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► **To cite this version:**

Wafaa Nasser, Myriam Donsimoni. Local governance, decentralization and local economic development. Middle Eastern Finance and Economics, 2012, pp.125-135. hal-00973763

**HAL Id: hal-00973763**

**<https://hal.univ-grenoble-alpes.fr/hal-00973763>**

Submitted on 4 Apr 2014

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# Local Governance, Decentralization and Local Economic Development

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## Abstract

When studying local development, we find that decentralization and local governance are inseparable factors that contribute strongly into the efficiency of local development attempts. Decentralization gives local authorities more responsibilities and freedom of action without having to refer to central institutions. Enhanced local governance allows the establishment of strategies that better cope with local needs, reduces opposition and corruption, and increases cooperation between local actors.

In this paper we intend to compare the effect of local governance on the performance of French as well as Lebanese ski resorts or stations of ski. We will show how the models of governance applied in French stations contribute to their development while those applied in Lebanese stations constitute a barrier to their development.

**Keywords:** Local development; local governance; decentralization; stations of ski.

## 1. Introduction

The concept of development is considered to be both a process and a purpose at the same time. It is the process by which societies evolve and the goal toward which they tend (Tremblay, 1999). The theory and application concerning development process has undergone lots of changes throughout the history, development used to be a concept with a sole economic dimension, and it used to be targeted on large national and sectorial levels. During the 1980's this former shape of understanding and approaching development proved to be inefficient after the appearance and the aggravation of the problem of unequal development represented by an unequal distribution of physical, economic and social assets (in terms of knowledge) between regions, and the appearance of areas that are totally excluded from the development process. This unequal development can be linked to many reasons most importantly to the high levels of urbanization that emphasize political and administrative centralization to a level that all political decisions give priority to the interests of the populations of huge urban conglomerates leaving rural and poor regions aside. (Casanova, 2004)

Underdevelopment gave rise to a wide theoretical discussion in order to find solutions that assure balanced development. As a result, it appeared that local development (from below) is the form of development that should replace the centralized form of development (from above) (Tremblay, 1999). The theory of local development started to be constructed little by little with the appearance of concepts similar to poles of growth, endogenous development and more recently industrial districts, innovative environments and local productive systems. Local development is an organizational process aimed toward cultural, social and economic development. The process of local development needs the existence of three basic conditions which are innovation, the capacity to adapt and the capacity to regulate; it is the dynamic action of networks of actors that permit the concrete realization of these conditions (Pecqueur, 1989). According to the World Bank, the purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. The World Bank thus gives a large importance for the cooperation between local actors constitutes the heart of the process of local governance.

The purpose of this paper is to study the effect of the application of a certain model of local governance on the levels of local economic development. In order to clarify the idea we shall use a comparison between the forms of governance applied in French ski resorts and those applied in the Lebanese ski resort "Mzaar". This comparison shall allow us to investigate how the application of different forms of governance in touristic destinations presenting the same kind of touristic offer can create a difference in their levels of competitiveness and development.

## **2. Context**

The causes of poverty and exclusion of rural regions are usually classified into economic and social causes. Economic causes for exclusion are the high unit cost for establishing basic infrastructure, high unit cost for delivery of social goods and services, high market transaction costs, and the high unit cost for delivery of information and know how. Socio political causes for exclusion of rural areas include the fact that the centers for political power and decisions on resources are urban, the cultural gap between decision makers and local rural populations, low access to information, weak human and social capital and the high cost of consultations and consensus development (Nkum, 2002)

We think that institutional causes can be added to explain the problem of unequal development. In their book "Violence and Social Orders", North, Wallis & Weingast (2009) place the political and social aspects in the heart of the development process. They consider that societies are established around a social order, defined by "the way societies shape institutions favoring a certain shape of human organization". The institutions which they set up aim essentially at reducing violence and reinforcing development bases.

