

**Confronting Multi-Level Governance Challenges:
The Case of Networked Rural Marginal Areas of Trentino**

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GO F.M., TRUNFIO M. and DELLA LUCIA M. Confronting Multi-Level Governance Challenges: The Case of Networked Rural Marginal Areas of Trentino, *Regional Studies Conference*, Delft, 13-16 May 2012. This paper is framed in the recent debate on the 'new rural paradigm' which considers regions as polymorphic and multidimensional socio-spatial relations and examines the multiple forms of both institutionalization and governance needed to accommodate and direct their societal development. A case study is carried out in rural marginal areas of Trentino, Italy, to analyze how the embedded governance model can support local development by building on knowledge management. The results indicate that embedded governance leverage social capital enabling trustworthy consultation, collaboration and coordination both in and by networked regions and relationships between and among public and private actors.

1. Introduction

Technological, social and political forces (Dwyer et al., 2009; Weaver, 2011) which dominate the modern era, are dematerializing and decontextualizing markets, human spaces and goods through the accelerated access to cyberspace world-wide. Places, companies and consumers are abandoning the central feature of the modern economic system. Rather than exchanging property on the market of buyers and sellers, they are pooling property within vast virtual supplier-user networks, and leasing, renting, charging an admission fee or subscribing a

membership to access and share the use of this property. Intellectual capital is the driving force of the new era and suppliers who amass valuable intellectual capital are beginning to exercise control over the conditions and terms of users' access to critical ideas, knowledge and expertise.

These changes taking place in the structuring of economic relationships are part of an even larger transformation occurring in the nature of the capitalist system which is shifting from industrial to "cultural" production (Rifkin, 2000). The new logic of production and consumption is become connected to the interactions at the intersection of global brands and local cultures (Thompson and Arsel, 2004; McNeill, 2000). They describe a 'point-to-mass' distribution model of learning, making knowledge generation a social process involving extended groups and networks which overlook their localization in the place (Brown and Duguid, 2000). Consequently, place borders are subject to competing and contradictory meanings, both material and symbolic (Anderson and O'Dowd, 1999: 593). In spatial policy research, same justifies investigation how humans create centers of meaning (Tuan, 1977) within networked communities to improve cross-border institutional frameworks for guiding multi-level interactive governance.

These emerging logics impelled by the modern era forces are radically changing territorial processes, leading to multiple forms of both institutionalization and governance. The tourism subsystem illustrates the resulting paradoxical institutional fragmentation and new arrangements formation in spatial-environmental interactions. These involve complex patterns of multi-level, multi-sectoral and multi-actor challenges, where economic institutions and networks of power (Massey and Jess, 1995)

govern not only tourist markets, but also social, spatial-environmental and political affairs. By leveraging media power, the political elitist power relationships within European territories reshape the symbolic meaning of reality, by favoring global symbols (e.g. McGuggenization) and standardization instead (McNeill, 2000). Thereby, perpetuating the *lock-in* problem (Boschma, 2005) and, consequently, impeding regional cultures to ‘blossom’.

While nations are ceding their power to the European Union (Anderson 1996), the contours of supranational and regional power are emerging. Membership in international networks, regional groups and institutions empowers people and places to deal directly with their counterparts in other states (Anderson, 1996: 150) thereby bypassing the power of national bodies.

In the wake of top-down planning bankruptcy (Caalders, 2003; Richards and Hall, 2000) there is, therefore, an urgent need for redesigning configurations of space and place to accommodate and direct societal development. In an increasingly technology-driven networked world the authorities’ decision-making at local/regional, national and supra-national scales tends to be increasingly influenced by mobility issues enabling bodily movement and the connecting of minds via new media. These two dimensions lead to intricate patterns of inclusive and exclusive places, along four spatial dimensions: material space, information space, social space, and mind or symbolic space (Go and Fenema, 2006). Their consequent global dispersion introduces several gaps – distance, socio-cultural, infrastructural – and governance differences. In EU policymaking these have proven complex to bridge, due to the continued rivalry between

national institutions. This leads to a paradox: while the European Commission invests in strategies aimed at developing smart, sustainable and inclusive places (Europe 2020), it simultaneously stimulates the perpetuation of the ‘place-specific circuits of power linked to society, economy and the state’ (Yüksel et al., 2005).

