# Policy Process

**Policy is any national, regional, local, or institutional project, program, law, regulation, or rule.**

## Stakeholder Analysis

**Governance**

# Governance

In a very simple definition, governance is the process, institutions and ways by which the function of governing is implemented.

Its features are transparency, efficacy, legality, lack of corruption, respect of rights and participation.

In a more general sense, public participation is a fundamental component of democratic governance, but as shown by usual practices at different levels (international or in a smaller scale) methods of public participation in government decision-making does not work as desired.

In many cases, soliciting the democratic participation in decision making, e.g calling together people in forums or focus groups, risks to induce an aggressive and confrontational atmosphere that overwhelms many of the reasons for which participation is sought.

As a matter of fact, a major problem of policy decision-making is the lack of opportunities for citizens to participate and then learn from one another in a public conference or forum.

This can have also the consequence of inducing managers and policymakers to make decisions in a selfish way, presuming to have the right to impose the best solution.

# Governance

Attributes of governance are characters deeply immersed in the history, traditions and politics of a society.

Economics is able to provide theoretical analysis, and sometimes prescriptions, extremely useful when you want to deal with specific issues, but in the construction of governance, the economist without the politician does not have all the necessary tools.

Governance has an instrumental value time as it provides to actors the maximum clarity on the rules of the game. So, at the local level, the appreciation of the way in which networks of governance works is crucial to design management structures and practices of tourism oriented toward sustainability.

In the management of a destination, an effective local governance strengthens local participation and the sense of participation in political action, and provides a singular 'place' some tool for sharing information, discussion, negotiation and learning.

From here to the point of being able to say that an effective local governance is the central element of a serious approach to sustainable tourism is a short step.

Thus, if participation is a crucial element, the term governance needs to be qualified as collaborative governance meaning a participative approach and the active public involvement of diverse actors.

An effective planning system has to be able to support people in building up a relational, tackling complex issues and implement the proposed policy, namely the sustainability of tourism, because its governance features encourage various stakeholders to participate in open debates through dialogue and interaction.

# Stakeholder Analysis

**Governance**

# Shareholders Vs Stakeholders

Private Company – Social Interest  <------>  Economic Value - Distribution of economic value

**Position A**
**A business company has the only role to maximize profits for its shareholders (today is a somewhat out of vogue idea)**

The exponents of this idea argue that when an organization makes great profits it is better positioned to pay employees well and it can then also be a demonstrably more responsible entity in society.

They further argue that investors will not be interested in providing capital to an organization that is not a careful custodian of their financial inputs and that the shareholders take all the risks and should thus be the sole beneficiaries of profits.

**Position B**
**However, in contemporary turbulent economic times, the idea of the shareholder theory has been shattered by recent financial fiascos and scandals which have underscored its ethical frailties.**

## Shareholders Vs Stakeholders

The shareholder vs. stakeholder question is not a new one and has endured for almost a century. In a pro-capitalistic stance Berle (1931) postulated what was termed the 'shareholder primacy view' and asserted that an organization exists with the sole purpose of maximizing shareholder wealth.

A year later Dodd (1932) stated that the prime rationale for the existence of a corporation for example, was to provide secure employment opportunities, improved quality products for consumers, and a greater giving to the welfare of the community in which an organization was operating. Dodds' stance was to an extent a an almost prophetic demonstration of what is nowadays called 'conscious capitalism'.

Short Time Benefits

Long Time Benefits

There have been numerous **definitions** of the term 'stakeholder' within literature, however the consistent thread that permeates through them is that **stakeholders are those individuals and groups that have a claim or an interest in an organization and its endeavors and also possess the ability to influence those activities in some way**

According to Freeman (1984) a stakeholder is **any person or organization** who can be positively or negatively impacted upon by, or cause an impact on the actions of a company.

**Tourism professionals** such as travel agents, tour operators, media, hotels, taxis, public authorities, the press and all the media.