North and al distinguishes two social orders: the order of limited access and the order of opened access. The social order of "limited access" or "natural state" reduces the problem of violence by forming an elite coalition whose members enjoy special privileges. Those elites (military, religious, political, economic) cooperate in order to maintain their exclusive privileges, such as property rights and special access to resources and economic activities. The political system of the "natural state" manipulates the economy to produce pensions that guarantee the maintenance of the social order (political posts, honorary positions of monopoly control over natural resources, advantageous funding, low cost inputs etc.). In all "natural state" orders, the dominant coalition is a strictly closed elite member organization, which means that the compliance of new third party members is very difficult. Under these conditions that might be considered as adverse and unfair, peace does not come naturally, but depends on the balance of interests generated from the process of creation of rents.

In the social order of opened access, the fight against violence is confided to the political power, supervised by institutions which limit the illegitimate appeal, whereas open competition is the normal mode of access to the political power, which; in the economic domain, limits at the same

moment the possible pensions. Developing countries recover essentially from a social order of limited access; their development consists exactly in starting a transition, an institutional change, towards a social order of opened access. The problem of the transition from the first type of social order into the second is interesting. We shall analyze it in the light of a comparison between the modes of governance and their effect on the levels of local economic development in French as well as in Lebanese ski resorts.

Tourism appears to be a sector well tailored to solve the problem of unbalanced development and the problem of lower development in poor countries as well. Tourism is considered to be the economic sector that creates the highest revenues in the shortest period of time and with the least amount of investments needed, which makes it very flexible and adapted for targeting development problems. (Bensahel & Donsimoni, 1999)

### **3. Decentralization and Local Development**

After the enrichment of the understanding of the notion of development that showed that the local level is the best level for tackling development and that local development is better achieved by local action; decentralization appears to have become the building block on which successful local development strategies should always repose. A definition of local development that shows clearly its relation with decentralization is the one given by Tremblay (1999), who defines local development as a perspective aimed to improve the conditions of life of local populations throughout development strategies implemented for and by them. This approach is based on a general vision characterized by solidarity and the initiatives of local community, in a way to limit the effects of governmental intervention.

Decentralization is defined as the transfer of responsibility for planning, management, and resource-raising and allocation from the central government to field units of central government ministries or agencies; subordinate units or levels of government; semi-autonomous public authorities or corporations; area-wide regional or functional authorities; or NGOs (non governmental organizations). (Rondinelli, 1981). According to the World Bank, the driving force behind applying decentralization in most countries is for political reasons rather than for economical reasons, fortunately, decentralization may be one of those instances where good politics and good economics may serve the same end. The political objectives to increase political responsiveness and participation at the local level can coincide with the economic objectives of better decisions about the use of public resources and increased willingness to pay for local services. The World Bank classifies several forms of decentralization: political, administrative, fiscal, and market decentralization.

A simpler definition of decentralization that explains more clearly our idea to serve local development, is the one given by Jean-Paul Faguet (1997) who says that decentralization can be understood as the devolution by central (i.e. national) government of specific functions, with all of the administrative, political and economic attributes that these entail, to local (i.e. municipal) governments which are independent of the center and autonomous within a legally delimited geographic and functional domain.

There are many types of local private institutions that can actively participate in decentralization efforts mainly through the privatization of services that can be delivered on a commercial basis. Those institutions such as the NGOs and community-level organizations have a significant role to play in improving service delivery and in providing improved mechanisms for targeting disadvantaged groups (Parker, 1995).

Decentralization thus gives a more important role for local actors to decide and plan their own development projects, which usually assures better levels of development since local actors are more knowledgeable of their capacities and their needs. However; although decentralization is fundamental, yet it is not a sufficient factor by itself to assure the success of development projects. Decentralization fails in many cases especially when local decision and policy makers lack the necessary expertise to manage the development of their regions. (Lake & Rothchild, 2005)

#### **4. Local Governance**

Governance at the level of private corporations is defined by the OECD (Organization for economic cooperation and development) as the procedures and processes according to which an organization is directed and controlled. The OECD Glossary of Statistical Terms (2011) states that the corporate governance structure specifies the distribution of rights and responsibilities among the different participants in the organization – such as the board, managers, shareholders and other stakeholders – and lays down the rules and procedures for decision-making. Good corporate governance in a business enterprise promotes operational efficiency, professional management, clear lines of authority and good risk management, all of which promote business success and improved profitability.