In this context, the paper raises an issue of import, namely whether said EU-policy is ‘chasing’ utopia. It subsequently examines to what extent the current logic challenges the development of rural areas as new tourism destinations. In particular, it identifies in the embedded governance (Go and Trunfio, 2011a) an appropriate mechanism for value-adding on existing local assets, investments, multi-level governance and public and private networks. Embedded governance aims to support the regional development of rural areas, shifting attention to ‘new rural dynamism’ focused on knowledge, innovation and interconnectedness (Ward and Brown, 2009). The second section introduces the literature on rural regional development taking the perspective which frames governance systems as tools to drive rural development by building on stakeholder collaboration at different levels. The third section analyses how rural marginal areas of Trentino, Italy, leveraged social capital to develop an embedded governance model aimed at supporting the local development by knowledge generation and sharing processes. The final section provides a discussion of the results of the study, its limitations and suggestions for possible future research.

2. Rural areas and regional development: A governance perspective

Traditionally, rural areas have been analysed as marginal areas which suffer from problems of socio-economic fragmentation, unemployment, depopulation, and outward migration and/or 'peripheries' of cities underlining the spatial disparities and the dualism between decline and growth and tradition and innovation. However, a recent debate (Ward and Brown, 2009) explores the implications of adopting a 'new rural paradigm' (OECD, 2006) for the competitiveness and valorisation of these places. It focuses on local specificities and actors, as they are important conditions for multilevel governance building where regions and local level emerge as the prior scale to govern the knowledge intensive economy (Prytherch and Huntoon, 2005). Economic geographers, institutional economists and economic sociologists assume that regions are focal points for knowledge creation, learning and innovation in the post-Fordist era (Morgan, 1997; Scott, 1998; Storper, 1997). Considering regions as a socio-spatial formation, they open a new era of polymorphic and multidimensional sociospatial relations (Jessop et al., 2008) and 'relational regionalism' (Harrison, 2008) with 'unusual regions' (Deas and Lord, 2006), 'cities-regions' (Hamedinger, 2011) and cross-border region (Ilbery and Saxena, 2010).

Referring to cross-border regions far from the decision-making centre, Perkmann (2002) points out that the predominant top-down approach and 'nationally bounded' impede an actual and effective local participation and collaboration process in rural areas. Creating and sustaining growth and wealth in regional development and rural areas particularly depends on private-public stakeholder collaboration building, however significant barriers need to be bridged. More specifically, first, stakeholders have

different backgrounds, agendas, aims, roles, competences (Keller, 1998; Bieger, 2005) and, importantly for purposes of bargaining, their power is unevenly distributed. Second, the rural areas' stakeholders represent a fragmented quasi-market, which most resembles a democracy, including local stakeholders' meetings. The extent to which individuals participate in group decision making depends on where an organization is situated on a continuum of dependency relations. For instance, shareholders typically engage in bargaining because, in a hierarchically and structurally controlled environment, they are typically aware that they must apply their wit, knowledge and skills to the negotiations or run the risk losing whatever (e.g., assets; proposal that) matters to them. In contrast and against the backdrop of state fragility caused by the 'bankruptcy' of top-down planning power (Richards and Hall, 2000; Caalders (2003), independent stakeholders in rural areas face the harsh reality of the decentralization scenario. That is to say, depending on their attitude they can opt to 'go it alone' and compete or collaborate. The latter option in the rural area context has led many authors to refer to the governance debate as "the self-organizing inter-organizational network characterized by interdependence, resource exchange, rules of game and autonomy from the state" (Rhodes, 1997: 15) and interactive governance systems (Kooiman et al., 2008).

More recently, Go and Trunfio (2011a) introduced *embedded governance* as a partnership of a wider groups of strategic actors engaged in a Coexistence Strategy design. Embedded governance serves various purposes. First, it helps individual stakeholders in rural areas to face many challenges and to cope with the limitations of their knowledge and understanding the market which surrounds them: How to gain the trust of

others to extract and, subsequently integrate their knowledge and skills in a common pool? When and how should stakeholders act independently? When should they act in a collective and coordinated way so as to break the ‘tyranny’ of fragmentation, which tends to render poverty to rural areas? Only by managing their interactions astutely stakeholders can learn from one another via knowledge diffusion and application, monitoring whether their network of ‘producers’ has resulted in joint-value creation and a shift in the structure and method of developing the region.

Second, embedded governance combines in a single platform structure, government, legislation, local characteristics and networked stakeholders’ engagement. This platform structure serves as an information filter and a possible bridge for knowledge and skills transfer between networks of public, private and individual stakeholders. The platform helps to overcome the linearity-non-linearity dilemma by embedding the subject of governance in a hierarchic model whilst preserving the bottom-up democracy (Go and Trunfio, 2011b), underpinning a third governance rationality.

