

**Kent**  
Business School

ISSN 1748-7595 (Online)

## ***Working Paper Series***

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**Mark Hampton**  
**Kent Business School**

**Timothy Jeonglyeol Lee**  
**University of Queensland, Australia**

**Michael Riley**  
**University of Surrey, UK**

University of **Kent**

***Working Paper No. 170***  
***December 2008***

# **Conflict in Tourism Development.**

**Timothy Jeonglyeol Lee<sup>1</sup>; Michael Riley<sup>2</sup>; and Mark P. Hampton<sup>3</sup>**

1. University of Queensland, Australia
2. University of Surrey, UK.
3. Kent Business School, University of Kent, UK

## **Abstract:**

This paper analyzes the political involvements and relationships that influenced the progress of a tourist heritage site in a Newly Industrialized Country. It explores the dynamics of collaboration and shows how the advantages can turn into conflict and inertia over time. Using evidence from South Korea it outlines the continuing discord among the interested groups, investigates the relationships that surround the developmental process, and demonstrates how perceptual differences became embedded. The paper's findings show that the avoidance of ambiguity of structure and of purpose are essential goals for management, irrespective of common good and levels of goodwill within the project. The paper illustrates that a structure dominated by power relations leads to conflict and inertia caused by alienation, and emphasizes the need for collaborative structures in cultural heritage tourism development.

**Keywords:** stakeholders, conflicts, policy, cultural heritage tourism.

## INTRODUCTION

This paper uses the theoretical ideas that surround the notions of collaborative advantage and conflict to explore the troubled development of a tourism project. The literature on tourism development, sustainability and conservation is firm in its conviction that the industry's fragmentation and diversity necessitates collaboration. Following Hall (1994:108, 110), tourism development can be seen as a political concept concerned both with collaboration and conflict between stakeholders. Not only are tourism projects a matter of a complex structure of interests but they are also long-term which means that the nature of the stakeholder relationships over time must be considered. To an extent, it is the need for a cooperative climate over time that takes collaboration beyond project focus to embrace the overall governance of a tourism entity. One medium for capturing the process of collaboration within the goals of development, sustainability and governance is tourism policy. Ideally, tourism policy sets rules under which tourism stakeholders operate, recognizing different interests, and by giving direction to the overall development of policy, it has the opportunity to create the climate it desires. In this respect Vernon, Essex, Pinder, and Curry (2005) confirm the need for public sector leadership. However, the generation of a 'working policy' on collaboration is itself the child of collaborative effort.

Whilst the tourism literature takes a realistic perspective on collaborative advantage it has not fully explored the problems it recognizes. Huxham and Vangen (2000) argue that both collaborative structures and collaborative development have to address issues of complexity and ambiguity from the very inception of collaboration if such advantage is to ensue. There is the possibility of projects being delayed through conflict and inertia which has its roots in complexity and ambiguity. It is all too often assumed that collaboration requires agreement but this is a desired attribute of the process not a precondition. The sequence of the arguments

begins with a brief review of some relevant social science theory on collaboration and conflict followed by the perspective from tourism; after which the case study is presented. This is then reviewed in the light of the theoretical considerations and conclusions are drawn.

## COLLABORATION AND CONFLICT: THEORETICAL CONSIDERATIONS

There are essentially four broad approaches to the study of collaboration. First, it can be seen as collective action; an approach which emphasizes participation and a specific cause. Secondly, it can be fruitfully studied from inter-group relations which emphasizes group identification. Thirdly, it can be seen as social exchange where fairness and reciprocity have important functions. Finally the process itself can be studied in terms of collaboration structures and dynamics. These different perspectives highlight different aspects of potential conflict.

### *Collaboration, Collective Action and Identification*

A useful starting point to understand collaboration is to see it as a formal case of collective action. The advantage of this is that it immediately brings to the fore the central issue of willingness to participate. Kelly and Breinlinger (1996) argue that, given that a 'cause' has an impact beyond individual participation in collective action might be better understood as an aspect of association and identification with groups rather than simply as a personality characteristic. Collective action requires three conditions; there must be a grievance; there must be 'common consciousness'; an awareness by an individual not only that they feel something towards a cause but that they know that others (not known to them) feel as they do. And, there must be leadership of the collective voice. Nevertheless, Bramwell and Sharman (1999) introduce a more nuanced argument of the idea of 'partial consensus'.

Once stakeholder relationships acquire group dimensions both collaboration and conflict can be seen as inter-group behaviour, and the key element is the strength of a person's identification with a group involved in a collaborative structure (Kelly and Kelly 1994; Selwyn and Karkut 2007). Social Identity Theory (SIT) unravels the processes of identification and action (Tajfel 1978). If an individual seeks part of their social identity from group affiliation, then they will favor that group leading to the 'ethno-centric' properties of that group. However, just being a member of group, a resident's protest group does not automatically confer affiliation and identification with that group. But, SIT maintains that, if it does, then loyalty to its purposes become part of the individual's being and strong support. Meanwhile, in these circumstances affiliation implies the presence of an out-group; to which there are differences and possible negative attitudes. This could be problematic if the out-group is part of the collaborative structure.