**Other** interest groups and individuals include local residents and indigenous groups.

Government bodies

Tourism Industry (incl. Hotel Industry)

Local Community

Tourists

Sustainable Tourism

Non-governmental organizations

Voluntary sector

Experts

Specialized media

# Destination Management

**Max Public Benefit** ✦ **Max Private Profit**

**(Policy – Governance)**

## Model of Strategic Relations between Residents and Visitors
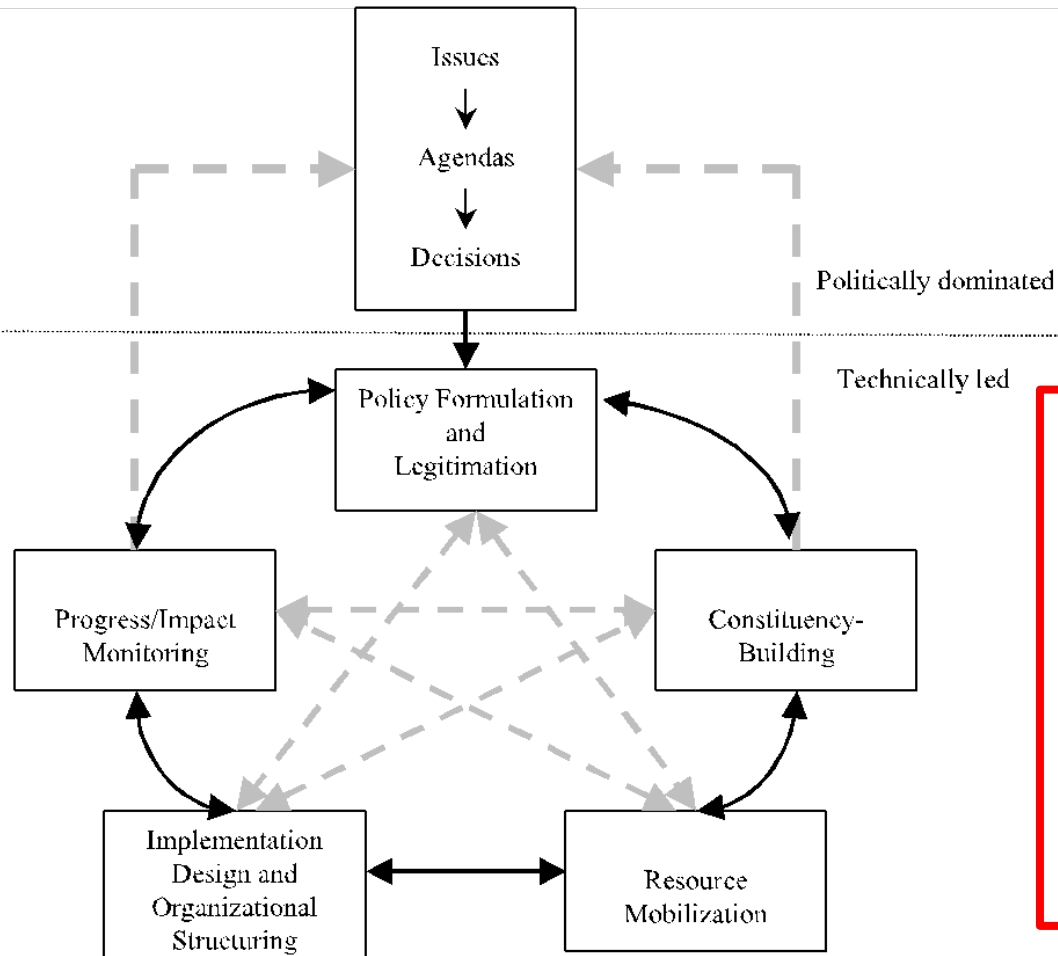
### Payoff - Externalities

| Private Payoff | | Residents | | | |
|---|---|---|---|---|---|
| | | Good | | Bad | |
| Visitors | Good | | 2 | | 3 |
| | | 2 | | 1 | |
| | Bad | | 1 | | 0 |
| | | 3 | | 0 | |

| Visitor | Resident | Model |
|---|---|---|
| Good | Good | Liken |
| Good | Bad | Displacement of Visitors |
| Bad | Good | Displacement of Residents |
| Bad | Bad | Grasshoppers |