On these bases, two main issues may be conveyed by the embedded governance model (Go and Trunfio, 2011c). First, territorial policies require harmonization on different managerial and institutional scales (international, national, regional and local levels). Second, policy making organizations exist to integrate and transform micro-specialized competences and skills (of tourism stakeholders) into complex service (territory) demanded in the marketplace.

The shift from sectoral (agriculture, tourism, etc.) to a territorial approach implies the adoption of an *integrated rural tourism* approach,

which is needed for embedding knowledge within a specific system (place) the various local, tourism related economic, social, cultural, natural and human structures (Saxena and al., 2007). This approach opens new spaces for governance, cultural interaction and economic development in the cross-border tourism contexts characterized by: “(1) two different pathways of transformation; (2) peripheral nature of region; (3) multidimensional asymmetries in policies and practices; and (4) the co-existence of integration and disintegration” (Ilbery and Saxena, 2010: 1141).

The establishment of modern and appropriate destination governance systems is a condition to address successfully the deep structural trends which are going to impact on the tourism industry worldwide, both on the supply and demand side (Dwyer et al., 2009; Weaver, 2011). In particular, sustainability is one of the most important and urgent challenges of the emerging trends, exerting pressure on all sectors – including tourism – to restructure their development model. Balancing economic, environmental and socio-cultural assets involved in the tourism production (Inskeep, 1991; Swarbrooke, 1999), requires fostering the coordination of all relevant stakeholders on both the vertical (local-global) and horizontal/diagonal (local-local) scale by leveraging on embedded governance. The tourism destination context, indeed, has become a diverse community of stakeholders on local, regional, national and international level involving multiple layers of rule-making institutions’ and power (Hess and Ostrom, 2001), not always accounted for in the literature, yet necessary to analyze and effectively comprehend the complex dynamics of knowledge-based processes. Power is embedded in stakeholders’ relations. Without taking account of power, the potential contradictions and conflicts that may arise

over how knowledge is applied – i.e. situations wherein certain individuals may refuse to share knowledge in the pursuit of collective goals – cannot be comprehended because without their pieces of the knowledge puzzle it is impossible to make sense of the complexity involved.

Creating coalition of stakeholders serves as pre-condition enabling destinations to develop faster than buying direct control (Ruigrok and Tulder, 1995). Of the essence is the identification within the coalition of the shareholder who possesses the knowledge and skills needed for adding value in response to customers' desires, simultaneously contributing to achieve sustainable tourism development which simultaneously benefits the local citizens. Knowledge is power: the above shows that in the sustainable tourism development context these two variables are inextricably linked.

3. The rural marginal areas of Trentino

The Trentino Province, located in the North-East part of Italy, is provided by previous research (Go and Trunfio, 2011b) to explain the relationship between the governance model, networking, destination management strategy, place branding, knowledge management and ICT by applying the embedded governance model. It showed the role of territorial governance (named Trentino Marketing Spa) in balancing local heritage and innovation, thereby preserving sustainable development and quality of life, derived from territorial assets.

Trentino rural areas, the focus of the present paper, are framed within both this theoretical and empirical context, aiming to analyze how they

established a territorial governance model enabling the support of sustainable tourism development and the shift towards networks of co-creative value processes. The areas analyzed were included in the European Project *Listen the Voice of Villages* (www.listentothevoiceofvillages.org) developed within the 2008 Central Europe Program (Della Lucia et al., 2012; Go et al., 2011). It involved networked central European villages in six countries (Northern Italy, Austria, Germany, the Czech Republic, Poland and Slovenia) which are examples of emerging destinations with rural activities, traditional society structures and lifestyle suffering from problems typical of many Central European and/or formerly Socialist countries. Marginalization (geographical, economic, or social), fragmentation, depopulation and unemployment characterize their economy, however they retain an enormous yet unexploited tourism potential (natural, cultural, and historical assets) which is, neither, yet, developed nor in the early stages of development (Butler, 1980). Tourism and the new media could become a driving force of socioeconomic development if properly exploited, allowing for spontaneous, technology-mediated interactions, including the global scale. Same underscores the significance of developing governance analyses that move beyond earlier territorialized conceptions of the 'urban-rural' binary (Ward and Brown, 2009) and build on social capital, knowledge generation and sharing among stakeholders.