SIT brings a further complication because an individual can identify with more than one group so that within a collaborative structure an individual may have attachments to many groups and may shift their alliances. What SIT contributes is to argue that, within a collaborative structure, the individual behavior of representatives is in fact group behavior (bias by own-group favoritism). Conflicts within collaborative structures can be seen as inter-group discrimination based on SIT processes and once conflicts are group conflicts then resolution requires some kind of manipulation of the value dimensions by which each group legitimises the other (Tajfel 1978). The positive message of SIT analysis is that the more the collaborative structure becomes a group itself then the sources of conflict are reduced (Powell 1990:326). The negative message is that group conflicts cannot be addressed by resolution mechanisms in the same way as issue conflicts.

### *Collaboration and Exchange*

Molm (1994) suggests that a structure reciprocal dependence is a defining characteristic of all social relations based on exchange. In mutually dependent relations each actor values some outcomes that are under the control of the interaction partner. To the degree to which a collaborative structure involves exchange, mutual reciprocity would be a source of harmony. Fehr, Fischbacher and Gächter (2002) provide compelling evidence that perceived fairness (not necessarily equality) encourages cooperation. They call this behavioral propensity 'strong reciprocity'. In a sense they see fair treatment as an antidote to pure self interest. This view is supported by Goh (2002) who argued that a spirit of cooperation is critical to knowledge transfer processes. For example, knowledge sharing requires the willingness of a group or individual to work with others and share knowledge to their mutual benefit.

### *Collaboration Structure and Dynamics*

In terms of process the literature contains two principal directions; factors which can be attributed to success and failure and, how the process works. The first approach identifies attributes, conditions or factors that, if present, determine collaboration performance. Some aim to provide relatively comprehensive multi-dimensional pictures of the factors (see for example, Bryant 2003; Gray 1985; Hemmati 2002; Kanter 1994; Sink 1996). Among the attributes that contribute to good performance are inclusion of stakeholders, partner selection, mutual trust, consistency of position, shared vision, concrete goals, mutual interdependence of members, open communication, appropriate distribution of power, political influence, appropriate governance structure, and skilled convenors. Poor performance factors include personal agendas and individual egos, politicking, bridging work and social sectors, geographical distances, and cultural differences.

From the process literature four central concerns emerge: the identification of stakeholders, the motivation to participate, structure, and purpose. However these areas are all infiltrated by complexity and ambiguity. It is these properties that are the root of conflict and managerial difficulties. The first, and most obvious concern, is to identify the relevant community of interests: the stakeholders. Chrislip and Larson (1994:64–65) write

In the context of collaboration, the term means those people who are responsible for problems or issues, those who are affected by them, those whose perspectives or knowledge are needed to develop good solutions or strategies, and those who have the power and resources to block or implement solutions or strategies.

This definition is useful because it emphasizes responsibility rather than forms of decision-making and highlights power, impact, knowledge and practicality. It does not, however, engage with the notion of instrumental interests. Identifying who they are is not the same thing as saying that they are engaged in the process. The process of identification is not simple because there is ambiguity of membership, motivation and representativeness. Empowering those who are having something ‘done to them’ through participation as a stakeholder is not easy to achieve (Hemmati 2002:234–235; Kelly and van Vlaenderen 1996) nor is restraining those with the power to impede.

Notwithstanding these problems, the crucial issue is the relationship between purposes and structure. Gray (1985) suggests they develop together through three sequential phases – problem-setting, direction-setting and structuring. Similarly, Kanter (1994) argues that successful alliances generally unfold in five overlapping phases: courtship, engagement, housekeeping (in which they discover they have different ideas about how the alliance should operate), bridging, and old married (in which each organization realises that it has changed as a result of the alliance). In their local government example, Huxham and Vangen (2001)

show how the relationship between a collaborative structure and its purpose can be undermined by the crucial lack of consensus on what that purpose is. Lack of clarity and consensus at the outset is the original sin of collaboration. It makes the initial structure tenuous and creates latent conflict which may manifest itself later. This is not to argue that the purpose should be unchangeable only that it is agreed and clear from the start whereby changes can be negotiated from a common base.

However, it would be unrealistic to assume that collaboration is associated with equally distributed power. Legal authority, control of resources, tradition, culture and knowledge are all likely to be unevenly distributed across a collaborative structure (Clegg 1989; Milewa, Dowdswell, and Harrison 2002; Morgan and Pritchard 1998). The legitimacy of this distribution of power, that is, its acceptability to all involved, that is crucial to preventing conflict. Early writers on power emphasised that authority was embodied in structure which was itself the source of power (Weber 1978). The modern concern for legitimizing structure by the actions of those in authority moves the focus of legitimacy from structure to action and the reaction to it (Cole 2006; Hardy and Clegg 1999). However, action infers knowledge as well as power and the combination is subtle and multi-layered. Information and expertise are not simply resources that are deployed explicitly and visibly, as persuasion, to secure particular outcomes. They may also be used in the mobilisation of bias, control of decision-making agendas or in the shaping of the perceptions, preferences and meanings that parties bring to the decision-making arena (Johnson 1980). The process itself can be empowering and indeed may have the purpose of doing so. In the tourism field some researchers claim that the broadly-based ownership of tourism policies can bring democratic empowerment and equity, operational advantages, and an enhanced tourism product (Cole 2006; Jamal and Getz 1995; Joppe 1996; Murphy 1985; Timothy 1999).