# The Policy Process (Policy – Governance) (see Schmeer, 1999)



Issues → Agendas → Decisions

Politically dominated

Technically led

Policy Formulation and Legitimation

Progress/Impact Monitoring

Constituency-Building

Implementation Design and Organizational Structuring

Resource Mobilization

= primary linkage

= secondary linkage
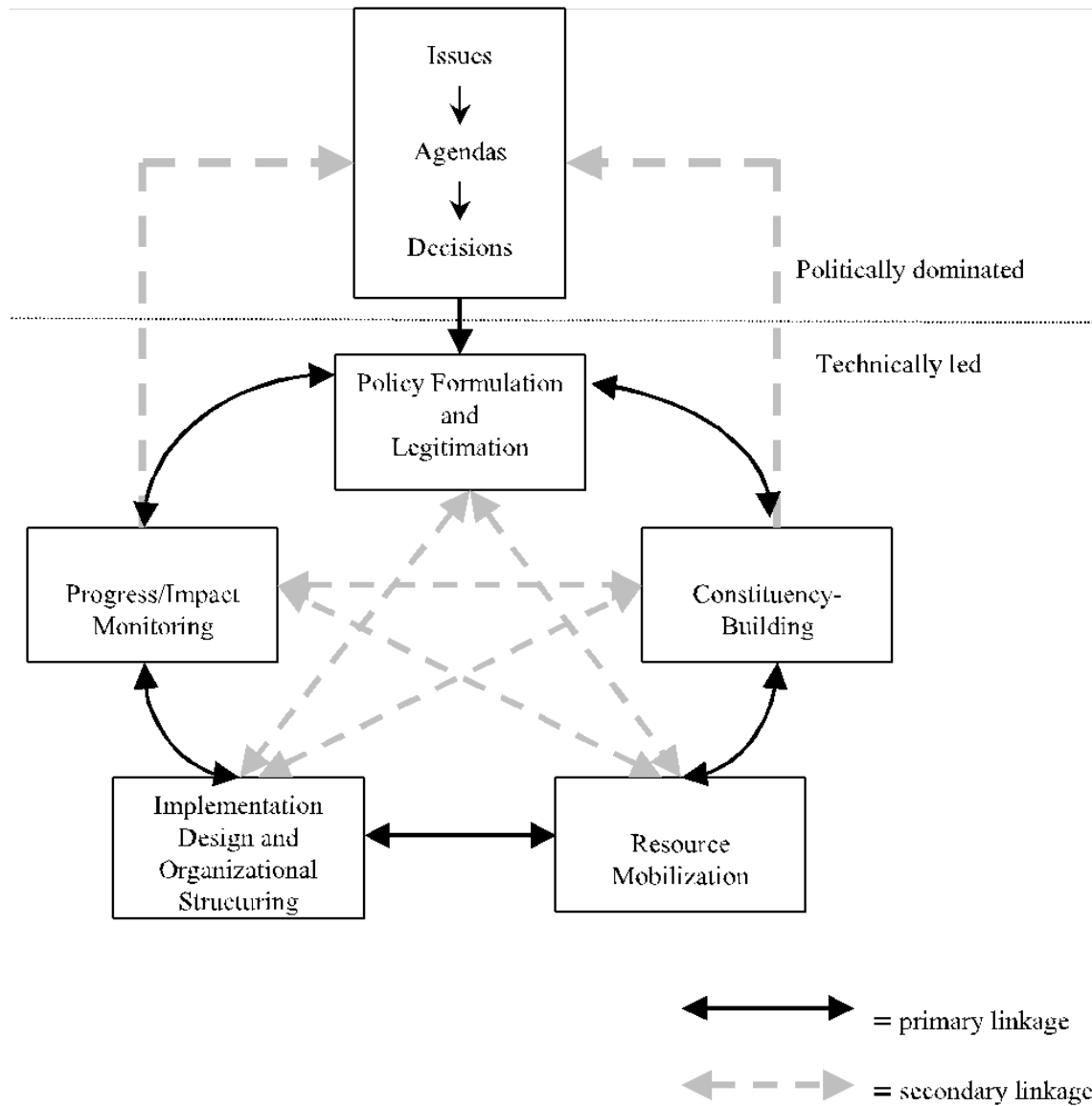
# The Policy Process (Policy – Governance) (see Schmeer, 1999)



Policymakers and managers can use stakeholder analysis to identify **key players** or "stakeholders," predict whether they might support or block the implementation of sustainable tourism policy, and develop strategies to promote supportive actions and decrease opposing actions before attempting to implement major reform at the national, regional, local, or facility level.