Similar to corporate governance, local governance is the application of the concept of governance at the local level of areas that seek to better manage and exploit their resources in order to reach enhanced levels of development, while conserving and maintaining the right of participation of all local actors.

Better governance at the local level, increases the opportunity of success of strategies and projects established and implemented in a coordinated manner between the private and public sectors. This success is due to two reasons, the first is that those strategies are built on the basis of local realities, and the second is due to the greater involvement of all stakeholders in the construction of development projects which makes them more motivated and dedicated to work for the success of those projects (Jessop, 1998). Good governance and stakeholders' involvement, also limit the possibilities of corruption which would have been otherwise heavily produced if regional action and policy creation were totally centralized in the hands of local authorities. Better governance thus represents better public policies, cooperation between public and private sectors, fight against corruption, and higher levels of transparency. (Khan, 2002)

According to Nkum (2002), the positive effects that good governance has on improving the level of local development can be related to the three basic qualities of governance which are accountability, transparency and responsiveness. Good governance is based on transparency regarding the projects of development and the delivery of public goods and services, this transparency allows local populations to supervise the actions of people whom they elected to serve their needs. An efficient form of governance strengthens the capability of local authorities to claim their share of public goods and services from centralized institutions and makes those local authorities and administrators accountable to local populations for the delivery of a minimum set of public goods and services. (Rodrigo, Yilmaz, & Beris, 2008)

Better responsiveness helps in producing decisions on processes and resources that are specific to the local needs and conditions, delivery systems for public goods and services that are inclusive and have low cost and a local policy and institutional environment that favors the development of efficient products.

The role of governance in supporting development of touristic destination is very poorly discussed in literature. Although the application of different forms of governance can have completely different effects on the levels of development and growth that tourism is capable of producing. In the tourism context, effective local governance arrangements empower local participation and ownership of policy actions and initiatives and provide a forum for information sharing, discussion, negotiation and learning. (Beaumont & Dredge, 2009)

The importance of better governance systems in supporting local development and competitiveness in touristic destinations can be better understood through comparing the modes of governance of both Lebanese and French stations of ski. Our case study shows how the application of appropriate governance models in French stations of ski is acting as an efficient support of their development, whereas the weakness of the system of governance of the Lebanese station of ski that we chose to analyze is standing in the face of its development. To study the case of French stations of ski we will refer to previous studies done in this context, as for the Lebanese case our analysis will be based on personal questionnaires conducted with the local public as well as private actors.

## **5. Ski Resorts**

Ski resorts are winter touristic stations where ski as well as other winter sports are practiced. By origin, the word "station" signifies a place where people stop. A service station is a place where people stop to perform a quick recovery of their cars, and a station of ski is a place where they stop to do a certain form of recovery for their bodies through performing sports (ski). However, mountain stations or resorts have broadened this meaning; a station of winter sports today takes a territorialized form of a local system whose development is based on the practice of winter sports, a sort of "district" composed of SMEs (small and medium enterprises) welcoming those who wish to practice winter sports. (Bailly, 2002)

Although winter resorts are witnessing certain forms of urbanization that makes them similar to urbanized cities, however the difference between a winter resort and a city rests in the effect of seasonality. Mountain resorts are viewed as small towns which are very animated and active during certain periods of the year (mainly during winter), yet during other periods they become rather like "ghost towns" almost deserted. The station, which is an extension of the city, is seen as a tolerated form of urbanization in the mountain. (Rudaz, 2002)

A ski resort or station of ski constitutes a socio-economic system composed of: First, the management of the station which is the institution that manages the station of ski. It can be a private company, a mixed management of public and private managers; however some stations are managed only by local authorities. Second, the site of the station as winter resorts usually exist in sites that group a series of coherent slopes, a sufficient level of snow, a sufficient duration of snow, and a good quality of snow. This site must be easily accessible from the man inhabited regions surrounding it. Third, clients who are distinguished according to their financial paying power and their amusement taste (whether they prefer ski or just winter villaging). Forth, a station is constituted also of the equipments of the station that include two different yet complementary services, the accommodation service (hotels, furnished apartments, chalets, secondary residences, rooms in houses of local residents, etc), and the service of ski lifts (Préau, 1968). In addition to those two basic services, there are other services in the station such as shopping, distraction structures (ice skating), transport structures to the station, schools of ski, restoration, security services on the slopes. Fifth, a station is constituted of the local public authorities who organize the construction sector, the mode of governance, and the totality of the mountain landscape. The last corposant is the local populations of winter resorts and villages who live inside or around them, and who usually have a complementary economic activity (ex. agriculture) on which they depend during stagnant touristic periods. (Gerbaux & Marcelpoil, 2006)