The above analysis has suggested that different perspectives on collaboration highlight routes to potential conflict. However, possibly a more important consideration than conflict is the fact that collaboration can be infected with more subtle malaise, such as, participant interest turning into indifference and an alienation from the groups involved (Manrique de Lara and Espinoza-Rodríguez 2007) and as the time dimension stretches differences in culture becoming more emphatic as SIT would predict (Meschi 1997). This process may be amplified by the historical specificity of rapidly developing societies (Tosun 2000; Aas, Ladkin, and Fletcher 2005). Over time, not only do positions become entrenched by the rationale for such positions becoming known to all and acceptable to all; nothing can move. The problem here is that although there is universal agreement about the need for conflict resolution mechanisms to be built into collaborative structure (Mitchell 1989; Millar and Aiken 1995; Hall 2000:183) there is no obvious mechanism for handling such malaise as the feeling of 'normlessness' or 'powerlessness' that can find there way into long-term projects.

## STAKEHOLDERS IN TOURISM DEVELOPMENT

There is wide consensus within the tourism literature that planning and development require collaborative structures (Hall and McArthur 1998:48). The consensus acknowledges the need for sound objectives, for on-going participation and involvement of the various stakeholders and for conflict resolution mechanisms. The techniques include media advertisements, hotlines, and trained personnel to deal with enquiries, public meetings, focus group discussions, surveys, polling, and information sheets. However these techniques require a degree of modification in the light of cultural differences and differences in the rate of development (James 1991 in Hall and McArthur 1998:48–49; Hampton 2005).

Recognition of stakeholder involvement has led to increasing attention being directed to the use of collaborative arrangements that involve face-to-face interactions between the

stakeholders who may be in the public, semi-public, private, or voluntary sectors, and pressure and interest groups. Stakeholder collaboration has the potential to lead to dialogue, negotiation, and the building of mutually acceptable proposals about how tourism should be developed (Bramwell and Lane 2000:1–2). There are competitive advantages in bringing together the knowledge, expertise, capital, social capital, and other resources of several stakeholders (Kotler, Haider, and Rein 1993).

#### TOURISM INDUSTRY IN NEWLY INDUSTRIALIZED COUNTRIES (NICs)

In geographical terms, the literature on tourism development has been concentrated mainly on the issues in two polarized regions, developed countries and less developed countries. However, the literature on the intermediate regions, sometimes categorized as Newly Industrialized Countries (NICs) is rather sparse. The list of NICs in Asia includes South Korea, Taiwan, Singapore and –controversially in its political aspect– the Hong Kong Special Administrative Region. Many important and unique factors have been identified as influencing tourism development in the NICs. Rapid economic growth since the 1970s has brought their economic status closer to that of the highly industrialized countries, but their political environments and operational structures may be less developed. One factor stands out: that their political and systematic infrastructures for general development in heritage tourism are not sufficiently mature.

Most tourism development in the NICs is driven by governmental agencies. In addition, due to the strong traditional influence of both Confucianism and the monarchy over the centuries, the public agencies have maintained highly authoritative attitudes towards private sector involvement in tourism. Political change means that tourism policy is altered to comply with the new political environment. Furthermore, although there appears to be a shift from governing to governance there is not apparent in the case under scrutiny (Vernon et al

2005). The 'relationship' between a specific private sector and influential public staff often significantly affects tourism policy (Bramwell and Sharman 1999). There are several characteristics of tourism policy and politics in the Asian NICs. As Joo (1999), Kim (1998), and Noh (2001) stated, they are:

- Driven by subjective political situations of central government agencies;
- Lacking in consistency because of being sensitive to the political environment;
- Weak in participation within the private sector;
- The regional government is often powerless because it is highly dependent on the central government;
- The tourism industry is seen as a frivolous industry and the importance of tourism is underestimated among public sector agencies;
- Lacking in professionalism in the tourism industry; and
- Suffering an unhealthy cooperation between the public and private sectors from the weak 'sharing of vision' between them.

Consequently, both public and private institutions are cautious and sensitive to the political trends around them, and this sensitivity influences the progress of the projects, particularly if they are heritage projects. It is against this background that this research was conceptualized.

## RESEARCH DESIGN

The overall objective of the research is to investigate the progress of a major heritage tourism project through the relationships between the stakeholders and to question how these relationships guided or hindered progress. The study identifies five stakeholders; the central

government, the provincial government, the local government, the local residents, and the local entrepreneurs. The study aimed to investigate the following:

- a. What is the situational attitude of each stakeholder sector in its involvement in the project?
- b. How do internal conflicting issues influence their inter-sectoral relations in a multi-party situation?
- c. What are the fundamental causes creating cross-sector conflicts overall? and
- d. What are the main obstacles in their efforts to collaborate with each other?

### *Study Methods*

This study focuses on a single case: a large heritage project in South Korea called the Baekje History Reproduction Complex (BHRC). The study was based on both secondary data, consisting of documentation on the project construction and historical records, and on a set of in-depth interviews of stakeholders. The study selected five distinctive stakeholder sectors for data collection: the Central Government agencies of Korea, the Chungcheong Namdo Provincial Government, the local Buyeo County Government, the local residents in the Buyeo County; and the local entrepreneurs in the Buyeo County. In addition, the study used official documentation and mass media reports. The qualitative research consisted of seventy-eight semi-structured interviews.

