

# A critical review of voluntary environmental initiatives in tourism: Policy implications for rejuvenation

## Abstract

*Environmental policy is one of the key management dimensions of rejuvenation strategies in mature tourism destinations. Among these, voluntary environmental initiatives are increasingly becoming a relevant theoretical possibility and are an empirical reality. Voluntary environmental initiatives are primarily undertaken in developed countries, mostly in Europe, that is on itself a mature tourism destination. This paper critically reviews the literature on voluntary environmental initiatives in tourism and extract policy implications for rejuvenation strategies. The main argument is that environmental management at tourism destinations can become a social dilemma for stakeholders at the destination, though these dilemmas are not inevitable. This paper shows that there are economic and non-economic incentives for different stakeholders to undertake voluntary environmental initiatives, and that many successful examples exist where voluntary action has fostered rejuvenation of degraded destinations. Voluntary initiatives should not be taken as a new panacea solution for tourism rejuvenation, but rather one strategy that can contribute in conjunction with others, to a better management of natural resources at destinations, improving environmental quality to guarantee the long-run competitiveness of tourism destinations.*

## Keywords:

*tourism; voluntary initiatives; rejuvenation strategies; natural resources*

## Introduction

Tourism destinations have realized the importance of increasing their competitiveness on the international stage. This realization has been particularly important in mature tourism destinations that have to adopt rejuvenation strategies if they want to survive in the long run. As a result, there is a broad body of literature analyzing the role of environmental concerns as determinant of competitiveness (Butler, 1980; Huybers, & Bennett, 2003; Ritchie, & Crouch, 2000; WTO, 2004).

The tourism literature has increasingly recommended the adoption of sound environmental policies at destinations, in order to preserve their appeal. In the past, policy prescriptions have mainly been based on traditional views established in the tragedy of the commons (Hardin, 1968) and the destination life-cycle model (Butler, 1980).

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Both theories predict the inevitable degradation of natural assets by overuse, demanding external interventions governing the behavior of users to avoid tragedy outcomes. The tourism literature has favored, in a certain way, this view of environmental management when describing the inexorable environmental impoverishment of destinations as they grow (Knowles, & Curtis, 1999). Tourism expansion has been generally described as entailing congestion, degradation of natural assets, weak management of waste effluents, and other negative impacts that have become the basis of the extensive literature on the ecological impacts of tourism. As Green et al. (1990, p. 112) stated, "the literature of tourism has concentrated largely on the negative impacts of tourism development and the potentially destructive force which poorly managed tourism developments can create."

In recent times, this pessimistic view has broadened into a more balanced analysis of the positive and negative impacts of tourism, centering on the sustainability principle. Concurrently, there is a growing empirical observation of the tourism industry's voluntary environmental initiatives (UNEP, 1998; WTO, 2002). Non-mandatory approaches to environmental protection in tourism are mostly implemented in developed countries with mature destinations, and primarily in Europe (WTO, 2002). This is the case since for implementing voluntary environmental initiatives there has to be a precondition of participants sharing a common understanding regarding awareness and acceptance of environmental issues and their capacity for action (UNEP, 1998; WTO, 2002). This is easier to achieve when the resource system is salient to users, i.e., when profits to firms depend on environmental quality. In mature destinations, tourism has greater relevance to the economic sector and is subject to greater levels of competition. In addition, environmental awareness by consumers and suppliers is stronger in developed countries, and therefore the potential benefits of participating in voluntary initiatives are greater (WTO, 2002). The expansion of voluntary environmental initiatives has profound policy implications, as it reflects major changes in governance in many Western countries (Bramwell, & Lane, 2000).

Understanding these self-organizing initiatives by tourism stakeholders to rejuvenate their destinations is particularly relevant when one considers that the analysis of governance structures is concerned with issues or policies that go beyond basic tourism questions, and have broader economic, social, and environmental dimensions (Bramwell, & Lane, 2000). For example, the mismanagement of natural resources by the tourism industry can generate social conflict and residents' mobilization against tourism activities (Kousis, 2000) due to residents' concerns about the environmental impacts of tourism (see Bujosa, & Rosselló, 2007; Kuvan, & Akan, 2005 among others).