Tesino-Vanoi, Valle dei Mocheni, and Valle del Chiese are the three areas of Trentino involved in this European network of rural villages. They are small and geographically peripheral territories and rather hard to access. Due to mountain/forest coverage or agriculture areas, their population is

both sparse and spread-out leading to low-density. Moreover, they share the features of divergence and fragmentation, which typify the character of most rural area economies. However on a more positive note, some economic sectors have prevailed in the villages which provide much needed jobs for the inhabitants in local businesses (e.g. service sector or industry) managed by multiple, independent actors and small or medium-size businesses. In turn, this productive structure provides evidence that traditional sectors still play an important role in the local economy (forestry, agriculture, zoo-technics, wood art, and crafts), even though the transition towards capital-intensive industry or service complexes, including tourism, continues unabated.

3.1 Knowledge management in the rural marginal areas of Trentino

The role of knowledge for purposes of promoting the competitiveness and development of regions has been recognized by the academic community (Cooke et al., 2006) and supranational institutions (European Commission, 2006; OECD, 2001). This paper assumes that knowledge management based on social capital theory (Inkpen and Tsang, 2005), can contribute to create appropriate conditions for local development in the case of rural marginal areas by promoting trustworthy consultation, social relationships between and among public and private actors and skill sharing and value co-creation.

Based on Inkpen and Tsang's matrix (2005), knowledge transfer and the conditions which may facilitate this transfer depend on the nature assumed

by social capital dimensions (structural, cognitive and relational) in different network types (intra-corporate network, strategic alliance and industrial district). The rural marginal areas of Trentino can be assimilated in the Industrial District network type of the matrix because of their fragmentation and their traditional society structures, rural activities and lifestyle.

The characteristics assumed by the three social capital dimensions reflect the economic development level of the three rural villages of Trentino. The structural dimension (network ties, configuration and stability) is rather weak; non-hierarchical and dense ties exist among the local community members. These result from interpersonal relationships developed through informal social networks within geographically circumscribed areas. However the stability of networks is exacerbated by the continuous exodus of host community members. So, at the economic development level there is ample room for improvement. The cognitive dimension of social capital has, like the proverbial coin, has two sides: shared goals and individual interests. The latter results from a heterogeneous and fragmented 'landscape' of local stakeholders, whose interests, aims and competences differ and make attaining the former a very tall order, indeed. Cases that reflect the fragmented landscape scenario are either in the embryonic stage of destination governance and destination management organizations (DMOs), or not existing, as of yet. In a 'shared culture' scenario the positive effect of a strong sense of place is evident. It comprises a collective identity, shared values and behaviors and a distributed, tacit knowledge. The cognitive dimension can be connected to the relational dimension of social capital. Within the social-economic

framework trust is a very important element of the shared culture. In this regard the latter provides the ‘glue’ which serves as a process-based driver, at the individual level, to generate social capital, which in turn, is critical for promoting and maintaining relationships and skills needed for knowledge sharing.

From a social capital perspective, the rural villages featured in our case show weakness, particularly in the cognitive dimension. In turn, such weakness affects the structural and relational dimensions. The incapacity of structural and relational social capital has contributed to the marginalization and depopulation and/or unemployment of rural areas and opportunism. The establishment and implementation of network concepts and forms of collaboration in networks is urgently required. But same has societal, fiscal and judicial consequences that must be understood at three, intertwining levels. First, the structural scale in the context of a knowledge based society creates urgency to understand embedded governance from a knowledge infrastructure perspective. Second, at the relational scale there has been a change in the very conception of exchange and organization, in which the commercial and government roles have been redefined. Olins (1999) refers to the trading of identities between corporations and government, in part due to the way the new technologies and social media are used. It calls for a new logic to address the inter-actions beyond boundaries of what was thought possible prior to the introduction of the new media and particularly smart phones. Third, at the cognitive scale educational means must intensify stakeholders’ engagement, acceptance of the benefits of knowledge sharing and shared network goals to reduce perceptions of

impediments and bring about a virtuous cycle of value adding processes that benefit stakeholders, both individually and collectively.