### *Political Background: Intergovernmental Relations in South Korea*

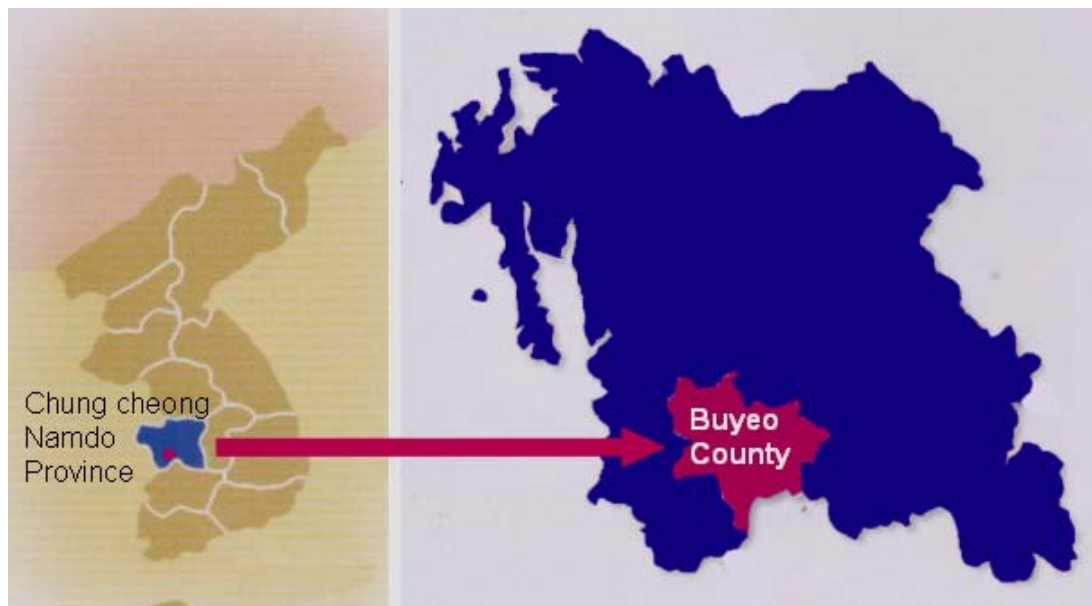
Local governments depend heavily on the central government for decisions and funding for their roles and functions, organization and personnel, as well as budgets. Their function is to implement centrally-determined policies and programs as directed and guided by the central government ministries and agencies. Local governments do not have their own

judicial, prosecution, police, or education systems. These systems belong to, and are operated exclusively by, the central government. On the organization and personnel side, deputy CEOs are dispatched to the local governments by the Ministry of Government Administration and Home Affairs. These deputies hold authority and control all the administrative matters of the local governments. Any major changes in organization or manpower structure are subject to approval so that the central government has to approve changes in the provincial government who in turn authorize changes in the municipal government. All policies governing personnel, including recruitment, promotion, performance evaluation, work conditions, and remuneration, are centrally established. Financially, local governments still rely heavily on the central government leaving local government with a limited tax base.

#### *The Baekje History Reproduction Complex (BHRC) Project*

The Baekje History Reproduction Complex (BHRC) in Buyeo, South Korea, was selected as the case study. Buyeo was the last capital city of the Baekje Dynasty, which was one of the three main kingdoms on the Korean Peninsula from the first to the seventh century A.D. The town of Buyeo was constructed by the 26<sup>th</sup> king of the Baekje Dynasty, King Seong, in 538 A.D. and flourished for 123 years. This was a place where national power, diplomatic relations and a rich culture blossomed. The County of Buyeo is situated in the south-western part of the Chungcheong Namdo Province, the mid-western region of Korea. Its population is approximately 90,000 in 2006 with an area of 625 km<sup>2</sup>. It has long been a typical agricultural county with 45% of the population being farmers. Combining its history, culture, and tourism into one, the County recently focused on developing its cultural heritage, sites of which are scattered all around the region (Buyeo County Office 2007:1–7). Figure 1 shows the location of the Chungcheong Namdo Province and Buyeo County where the BHRC project has been developed.

**Figure 1. Location of Chungcheong Namdo Province and Buyeo County**



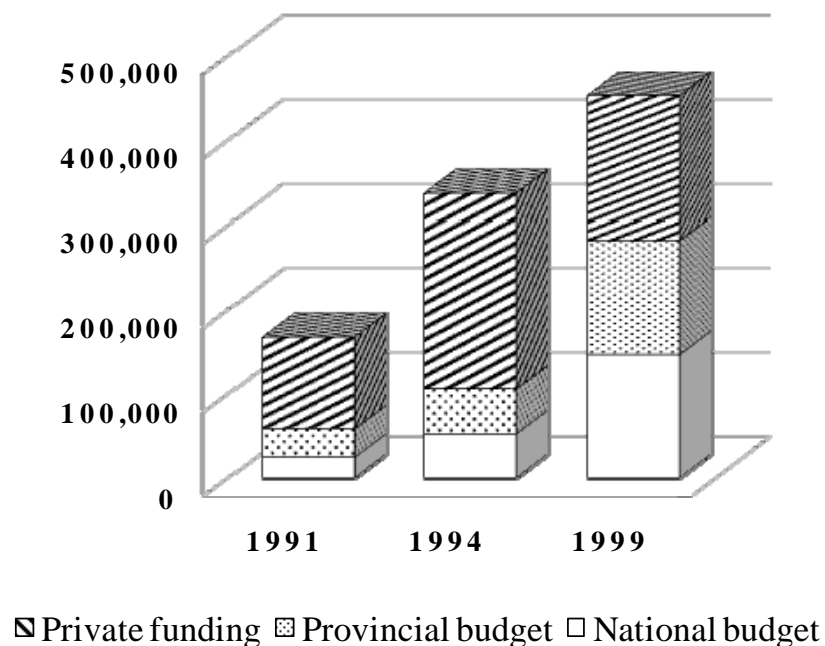
There are twenty locations within the County designated as Korean national historic sites. The BHRC project was designed to preserve the traditional culture and revive the Baekje Dynasty's historic relics and to economically regenerate and thus revitalize the socially stagnant Buyeo region. The purpose of the BHRC is the realistic revival of the lifestyle of the Baekje Dynasty's history and culture through the complete investigation of its archaeological, historical, architectural, cultural, and artistic aspects. The BHRC is located in the northern part of the Buyeo County and covers 3.3 million square meters.