Although ski resorts from the economic point of view are viewed as local touristic systems, however their management is not as easy as it is the case of other touristic systems where other forms of tourism are practiced. The difficulty of managing and developing those stations is due to the following reasons that differentiate them from other traditional touristic destinations: One, tourism in winter resorts is characterized by the high level of seasonality. Two, mountain regions where stations of ski exist are usually less urbanized than other touristic destinations and they have lower concentrations of permanent residents (Knafou, 1990). Three, the high dependence on climate conditions which could be very risky especially with the increasing levels of global warming. Artificial snow machines can partially solve this problem; however, they have very bad effects environmental effects. (Paccard, 2009) Four, the geographic localization of stations of ski on steep high mountains makes the initial planning and construction of their infrastructure, lifts, homes, etc. a very difficult task due to the hostile nature of mountains. The continuous development of stations and maintenance of their infrastructure is not any easier. (Marnezy, 1979) Five, the ecosystem of mountain stations is very fragile and maintaining it is not always an easy function, given the increase in the number of tourists that visit them (Dinger, 1995). And six, similar to any other touristic destination, ski resorts should be developed continuously to respond to the developing needs of clients, since clients nowadays do not visit those resorts just to practice ski, some of them do not even practice ski at all.

Given those difficulties that stand in the face of the development of mountain resorts, the management of those resorts which should aim toward their development becomes a complex job.

North and al (2009) indicate that governance becomes a very difficult and complicated task when the system that we are considering is characterized by a 'limited access' social order. In the view of such a system, development policies aimed at promoting education, health, good governance, investment etc..., have little chances of success, since their success would be threatening to the authority of the governing elite.

## **6. Governance of French Ski Resorts**

Given the complication of the management of ski resorts which is linked first to their touristic nature, and second to their mountain localization and also given their economic importance as resources for the development of rural regions, the management of mountain ski resorts has been widely addressed by academic researchers as well as by governmental legislations in France, in order to better make use of those touristic destinations.

In 1985; the French government issued the law of mountain. The law recognizes the specificity of mountain space, its layout and its protection. It sets the mountain as an area where living conditions are difficult, thus limiting the exercise of certain economic activities, other than activities that fit its altitude, climatic conditions and steep slopes.

The law recognizes seven main mountainous series in France: Jura, Vosges, Alpes du Nord, Alpes du Sud, Corse, Massif Central and the Pyrénées. It is a law of development and planning that aims to enable mountainous populations to live and work by overcoming the economic and social handicaps associated with the localization of their regions through facilitating the development of complementary activities, developing the touristic diversity, and protecting or enhancing the natural and cultural heritage of the mountain.

Various provisions of the mountain law involved the protection of natural as well as cultural heritage through defining and valorizing the specific natural and cultural characteristics prevailing in each mountain, controlling urbanism, controlling and monitoring the development of tourism and the establishment of new touristic units. Specific institutions and committees such as the national council of mountain massifs were established to better fulfill the aim of this law.

In their discussion about the modes of governance most appropriate for touristic destinations, Beaumont and Dredge (2009) talk about three models of governance which are the council-led network governance structure, the participant-led community network governance structure, and the local tourism organization (LTO)-led industry network governance structure.

Bowles and Gentis (2002) consider that local governance is about public policy, rules of action in a region, cooperation between the public and private sectors and the fight against corruption. Better governance helps to develop public policies that define the strategies and ensure the quality of actions of local stakeholders as part of an overall strategy of local development. The established local rules will prevent all forms of illegal activity, strategies and projects implemented in a coordinated manner between the private and public sectors are more likely to succeed. This success is due to two reasons, first, that these strategies are built on the basis of local realities, and the second reason is the greater involvement of stakeholders in the implementation of projects which makes them more determined to work for the success of those projects.

