Bulgaria) as tourism destinations and demonstrates that lack of coordination and the resulting problems reflected in a tragedy of anti-commons may be associated to the underutilization of resources and failure of entrepreneurial efforts of agents within the tourism destination. Although Alentejo Region possesses unique geographical, historical, and socio-cultural resources, the lack of coordination among various agents hampered the successful development of a promising tourist product such as the Ammaia Golf Course (Ammaia Club de Golf of Marvão), which despite of the significant investments fell into liquidation. Similarly, in the case of Bansko region anti-commons act as impediments to the development of new infrastructure necessary for the resort to be able to meet the growing number of national and foreign clients.

The results of this study should be used with caution because they are based on two cases. Future research should provide greater understanding of anti-commons situations in tourism by examining these phenomena in various countries and contexts. Specific research attention should be paid on the issues of coordination among agents, e.g., coordination of quality, coordination of quantity and coordination of prices, and what factors contribute to effective coordination as well as the importance and the effects of various coordination mechanisms on finding effective solution of problems in tourism destinations.

### **ANNEXES**

Map 1. Alentejo Region (Portugal)





### Map 2. Bansko Region (Bulgaria)

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