The Chungcheong Namdo Provincial Government, to which the Buyeo County belongs, forecasts the economic benefits from the BHRC (once completed) as attracting 7 million tourists each year, spending US\$1.61 billion. In 1994 it was planned that construction of the BHRC would take eight years from 1994 to 2001 and it was given a budget of \$167 million with the central government contributing 14.57%, the provincial government 20.25% and private investment 65.17%.

The budget was extended in 1996 to around \$336 million with shares from the central government (15.52%), the provincial government (15.90%), and private investment (68.57%).

In 1999, the construction period for the BHRC was extended again to the 12 years from 1994 to 2005 and the total budget amended again to \$452 million, which had increased by 270% from the initial budget in 1994. The proportion increased the investment of government (32.38% Central; 29.81% Provincial) and reduced investment from the private sector to 37.80%. But, the plan was rescheduled again in 2004 so that the BHRC project is now due to be completed by 2010 (Korea Cultural Heritage Policy Research Institute 2004). Figure 2 illustrates how the budgets were unrealistically planned at the initial stage and heavily revised, with a huge change in the proportion from private funding.

**Figure 2. Amount and Planned Shares in the Budget of the BHRC Project**



Unit: \$1,000 (approximately 1 million Korean Won)

It is widely recognized by most stakeholders and mass media that the central government initially planned the BHRC project somewhat recklessly in terms of securing an operating budget and forecasting the construction period. The investment from the private sector was excessively appropriated from the beginning and the project was behind schedule throughout the process from the lack of an operating budget. Problems mounted; there were frequent alterations in the construction, the poor infrastructure in the Buyeo area, and insufficient marketing from the governments all deterred investors (Korea Cultural Heritage Policy Research Institute 2004; *The Daejeon Ilbo* January and August 2007; *The Joongdo Ilbo* 7th October 2004 and 2006). Entrepreneurs questioned the profitability of the BHRC seeing it more likely to be an educational attraction - especially the Research and Education Village within it - rather than a commercial amusement complex. Many experts and residents were concerned about its function as a 'public good'. They worried that commercial sponsorship might degrade the original idea of a 'historically verified reproduction of the Baekje Dynasty's culture' (Yeo 1997:65–72).

#### *Background of the BHRC Project*

The BHRC was conceived in November 1992 by the Ministry of Construction and Transportation (MoCT) in Korea. The 'Baekje Cultural Region' including the Buyeo County was designated as a 'Specific Development Region' by the President of Korea in June 1993. The BHRC is a core project of the 'Baekje Cultural Region Development' program (Chungcheong Namdo and Jeonra Bukdo Provincial Governments 1999:11–12; Chungcheong Namdo Provincial Government 2002:6–19; *The Daejeon Ilbo* 1994; *The*



*Dongyang Ilbo* 2001; Yeo 1997:60-64; Yoon 1995:69). The ‘Supporting Committee for the Baekje Cultural Region’ was formed by the Prime Minister’s Office in March 1994. However, the Committee was abolished in May 1995. The ‘Special Act for the BHRC’ was also repealed in May 1996 (Chungcheong Namdo and Jeonra Bukdo Provincial Governments 1999:11).

### *The Media Reports*

Media reports suggest that residents in Buyeo started to feel nervous as they observed that the central government agencies had altered the project process frequently and too readily (*The Joongdo Ilbo* 1996). Once they accepted that the BHRC project would not go through as initially planned, their attitude became short-sighted. The most serious concern was to ‘receive as much compensation money from the Government as they can for their land’ (*The Dongyang Ilbo* 1999; *The Joongdo Ilbo* 1995 and 19<sup>th</sup> October 2004). In 1997, the first committee on compensation for residents in the BHRC was held with 17 delegates including landowners, property examiners, a local county committee member, the county chairman, provincial government staff, and local government personnel in a conference room of the Buyeo County Office building. Some residents repeatedly claimed increasingly more compensation for their lands and refused to move from the construction area. Meanwhile, the whole plan of progress was amended and by April 1998 the construction period had been extended four more years to 2005. The official construction of the BHRC began in the same month (*The Daejeon Ilbo* 1998:14).