3.2 The governance model of the rural marginal areas of Trentino

The actions taken by the European project are designed to bridge the barriers that each rural village encounters at a local level. They leverage social capital to establish a governance model needed to harness the knowledge and share the expertise and aim of each village into a ‘commons’ perceived as tourist destination aimed at sustainable tourism development. The governance model formulated is based on Task Forces. They can be seen to function as platforms in which top-down and bottom-up drivers of local development converge. Top-down driving forces are Project Partners (Universities and local development Agencies) and Destination Management Organizations (if they exist) or agents who actually play this role at an embryonic stage. They guarantee, respectively, the scientific approach to define the model and the expression of the needs, strengths and weaknesses of the rural villages. The Public Administration is represented through a separate body (Board of Mayors) which has a political orientation; in particular, it supervises and legitimates the Task Force’s action. Local Guide Groups are bottom-up driven representatives of local private or public stakeholders and communities in charge of the formulation of projects aimed at sustainable tourism development (i.e. local businesses, organizations, associations, municipalities etc.). In particular Tesino-Vanoi project focuses on the First World War cultural heritage

(forts, trenchers, barrier lines, Great War Museum, castles, and residences) to develop thematic trekking or cultural tourism with storytelling experiences related to episodes of this historical event. The Valle dei Mocheni focuses on the richness of water resources (streams, waterfalls, mountain lakes, water mills and, hot springs) to develop water experience products. Valle del Chiese aims to transform small farms and animal husbandry farms into rural educational laboratories addressing school groups and families with children.

The actors that compose the Task Forces aimed to develop these projects were selected in accordance with the type of tourism offers and markets that need to be developed and the resources competences, planning and knowledge which previously developed largely independently are presently provided jointly by stakeholders. In Tesino-Vanoi (First World War trekking/experience), the Great War Museum, together with local Ecomuseums, natural parks, mountain guides, and owners of traditional accommodation facilities, have joined the Local Guide Group. Mocheni's cultural institute, the associations promoting accommodation in mountain estates and the owners of other accommodation facilities compose and promote the Valle dei Mocheni Local Guide Group (Water experiences). In Valle del Chiese (rural educational experiences) the main actors represented are an Ecomuseum, a Natural Park, and the local hydrologic basin. The project Partners (Province of Trento and Trentino Marketing Spa) supported the development and implementation of these projects by providing stakeholders with education and training to conceive a tourism product consistent with the local resources and the principles of

sustainability, i.e. destination planning and local stakeholder participation in decision making.

The governance model formulated serves as an example of embedded governance which supports the engagement of institutional actors, businesses, education and community within a destination knowledge platform structure. This platform reconciles the structural, cognitive and relational dimensions of the social capital developed within these areas fostering their strengths and promoting the overcoming of their weakness. The notion is that embedded governance serves as a filter of information which reduces the impact of equivocality (i.e. external variety) thereby enhancing convergence by facilitating knowledge sharing and communication transfer between the individual members of the network. The network's overarching objective is to capture value through integrated trustworthy relationships contributing to bring growth and prosperity to the peripheral territorial society. Consequently, the local projects which this embedded territorial governance developed, integrated local products, traditions and folklore in the tourism experience and transformed the rural estates which provide evidence of these traditions into tourism facilities. Temporary mountain/agricultural/cattle settlements turned into accommodation units as well as providing experiential products. Their renovation (many are uninhabited, disused, or in a bad state of conservation) helped to maintain the typical building model of these areas (cultural heritage) and limit the environmental impact of new buildings. In this way, these new tourist products are transmitters of the local heritage, knowledge and skills whose value is enhanced through the interaction and the co-production processes with tourists.

An international association – Vital Villages Association– will increase the value of this governance tool and the related knowledge and skills, networking and branding to international targeted markets, all the rural villages involved in the European Project and other possible members which intend to comply with its standards, norms, rules and regulations.

In summary, rural destinations have a great need for institutions and ways to create and enforce norms and rules that induce cooperative solutions at both the local and the transnational scale. It is therefore very important that the Vital Villages Association identifies the main lines of thought around the embedded governance model and frames its research in a robust knowledge infrastructure. In particular, first, to identify within the service system the critical success factors. Second, to design effective ways for coordinating and reproducing these elements effectively within the platform structure at lower transaction costs to the stakeholders. Third, to be effective the members should regularly assess their position, relationships, actions and reactions of their counterparts in the network. It will yield the knowledge of the perceived image of the rural villages of Trentino – and the European network of villages – on which their very existence as a sustainable destination either stands or falls.