When studying the forms of governance of stations of ski from the academic point of view, we find that the most distinguished models of management are the European community model and the Anglosphere corporate model of management. However those two models appear to be insufficient to take into account all the socio-political phenomena specific to the management of touristic stations. (Marcelpoil, 2009)

According to Marcelpoil (2009), the corporate model or the integrated model is the model of management in which a private touristic operator constitutes the dominant power in the management of a certain touristic destination. The services necessary for the practice of ski are assured by this operator, and it creates relations with other service enterprises to put them in charge of providing other complementary services while it stays in the leadership of the destination. The main logic of this model

is the economic logic of profitability and gain. The corporate model of management of French ski resorts exists in particular in the region of Rhône-Alpes, where the "Compagnie des Alpes" which is the holder of the world's most prestigious winter sports resorts illustrates this management model. The company has a number of other internalized service companies, such as their very profitable ski equipments Rental Company.

In the opposite of the corporate model, the community model, is composed of different independent units and specialties in the supply of services, however they all work in a coordinated manner. Public institutions constitute the power of regulation and impulsion in this model; they play the most essential role in the management of the station which is the integration of other units. (Gerbaux & Marcelpoil, 2006)

Each of those models has its strengths as well as weaknesses; the major weakness of both of them is the centralization of the power in the hands of either a private company or in the hands of public local authorities. Researching the best performance model of management of mountain resorts in France brought to a conclusion that it is neither of those two models; it is rather a hybrid model that exists between both of them, a model that combines from one side the economic sphere which guarantees high profitability and from the other side local authorities that guarantee better collective interest of all actors in the station. (Gerbaux & Marcelpoil, 2003).

Thus the model of local governance seems to be the best model of management that can avoid the problems and weaknesses of the corporate and the community models. Local Governance refers to, a process of coordination of actors, social groups, and institutions to achieve goals discussed and defined collectively in fragmented and uncertain environments (Le Galès, 1998). This approach in terms of touristic governance seems to be very relevant since it puts into particular consideration the articulation between economic, politics and social aspects. Gerbaux and Marcelpoil (2006) consider that the use of the notion of governance in the management of mountain resorts is suitable due to five key points. First, it involves interest in the plurality of actors that constitute the touristic destination of mountain resorts. Second, governance concerns the construction of vertical as well as horizontal relations between actors, whether they are political, economic and social, formal or informal relations. Third, it takes into account the public-private partnership in all its dimensions for each type of actors and spheres. Fourth, the concept of governance emphasizes on the collective actor. It refers in part to the fact that tourist destinations are perceived by customers as a functional system, a "black box" that must be effective. And finally, governance involves attention to networks and groups that may constitute this collective actor. A collective local actor, in a sense of governance, must meet the imperative of economic development and the associated logic of competition. (Gerbaux & Marcelpoil, 2006)

Even among French stations that are managed through the mixed governance model, we find a difference in their levels of competitiveness mainly due to the nature of public-private cooperation. The stronger this cooperation is, the more developed and more competitive the stations are. In the station of Des Arcs, the poor quality of the coordination (although this station applies the mixed form of governance) between the organizing authorities, the private operator of the station and the local population is creating a lack of mobilization of the future of the station. While in the station of Val d'Isère, the private sector is very cooperative and respectful of all the orientations of the public authorities and the opposite is also true. This strong cooperation is making Val d'Isère one of the top destinations in the winter sports market in France.

Although the management of French stations is not always performed in partnership between the public and the private sector, however we can always observe certain forms of cooperation and coordination between them for the better of the station, this is why we find that French ski resorts are considered of the best and most developed ski destinations in the world.



## **7. Governance of Lebanese Ski Resorts**

To better understand the effect of local governance of ski resorts on their development, we take as an example the Mzaar ski resort in Lebanon. We did a field study of this touristic destination based mainly on interviews with local authorities, with business owners and with a sample of the local population. Mzaar is the biggest and most developed ski resort in the Middle East and North Africa; it has a very strategic location at a height of 1850m to 2465m, and at a distance of just 53 km from Beirut (the capital of Lebanon).