A journalist of *the Joongdo Ilbo* (2006) was forthright when he said, “the conflict and confrontation between some dissatisfied residents in the construction spot and the public government agencies from 1993 to 1999 are the biggest cause of the slow progress of the BHRC project”. The dispatched Office especially set up for the BHRC Development by the

Chungcheong Namdo Provincial Government Office was opened in Buyeo County in January 1995. The actual construction of the BHRC was finally commenced in April 1998. Some infrastructure was also provided, such as motorways in 2001, while the construction of museums in the BHRC area finally commenced in 2002. *The Daejeon Ilbo* reported (2003) in a significant and somewhat sarcastic article that, “the governor of the Chungcheong Namdo Provincial Government still promised ‘*smooth progress*’ in the BHRC project in a forum with 500 local county residents attending, which is more than a decade after the initial plan of the project, with disputes and conflicts throughout the entire process” in March 2003.

#### *Factors that Affect the Progress of the BHRC Project*

Factors that had a negative impact are numerous. One of the crucial causes was the miscalculation in securing funding from the private sector. That meant that the private investment budget was over-appropriated from the design stage (Chungcheong Namdo and Jeonra Bukdo Provincial Governments 1999:25–26, 33, 48–50, 57–61; Chungcheong Namdo Provincial Government 2002:7–15, 19; 2002:6; Yeo 1997:55, 67, 70, 75–76; Yoon 1995:69, 72–73). Another critical factor was the lack of sufficient historical material to support the construction of accurate replicas of the 7<sup>th</sup> century style buildings. Different researchers and scholars insisted the BHRC buildings should be constructed in their own way in the light of their own archaeological understanding. There was not enough professional manpower to manage this type of large-scale historic heritage tourism development. This caused such problems as: impractical budgeting appropriation, the unrealistic planning of the construction period, the struggles in paying compensation to the land-owners, the unprofessional examination of historical relics, and the poor advertising of the project to potential visitors. These weaknesses sprang from the lack of responsible design coupled with correct and relevant information about the project (Korea Cultural Heritage Policy Research Institute

2004; *The Chosun Ilbo* 2004; *The Daejeon Ilbo* 1993; *The Joongdo Ilbo* 2004; Yoon 1995:75–79).

*The Central Government Offices.* The central government agencies recognized that all the other groups in the BHRC project expected the central government could and should give an equal budget to each of the different stakeholder sectors. An administrative official in the MoCT complained:

There are several reasons for lack of progress: the feeble support from the central government, the weak financial situation of the provincial government, and the failure to secure private investment are causing the project to falter. There are too many departments in government that are associated with the BHRC project. They made progress complicated and slow.

He also emphasized that the delay was caused by the egotistical behavior of the local residents who claimed an unrealistic amount of compensation in the early stages. In addition, repeated excessive budget spending, the controversy in archaeological verification, the frequent amendment of related laws and the unstable economic situation in the earlier stages of the BHRC plan all made the central government staff lose their positive attitude towards the project. The central government staff commonly thought that other participants depended too heavily on them. A reporter at *the Hankook Ilbo* (2006) pointed out that the central government staff thought that they were the victims in the project because they took a fundamental and heavy responsibility in the project but were the common targets of all other stakeholders. Thus they maintained a passive rather than a collaborative attitude towards other stakeholders. They kept themselves at ‘arm’s length’. They made no active effort to access a large budget for the BHRC project from the Budget Committee in the central government.

*The Chungcheong Namdo Provincial Government.* Interviews with the Provincial Government revealed problems in relocating officials to an unfamiliar area far from home. The Provincial Government had thought that a large-scale project like the BHRC would revitalize the stagnant province, but they soon realized that the project had drifted, with delays in procedure and insufficient support from the MoCT (Korea Cultural Heritage Policy Research Institute 2004; *The Daejeon Ilbo* 1998; *The Joongdo Ilbo* 1993 and 1996). One interviewee, who works for the construction company with a contract with the project complained about the public organizations:

The project has been processed without ‘advanced scrutiny’. For example, the construction of the BHRC needs a huge amount of thick timbers for many buildings in the style of the 7<sup>th</sup> century. Those timbers certainly need a sufficient period to be naturally dry before they are put into use. In reality, however, the builders accessed timbers very late and have dried them with electric heaters. If timbers are dried by a heater, they are going to warp after a certain period of use.

The most striking problem, however, was the ‘tug of war’ with the local residents on the compensation issue for their land in the BHRC construction area. The provincial government staff suffered their persistent claims, though they had limited power to deal with them. The Provincial Government complained that their troubles exist since they are sandwiched between the powerful central government and demanding local residents (*The Daejeon Ilbo* 7th January 2007; *The Dongyang Ilbo* 1998 and 1999; *The Joongdo Ilbo* 1995).

*The Local Government: the Buyeo County Office.* As witnessed by a junior official in the Buyeo County Office, the local government had repeatedly tried to satisfy the growing

demands of local residents. They had, however, often become aware of the effective limits of their authority. An official summarized his opinion:

We, the Buyeo County Office, are the very public institution which has the most enthusiasm for local tourism development such as the BHRC plan, while at the same time, has least power to drive it. Think! There are fewer than 90,000 inhabitants in the declining rural Buyeo County. How much tax revenue do you think the County can collect? Unfortunately, the County Office commands a very limited budget since it has very weak demographic and economic power. We have few people, no power, no money, no authority, and no means to ensure attention.