**What Is Stakeholder Analysis?**

Stakeholder analysis is a process of **systematically gathering and analyzing qualitative information** to determine **whose interests** should be taken into account when developing and/or implementing a policy or program.

**Who Is a Stakeholder?**

Stakeholders in a process are actors (persons or organizations) with a vested interest in the policy being promoted. These stakeholders, or "interested parties," can usually be grouped into the following categories:

- international/donors,
- national political (legislators, governors),
- public (ministry of tourism, ministry of economy, ministry of finance),
- labor (unions, medical associations),
- commercial/private for-profit,
- nonprofit (nongovernmental organizations [NGOs], foundations),
- civil society,
- and users/consumers.

**Which Stakeholder Characteristics Are Analyzed?**

The analysis includes such stakeholder characteristics as
- **knowledge** of the policy,
- **interests** related to the policy,
- **position** for or against the policy,
- **potential alliances** with other stakeholders,
- and **ability to affect** the policy process (through power and/or leadership).

**Why Is this Analysis Useful?**

Policymakers and managers can use a stakeholder analysis to identity the key actors and to assess their knowledge, interests, positions, alliances, and importance related to the policy.

This allows policymakers and managers to interact more effectively with key stakeholders and to increase support for a given policy or program. When this analysis is conducted before a policy or program is implemented, policymakers and managers can detect and act to prevent potential misunderstandings about and/or opposition to the policy or program. When a stakeholder analysis and other key tools are used to guide the implementation, the policy or program is more likely to succeed.

**What Are the Steps in Stakeholder Analysis?**

There are eight major steps in the process:

1. Planning the process

2. Selecting and defining a policy

3. Identifying key stakeholders

4. Adapting the tools

5. Collecting and recording the information

6. Filling in the stakeholder table

7. Analyzing the stakeholder table

8. Using the information

**What Can Be Achieved with Stakeholder Analysis?**

Stakeholder analysis yields **useful and accurate information** about those persons and organizations that have an interest in (sustainable tourism) policy.

- This information can be used
- to provide input for other analyses;
- to develop action plans to increase support for a reform policy;
- and to guide a participatory, consensus-building process.

To increase support or build consensus for reform, policymakers and managers must take additional steps following the stakeholder analysis. In the next phases of the policy process— constituency-building, resource mobilization, and implementation— policymakers and managers should use the information generated by the stakeholder analysis to develop and implement strategic communication, advocacy, and negotiation plans.

**Use of a SHA**

Policymakers and managers may use the results of a stakeholder analysis to develop their action plans.

These plans should identify **concrete actions**, and possibly "behind the scenes" activities, that the policymakers and managers will implement to increase stakeholder support.

Policymakers and managers may use the results in **open discussions with stakeholders** in an effort to build consensus. This allows stakeholders to see where they are relative to others and encourages discussion on how to address the opposition's concerns.

**This may be useful when the number of stakeholders is small and manageable and when consensus-building is a stated goal of the analysis.**

**Identify and train a working group**

The sponsor of the activity should form a small "working group" (**two to four people**) whose members will be the interviewers and analysts for the stakeholder analysis.

The sponsor may guide the process and serve as a point of reference, or he or she may be a member—even the leader—of the working group.

**Develop a plan and timeline.**

Finally, the working group should identify the specific steps to be taken in conducting the analysis (following these guidelines) and establish a timeline for the process.

The timeline should include all major steps in the process, up to and including the final presentation of conclusions to policymakers.

Sufficient time should be allocated for setting up interviews and rescheduling them in case of cancellations.