The Mzaar resort is situated on the heights of the Kesrouane district in Mount Lebanon, in a village called Kfardebian. The center of the resort where most hotels and restaurants exist is owned and managed by the company 'Mzaar SAL' (Société Anonyme Libanaise, i.e. Limited liability company), and the landscapes where the slopes of ski exist are publicly owned by the Kesrouane district, they are constantly rented by the Mzaar Corporation for 30 renewable years. The Mzaar Company attempts from time to time to sell parts of the land that it owns in the station to private investors so that they could build their own touristic projects on them, while it remains the leader of the management and development of the station.

The local economic system in the region of the Mzaar resort is composed: one, of the Mzaar SAL which in charge of the management of ski lifts, clubs of ski, the school of ski of the station, it is also responsible for the security of skiers and the maintenance and management of ski slopes. Two, of the "Mzaar 2000" company which is responsible of the management of the Mzaar 2000 village in the station (a form of an alpine village built of a group of luxurious chalets), and the Mzaar hotel managed by the Intercontinental international hotel chain. Those two accommodation structures are partners of the Mzaar SAL. Three, the resort is also composed of other restoration and accommodation structures (hotels, furnished apartments, rented chalets, etc.) owned by private investors. Four, of the local authorities represented by the municipality of Kfardebian which is the village where the Mzaar station administratively exists. Finally the local economic system also includes the local populations of the villages of Kfardebian and Faraya (the villages surrounding the resort).

Although the resort exists on the lands of the Kfardebian village, however since its construction it used to be called Faraya-Mzaar resort, on behalf of the village of Faraya that exists just beside the Kfardebian village. This naming was due to the fact that the station has been originally built by an entrepreneur originated from the Faraya village, that all tourists coming to the station pass through Faraya and not through Kfardebian and also because the populations of Faraya are more implicated in touristic action than those of Kfardebian. In the year 2009, after a juridical request of the Kfardebian village municipality, the name of the resort was changed into "Mzaar-Kfardebian". This name change issue has had a great effect on the relation both between the municipalities of the two villages from one side and on the relations between the Mzaar management and the municipality of Kfardebian from the other side since the head managers of the station come from Faraya.

The model of management of the Mzaar station is the corporate model where the Mzaar SAL company is in charge of the all the main activities that contribute to the development of the station. Although the corporate model of management is usually characterized by the better performance and high profitability of touristic destinations, yet we can see that this is not the case in the Mzaar resort.

The management and governance of the Mzaar resort is faced by many obstacles that are standing in the face of its development, and which are not permitting the full valorization of the resources of this station which could otherwise make it a ski resort as important as French resorts on the international level of winter sports. We link this weak development to the conflict of interests of different actors responsible for the development of this touristic destination from one side and to the social system of 'Limited Access' existing in this region from the other side. This system prevents any outside actors from taking action at the level of development of the resort.

The local economic development of the Mzaar station and its region is being held back mainly due to the frequent problems and disputes between the company that manages the station and the municipality of Kfardebian instead of the creation of a strong cooperation between the two of them. Those problems are mostly because of the failure of the municipality in performing its role in

constructing and maintaining the infrastructure of the station which obliges the management of the station to do this work by itself. The municipality should be also responsible for providing touristic police in the station, which is another unaccomplished responsibility. On top of the negligence of its responsibilities, the municipality also gives permits to villagers so that they could work in the station without making sure whether they have the necessary capacities, knowledge, and experience to perform their work or not, and without supervising the quality of their products (such as the permits for villagers to work as ski coaches or as peddlers within the station).

Another public-private coordination barrier faced by the station is the lack of collaboration with the ministry of tourism especially regarding international marketing campaigns of the station that must be, but are not performed by the ministry. The management of the station is also not very cooperative with the ministry of tourism in implementing projects for helping and transmitting their expertise to other smaller and less developed Lebanese ski resorts. The lack of coordination with governmental sides is not only at the level of the ministry of tourism but also at the level of all other Lebanese ministries and institutions such as the ministry of environment and the 'Electricity of Lebanon' company (which is the official and only electricity provider in Lebanon). Mzaar station is obliged to use private engines to produce electricity for its ski lifts since the electricity provided by the 'Electricity of Lebanon' doesn't reach its highest slopes. The need to use engines for producing electricity has devastating consequences on the environment of the station.