Their usual attitude has been passive and subservient to the central government because of the steadily declining social circumstances of Buyeo County since 1970. The County Office blamed the local people because they did not understand the frustrating situation of the local government. On the other hand, the owner of one of the most successful restaurants in Buyeo pointed to the contradiction in public policy on the preservation of cultural relics. He complained:

If any cultural relics are found in the county, during construction work, the land-owner needs to stop the work immediately and report to the County Office. When public staff from the County Office find - or someone reports - some cultural relics from the ground, they quickly designate that area as a 'Cultural Properties Protection Zone' and the public staff get paid a special extra salary for finding a historical cultural asset. Once an area is designated as a 'Cultural Properties Protection Zone', its land owner cannot exercise his/her right of ownership. It means that the owner of the designated area cannot personally develop it at all. They need to report to and get permission from the

County Office whenever they want to do any type of construction work on their own land.

The local governments compensate the designated area owner but the amount is far less than a realistic market value. So it is not surprising that the residents do not want to have any cultural remains found in their land. As a matter of fact, they are afraid of any possibility of finding cultural relics in their land. No wonder that, if locals *unfortunately* come to find some cultural relics in their land during construction of some commercial buildings, they quickly discard them so they can continue construction instead of contacting the County Office. They can make far more money from commercial buildings on their land than from their compensation from the Buyeo County Office. This is one of the many reasons why local people have kept leaving the Buyeo area since the 1970s (Kim 1998; *The Baekje Shinmun* 2002; *The Chosun Ilbo* 2004).

A taxi driver in Buyeo was passionate when he emphasized an irony in the same issue:

The public government personnel work only for ‘the sake of reporting their performance outcome’ to their higher officials. They excavate cultural relics only for their job rewards. If they find any cultural relics in the region, they get extra pay. That is why they keep trying to find as many buried cultural relics as they can. But they pay no attention to how to *manage* those ruins after excavation. They just neglect those valuable relics. That is the fundamental weakness of the Buyeo County Office (*The Chosun Ilbo* 2004).

Consequently, there are huge numbers of ‘Cultural Properties Protection Zones’ in Buyeo designated by the governments without any actual plans for exploitation. Therefore,

ironically, 'Cultural Properties Protection Zones' retard the region's cultural tourism preservation and development.

*The Local Residents: the Buyeo County People.* The local people's attitude was that they had been 'betrayed' by the central government for a long time and particularly at the time of the BHRC project. The general manager of an intercity coach company in Buyeo for more than 15 years voiced his frustration:

We have been deceived by politicians in the region. We thought they would be accountable for our full support of them. Based on the results so far, they 'used' us; they promised they would energetically develop local tourism if only they were elected. But they ignored us once they had power. We had great expectation from a powerful staff in central government, who was from the Buyeo area, but in fact, he did not develop Buyeo at all although he had enjoyed steady support from the Buyeo people for the last four decades (*The Baekje Shinmun* 2002; *The Chosun Ilbo* 2004; *The Joongdo Ilbo* 1994).

The local inhabitants felt frustrated by their unanimous support for the local politicians who had influence on the national political stage. This disillusionment led to a strong reaction against politics: a dislike of public servants, a feeling of relative deprivation, and scorn for local activities planned by the public sector. A retail shop employee in central Buyeo commented:

The ordinary people in the Buyeo County simply do not have enough correct knowledge of what is happening in the project. Only various rumors have been circulating. All I know is the BHRC project has been delayed and it does not have

enough money to operate as planned. People do not know when it will eventually be completed.

She also expressed further skepticism:

Generally speaking, tourism development should have been implemented two or three decades ago in Buyeo. It is too late even if they put enormous energy and investment into the BHRC project now. Korean people are already familiar with enjoying overseas tourism from the 1990s. Even though the BHRC will be open to visitors some time in the future, domestic tourists will not come to Buyeo to visit the BHRC area.

*The Local Entrepreneurs.* The local businessmen simply expressed their continuous indifference to public organizations throughout this project. Their expectations from collaboration with public governments had diminished. They also had the feeling of 'being betrayed' by the central government staff that they had hoped would contribute to their hometown. They did not have positive expectations of the BHRC plan either. They maintained a cynical attitude towards the local and central governments and the BHRC project simply confirmed their indifference towards public institutions. The odd experience of a motel owner in Buyeo, clearly exemplifies how local government officials acted towards local tourism entrepreneurs who had contributed to local economic development. He said:

The local government personnel are so *indifferent* even though Buyeo has abundant buried relics in every region. Buyeo is a town that should survive and compete with cultural heritage tourism. We, the local entrepreneurs, have various programs to improve local tourism.



For example, I annually hosted the Buyeo Marathon during the Baekje Cultural Festival from 1999 to 2004 and the Buyeo County Office did not support the event at all, although it brought 2,500 runners each year from all over the country and even from overseas. In fact, the local County Office complained to me for hosting the event in Buyeo as its staff has to work extra hours on that Sunday because of the marathon. They even asked me to host the marathon somewhere else so they can get away from extra duty on Sunday. Can you understand their attitude? How silly and selfish they are! They just do not want to have more responsibilities. They are extremely weak in terms of 'public good' value (*The Hankook Ilbo* 2006).

Another local entrepreneur bluntly expressed his opinion:

Local people widely believe that there has been the logic of the subjective political power game in the BHRC project. It means the project has been behind schedule and influenced by 'political trends'. The political power situation has strongly influenced the project. The entrepreneurs feel the investment situation is not favorable for them because they have observed continuous delays. They do not rely on what the governments say about the project any longer. Hence, they hesitate to put their money into the project in advance (*The Baekje Shinmun* 2002).