4. Conclusion, limits and implications for the future research

The Trentino case, located in northern Italy, is framed in the 2008 Central Europe Program (Della Lucia et al., 2012; Go et al., 2011), part of the European Project ‘Listen to the Voice of Villages’

(www.listentothevoiceofvillages.org) and involves networked central European villages in six countries. They depend, increasingly, on tourist flows and the new media allowing for spontaneous, technology-mediated interactions of global proportions. Same underscores the significance of developing governance analyses that move beyond earlier territorialized conceptions of the 'urban-rural' binary (Ward and Brown, 2009) and build on social capital, knowledge generation and sharing among stakeholders. The overlapping governance and fuzzy boundary relationships result in competing and contradictory material and symbolic meaning (Anderson and O'Dowd, 1999: 593) that complicates rural Trentino stakeholders' decision making. First, governance at the supra-national, national, and local scale is often administratively isolated from one another, resulting in deferring the responsibility to a series of different organizations that often operate without a clear mandate. Second, supply and demand governance is exacerbated by the great variation of tourist demand, whose motives may differ (e.g., health, sports, recreational, cultural, spiritual and business to visiting friends and relatives). Third, tourism represents a political issue, perceived as a rather vulnerable basis for local development (Baerenholdt and Haldrup, 2006).

In the overlap of social-cultural, economic and political interactions a co-existence strategy design (Go and Trunfio, 2011a) can contribute to an interactive governance system (Kooiman et al., 2008) which engages Trentino's strategic networked stakeholders in order to promote partnership-based learning innovation and social capital development (Inkpen and Tsang, 2005). Within the embedded governance context, the internal coordination mechanism can be considered to serve as a

destination decision support system aimed at establishing the critical mass among the different network members (institutional actors, businesses, education and community) needed to enhance network performance. A distinct challenge is establishing a delicate balance with regard to serving the regimes and agenda of the market, civil society and government interests. This so as to promote effective network performance and maximize the benefit of co-creating sustainable value for the territory. Presently, two main reasons can be identified as causes for the stagnant tourism development low process of Trentino's rural villages. First, stakeholders' collaboration is all but absent. Second, consumers are for the most part unaware of the great holiday potential the rural village areas offer. The establishment of an embedded governance system aided the villages to establish a critical mass of local stakeholders, procedures and processes. In turn, the latter were needed for the support of effective decision making aimed at progressing towards sustainable tourism development and better local living standards by balancing economic, environmental and socio-cultural assets and interests in more intelligent ways.

This paper argued that networks embedded in social capital can possibly serve to express the 'independence' of the rural villages within a 'co-creative democracy' model, which might afford them a certain degree of influence on other stakeholders, including distributors within the value chain. Moreover, we assume that, first, the application of this model in practice would afford the emergence of flexible specialization of the collaborating three villages vis-a-vis actors, including the government. So that, second, different types of coordination and control might arise in due

course as the main bargaining characteristic; this, third, would afford the formation of co-existence within the value chain members for a transient period (at least until a next stage of co-evolution would be reached).

As discussed, the formation of co-existence within networks of members who jointly create value required to establish a critical mass of local stakeholders and the appropriate procedures for effective decision making in the governance system framework. But what concepts would sustain it over time to drive the regeneration process of fragile European regions, as rural villages are? Regeneration requires, first, the capability to lever the social-capital infrastructure which is needed to develop networks aimed at reinforcing value co-creative processes and supporting internal and external communications that are coherent, to the extent possible under prevailing conditions, with the value proposition of the place local identity. The place branding building process (Go and Govers, 2009) originates from an integrated strategy and sense of purpose. It serves, among others, to pool resources for time and cost saving purposes. Second, a proper embedded governance is needed to guide the stakeholders engagement in an analysis of issues, resources, possibilities and constraints for the purposes of yielding scenarios (Tompkins et al., 2008) that can lend their support to the place sustainable development. Third, the shift from the ‘inside-in’ perspective to the ‘outside-in’ perspective, which is more in tune with the idea of attribute consumer centrality in relation to the marketing of emerging destinations.

In conclusion, this paper highlighted the trade-offs between preservation of local identity based on the rural tradition on the one hand and challenges encountered in the quest for the economic development based on

advocating sustainable tourism. The reconciliation of this paradox requires deep investments in social capital and embedded governance for coexisting strategy design, knowledge and skill sharing and value co-creation. Future research should focus on appropriate methodologies to address the many issues that surround the sustainable development of destinations in the early phase of the destination life cycle: How can the territorial governance guide the evolution of the three social capital dimensions (structural, cognitive and relational) in the rural area context so as to facilitate stakeholders' engagement? How can stakeholders, individually and collectively, make sense of the current position of their place to build a destination based on the outside-in perspective? How can they develop a shared with the consumers/tourists value co-creation process in glocal networks?

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