The development of the station is also hindered by the seasonality of demand which creates a seasonality of employment. Less than one third of the total employees of the station are permanent, the other two thirds are seasonal employees that are employed only during the ski season, and during the other seasons they mostly work in agriculture. The absence of expertise in Lebanon obliges Mzaar to outsource the maintenance and security checks on its machinery especially the ski lifts to French companies and experts which is very costly. And finally the lack of security in Lebanon also constitutes a barrier in the face of the development of the station.

Our analysis of the situation in the Mzaar resort showed us that the lack of coordination and cooperation between local actors is the major factor that is causing the weak development of the resort. This lack of coordination is easily observed in the relations between the management of the resort from one side and the local authorities, and national public authorities from the other side. Another significant cause for this slow development is the strained relationships between the municipalities and the local populations of the two villages that are mostly concerned with the resort. Instead of working as allies to better develop their region and to face external competition, those villages are competing with each other and creating rivalries on certain issues such as the name problem, which is restraining the development of both of them and eventually is also restraining the development of the resort.

In view of the analysis done by North and al (2009) concerning the link between the levels of development and the nature of the social order implemented in a certain country. We can also conclude that the limited access social order system that exists in Lebanon can be a direct factor affecting the weakness in the governance systems applied at the level of the territory where Mzaar ski resort exists, as well as in all other economic systems throughout the country. The limited access social order in Lebanon is characterized by the control of governing elite on the most significant and key positions in ruling the country, whether it is at the level of the central government or even at the level of local authorities and decentralized structures. This social order is creating a form of bureaucracy that stands in the face of all change and development attempts and that excludes all external actors who try to enter into the system without having any pre-selected political backup.

However, (North, Wallis, Webb, & Weingast, 2007) also discuss that a social system of limited access might enable us to integrate economic and political theory in a new way. They state that the governing elite in such a system try to work together in order to eliminate violence and conflicts so that they would maintain their benefits and rents. This reduction of violence would usually have positive effects on development. In the case of Mzaar however, this doesn't apply. The system of limited access in this territory is characterized by the numerous conflicts between the governing elites. Different governing parties in different villages fight among each other and also fight with the managers of the

ski resort on power and on the use of resources in their region. There is no cooperation between the governing elites and each is working based on their own separate interests regardless of the interests of others. This social system of limited access characterized by a high level of violence and a bad model of local governance constitutes the main barrier in the face of the development of the Mzaar ski resort.

## 8. Conclusion

The high levels of globalization and the elimination of borders between nations in our world is making the development of local economic systems day after day a very difficult task due to the high levels of competition they will be facing from other stronger economies at the international levels. Preserving the capability to develop requires the construction of systems of governance that are based on internal allies and relationships of coordination and collaboration between local public as well as private sector actors.

The strong relations of cooperation and the construction of partnerships between the local actors in French ski resorts is a major reason contributing to their development, whereas in the Mzaar ski resort in Lebanon, the corporate form of governance for the touristic destination and on top of that the existence of rivalries and conflicts between local actors is standing in the face of all development attempts of this station and is holding back the valorization of its natural as well as social and cultural resources.

In our paper we have tested the theory involving the importance of governance models in the local development of touristic destinations to find out that the best local governance model is the one that involves a strong cooperation and coordination between the public sector, the private sector and the local populations. This paper shows that governance isn't only important in developed countries, but it is as well of special importance in less developed countries such as Lebanon. Applying the suitable forms of governance can support the local economic development of touristic destinations in poor countries and by this contribute to the improvement of the living standards of their populations. After realizing the importance of the mixed forms of governance, we believe that future researches should be studying more in detail the specific indicators that would enable us to measure the quality of governance and its relation with the degree of touristic development. As we already explained; even in destinations applying the mixed model of governance, we can still find differences in their levels of competitiveness due to the degree and force of the cooperation existing between the public and the private sector, by this we conclude that there would be certain forms of cooperation more susceptible of supporting development and it is very important to study what are those forms.

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