**Step 2: Selecting and Defining a Policy Select an appropriate policy.**

For a stakeholder analysis to be useful, it must be focused on a specific policy or issue. **Policy is any national, regional, local, or institutional project, program, law, regulation, or rule.**

In most cases, the sponsor of the stakeholder analysis will have identified a policy, but it is important to ensure that the policy in question is an appropriate topic for a stakeholder analysis before the process begins.

The following are some basic criteria for evaluating the appropriateness of health reform policies as subjects of a stakeholder analysis:

**The policy should be specific and "definable."**
Policymakers and managers should avoid conducting an analysis on a policy that has not been thought through or is too general to be defined in concrete terms. This is important to ensure that specific interview questions and responses can be developed around the policy.

The **policy should be socially and politically controversial** so that it merits the investment of resources required to determine what aspects are controversial and to whom.
The policy should be key to current reform efforts and important enough to justify the resources that will be needed to implement recommended actions that emerge from the analysis.

**Define the policy**.
Once a policy is chosen for the stakeholder analysis, the working group should work with policymakers to define the main ideas and concepts.

The basic ideas, not the details of the policy, will need to be explained to the stakeholders later in the process, and simple, concise definitions will be required.

**Should we limit tourism access to…**

**Should we enhance tourist presence in...**

**Step 3: Identifying Key Stakeholders**

Identifying the key stakeholders is extremely important to the success of the analysis.

Based on the resources available, the working group should decide on the maximum number of stake-holders to be interviewed.

The working group should then follow the steps below to define the list of stakeholders (beginning with an open list that can be reduced, if necessary).

**Compile and review existing information.**

The working group should gather and analyze any written documents related to the selected policy.

This will help to identify potential stakeholders and, perhaps, their connection to the policy.

**Develop a list of all possible stakeholders.**

Initially, the working group should identify all actors who could have an interest in the selected policy, including actors outside the health sector that could affect or be affected by the policy.

Specific stakeholders can be identified from the following sectors: international/donors, national political (legislators, governors), public (ministry of tourism/economy, social security agency, ministry of finance), labor (unions, medical associations), commercial/private for-profit, and nonprofit (nongovernmental organizations [NGOs], foundations). Civil society is an important sector to consider if the community or consumers have a direct interest in the policy. It is also important to consider the potential stakeholders in different geo- graphic or administrative areas within one organization.

**Develop a list of priority stakeholders with input from experts.**
Since resources, time, and finances for the analysis will be limited, the list of stakeholders to be interviewed must be prioritized. Experts who know the sector, policy, and players can help in this process.

**Step 4: Adapting the Tools**

Generally, very little secondary information is available on stakeholders. As a result, the working group should plan to interview the pr

**Step 4: Adapting the Tools**

Adapt stakeholder characteristics.
The working group should define the exact stakeholder **information** or **characteristics** to be considered.

The following characteristics are usually included for each stakeholder :

- I.D. number (given to the stakeholder on the questionnaire)
- Position and organization
- Internal/external: internal stakeholders work with in the organization that is promoting or implementing the policy; all other stakeholders are external.
- Knowledge of policy: the level of accurate knowledge the stakeholder has regarding the policy under analysis, and how each stakeholder defines the policy in question. This is important for identifying stakeholders who oppose the policy due to misunderstandings or lack of information.

## Step 4: Adapting the Tools

**Power**: the ability of the stakeholder to affect the implementation of the sustainable tourism policy.

**Leadership**: the willingness to initiate, convoke, or lead an action for or against the sustainable tourism policy. Establishing whether or not the stakeholder has leadership will help policymakers and managers target those stakeholders who will be more likely to take active steps to support or oppose the policy (and convince others to do so).

**Interview questionnaire.**
Once the working group has chosen and defined key stakeholder characteristics, a standard questionnaire should be developed for interviewing stakeholders. The stakeholders should not complete the questionnaire themselves, but the interviewer should use the questionnaire to guide the conversation during the interview.

In developing the questionnaire, the working group should decide the most appropriate way to obtain the necessary information, given the cultural context.