#### *Analysis: What Type of Conflicts do the Stakeholders Experience?*

The interviews reveal that despite the absence of a collaborative framework the stakeholders held certain expectations of each other. The actual structure was an administrative one but there was also a structure of stakeholder expectations that formed into groupings. These expectation bestowed authority and responsibility on institutions and when they failed, the stakeholder apportioned blame. Most interviewees agreed that the

fundamental cause of conflict was *'budget insecurity'* which prevented construction from going ahead with consistent long-term planning. Consequently, the public sector personnel cannot gain real support from local residents and business people without reliable planning (*The Joongang Ilbo* 2007). Each stakeholder had intra-group and inter-group problems. Central government felt that all the other organizations were excessively dependent on them. And, their own sub-organizations had differential knowledge of the project which caused conflict between them. The Provincial Government had a problem with the 'powerful but indifferent' central government, 'weak but demanding' local organizations and insufficient private funding. The Provincial Government did not regard the local residents as their constructive partner in dialogue; instead seeing them as adversaries in a battle of conflicting interests. Similarly, the Buyeo County Office is suffering from higher 'powerful but indifferent' government organizations and the 'powerless but very demanding' local people. The limited supply of private capital for the project also threatened the County Office and its ability to gain the support of local residents. The Office also blames them for their lack of pride and collaboration in the project with the local government. The local people are not satisfied because they have not seen any visible success since construction began. They are frustrated which is why their attitude is skeptical and selfish. They want more information from those who drive the project. The entrepreneurs would invest money if only they could be satisfied with its current and future status. But things have not looked smooth ever since the project was planned. Local business people complain that local tourism infrastructure for the project is very limited. Simultaneously, the public agencies complain that the reason for the poor infrastructure is the lack of private funding investment from the business people. The arguments are circular and without a collaborative structure there is no arena in which the attitude of 'willingness to improve' can grow.

## CONCLUSION

The result of the serious relationship problems that occurred over time was that the project suffered ‘lethargic delay’ in its construction. Significantly, structural problems such as the budget, levels of compensation, and the verification of the authenticity of the reconstruction were all expressed in terms of the power structure. In structural terms the portrait which emerges from this case bears little resemblance to collaboration structures. It is much more a study of the effects of centralized authority. The politically motivated elimination of the coordinating committee seems to confirm this. Levels of power and countervailing power (e.g. the entrepreneurs’ reluctance to invest) ensured that at no point was there a coherent vision amongst the stakeholders as to what the development was for. It was perhaps because the power structure interfered in this way that no mechanism existed beyond politics to actually ameliorate the influence of power distribution. The interviewees described the true structural issues but did so in terms of frustration. Although the study shows the influence of political interests and the political process, it also indicates that conflict within a project is not solely based on the ‘interests’ of the parties involved but also on their understanding of what the ultimate aim is and on what progress depends.

From the wide range of secondary data and in-depth interviews deficiencies in the process appear. Namely, the failure of the planning and budgeting process; local people’s excessive claims for compensation for land; the controversial criteria for the verification of the archaeological relics in order to reproduce the historical 7<sup>th</sup>-century-style buildings; the struggle for vested rights on the operating of commercial premises; insufficient professional manpower to manage the large-scale heritage tourism development; the indifferent and somewhat lazy attitude of many public servants; and the cynicism and defeatism of the local people in Buyeo.

This all adds up to something analogous to ‘the rat problem’ If a rat is found in a residential house, accountability falls on the housing department, if found in a restaurant, upon the health department, and if found in a street, upon the department of public affairs. The moral of the story is that structural conflict is inevitable if systematic collaboration between many parties is not institutionalized (Kammerman and Kahn 1976:441; Pressman and Wildavsky 1973).

Despite the fact that there was no collaborative structure, those involved thought in group terms and displayed group attitudes that can be associated with theories of collective action and inter-group analysis. The complexity in the budgetary system and the ambiguity surrounding the authenticity of the project combined to produce group identification and negative attitudes projected onto out-groups. The most serious consequence of this lethargic project is the mutual distrust and imputation of responsibility to others. Stakeholders lost their energy, sense of anticipation and motivation. Gradually the project became a laughing stock, declining from a grand plan that originally had the close attention of the Prime Minister. One message from this case is that prolonged conflict becomes an ‘accepted’ effect, Vernon et al (2005) counter, arguing that a sustained public relations campaign can mitigate this effect.

This research contributes to tourism development literature by bringing to the fore the importance of NICs; adding to the limited literature on the political influence in government-led tourism projects by integrating the tourism literature with social group studies. In theoretical terms, the study, by using a framework for collaboration analysis, shows the need for tourism studies to set stakeholder research within collective action and inter-organizational frameworks so as to be able to distinguish difference forms of conflict and inertia. Furthermore it highlights the value of seeing collaborative frameworks in the context of authority structures.

The limitations of the study concern the selectivity of the research interviews. Care was taken to ensure that the participants represented or were typical of their appropriate group. Whilst the amount of secondary data was sufficient to form judgments, it was inevitably incomplete. However, these limitations do not prevent generalization from the single case because the analysis has been based on theoretical frames of reference that can be imposed on other contexts.

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