Asking direct questions may seem the most efficient method but could result in unreliable answers because the stakeholders may not be accustomed to communicating in such a direct and candid manner.

Questions should be clearly stated, specific, and open-ended wherever possible, requiring the stakeholder to provide more than a simple "yes" or "no" answer.

If necessary, several questions may be asked to obtain information on one characteristic, but doing this repeatedly runs the risk of extending the inter- view beyond the ideal 2-hour time limit.

**Interview questionnaire.**
Develop the interview protocol.

The working group should discuss and document the protocol to be followed during the interview process. This protocol, and any other "rules" that the working group considers important to ensure the collection of consistent and accurate data, should be established in advance. To ensure consistency and objectivity, the following protocol is suggested:

Two-person interview teams should be used, with the interviewers representing different organizations whenever possible.

Both interviewers should take notes, but only one should lead the interview.

Questions should be asked no more than twice; if the stakeholder still does not provide an answer, the interviewer should move on.

**Interview questionnaire.**

Develop the interview protocol.

The interview should be terminated at the stakeholder's request, even if questions remain.

Immediately following the interview, the interviewers should type their notes in to one electronic questionnaire per stakeholder. (Interviewers should enter each answer under its corresponding question in the electronic questionnaire.)

The information should be entered in the same words the stakeholder used.

**Test the questionnaire**

**Whom would you test the questionnaire with ?**

| | | | Knowledge | | Position on Policy | | | Interests | Aliannces | Resources | | Power | Leader |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **A** | **B** | **C** | **D** | | **E** | | | **F** | **G** | **H** | | **I** | **J** |
| No | | | Knowledge | | Position on Policy | | | Interests | Aliannces | Resources | | Power | Leader |
| date and place | Organization & Position | Internal / External | Level | Definition | Self | Others | Final | Advant / Disadvant | Org.s Mentioned | Quantity | Ability to mobilze | Resources average | Yes NO |
| 3 | | (I/E) | 3, 2, 1 | | S, MS, N, MO | S, MS, | S, MS, N, MO, O | | | 3, 2, 1 | 3, 2, 1 | | |

SCALE

S          MS          N          MO          O

2

1

| Stakeholder Table | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| A | B | C | D | | E | | | F | G | H | | I | J |
| No | | | Knowledge | | Position on Policy | | | Interests | Aliannces | Resources | | Power | Leader |
| date and place | Organization & Position | Internal / External | Level | Definition | Self | Others | Final | Advant / Disadvant | Org.s Mentioned | Quantity | Ability to mobilze | Resources average | Yes NO |
| | | (I/E) | 3, 2, 1 | | S, MS, N, MO, O | S, MS, N, MO, O | S, MS, N, MO, O | | | 3, 2, 1 | 3, 2, 1 | | |



POWER



INFLUENCE

| Power | | | Influence | |
|---|---|---|---|---|
| | **High** | **Keep satisfied**<br>**High Influence/ Low Interest**<br>**Latents**<br><br>Interest groups<br>Tourists<br>Tourism Boards<br>Accommodation<br>Food and Beverage operations<br>Supporters<br>Cultural Conservationists | **Manage closely**<br>**Promoters**<br>**High Influence/ High Interest**<br>**Local host community – key player**<br>**Experts & Specialists**<br>**Enablers**<br><br>Suppliers<br>Health Assurance & Safety Media<br>SA Tourism<br>Central Government<br>Sustainable actions<br>Industry Councils and Associations<br>Local Government | |
| | **Low** | **Monitor (least effort)**<br>**Low influence/ Low Interest**<br>**Apathetics**<br><br>Competitors<br>Some private, public, and non-profit organizations<br>Activists<br>Community members with low-level<br>capacity for project support | **Keep informed**<br>**Low influence/ High Interest**<br>**Defenders**<br><br>Marketing agencies<br>Social Media<br>Tour operators<br>Tourism Centres<br>NGOs<br>Universities<br>Transportation Agencies<br>Guides<br>National Business Chambers<br>Skeptics | |
| | | **Low** | **High** | |
| **Influence** | | | | |