The objective of the present paper is to critically review the literature on voluntary environmental initiatives in tourism and to extract policy implications for rejuvenation strategies of mature destinations. The main argument is that policy-makers in tourism should consider the empirical and theoretical relevance of voluntary environmental initiatives undertaken by stakeholders in mature destinations, aiming to rejuvenate these destinations. It is particularly important that policy-makers recognize that the

rejuvenation strategies that they launch can interfere with voluntary environmental practices by other stakeholders; and therefore policy-makers could advance towards designing rejuvenation strategies to interact positively with voluntary practices, instead of eroding them.

The rest of the paper is organized as follows: Section two reviews the existing literature on voluntary environmental initiatives in tourism. This review shows that there are monetary and non-monetary incentives for stakeholders to develop voluntary environmental initiatives in tourism. In section three we identify certain limitations to this literature. Section four presents some policy implications for rejuvenation strategies of tourism destinations, focusing on potential crowding-in and crowding-out effects between rejuvenation strategies by destination management organizations and other stakeholders. Finally, conclusions are discussed in section five.

## **Rejuvenating destinations by means of voluntary environmental initiatives**

The need for rejuvenation strategies for tourism destinations to maintain their competitiveness in the long-run was first presented by Butler (Butler, 1980). Over the past decades a number of applications have led to modifications of the theory as well as criticism (Butler, 2005b; Moore, & Whitehall, 2005; Smith, 1992a; Stansfield, 1978). Several applications of the theory have adopted the life-cycle concept and rejuvenation strategies to specific resorts (e.g. Agarwal, 2002; Andriotis, 2001, 2003; Bianchi, 1994; Debbage, 1990; Priestley, & Mundet, 1998; Williams, Chaplin, & Middleton, 2001). Others were focused on life cycles of destinations or regions (e.g. Choi, 1992; Cooper, & Jackson, 1989; Douglas, 1997; Faulkner, 2002; France, 1991; Martin, & Uysal, 1990; McElroy, de Albuquerque, & Dioguardi, 1993; Meyer-Arendt, 1985; Oglethorpe, 1984; Russell, & Faulkner, 1998; Smith, 1992a, 1992b; Williams, 1993). This research has led to a wide consensus on that in the life cycle of destinations, stagnation or decline phases will eventually appear and can be recognized by reaching the peak numbers of tourists and development capacity. Furthermore, in the stagnation or decline phases the likelihood of environmental, economic and social problems tends to be very high (Butler, 2005a, 2005b).

Once this situation has been reached, a thorough rejuvenation strategy would be necessary in order to stay in the market and become again competitive. Butler (2005a) identifies two ways to approach this strategy: 1) the addition of man-made attractions or 2) the development of natural attractions. This paper focuses on voluntary environmental strategies aimed to improve the status of natural resources at tourism destinations as a form of the latter type of rejuvenation strategies. We do not defend that voluntary environmental initiatives are always designed to rejuvenate mature tourism destinations, but instead that these initiatives can contribute to the goal of rejuvenating destinations by improving the status of tourism natural assets.

There is literature addressing environmental rejuvenation strategies aimed to develop natural attractions that has approached the issue under the sustainable tourism concept. Sustainable tourism has become an important issue amongst tourism manage-

ment organizations and in tourism research (e.g. *Journal of Sustainable Tourism*, Sustainable Tourism Cooperative Research Centre - STCRC)). Low impact on the environment and destinations are cornerstones for sustainable tourism development (for a deeper discussion on sustainable tourism see Brau, Lanza, & Usai, 2008; Lim, & McAleer, 2005; Weaver, 2006) to which many tourism destinations have not paid attention during fast development and growth. Now as many destinations have reached their peak, environmental policies are being implemented to improve the status of natural resources and consequently rejuvenate destinations as suggested by Butler (2005a). In this paper we restrict our analysis to a particular type of sustainable tourism approach to rejuvenation strategies for tourism destinations: voluntary environmental initiatives.

Voluntary environmental initiatives include a diverse set of efforts that can be classified into three broad categories. This categorization depends on the degree of regulator, or other third party, involvement, and consists of unilateral commitments, negotiated agreements, and certified voluntary programs (Khanna, 2001). All of these are considered voluntary initiatives, since their promoters are not obliged by law to launch the scheme, and target groups are not obliged to apply or join (WTO, 2002).

Given their non-mandatory nature, some economic literature argues that voluntary programs must generate short-term economic gains in order to promote compliance, since participation is self-enforcing (Khanna, 2001). Nevertheless, players usually hold information about each other and information about the context in which the social interaction occurs. These pieces of information are defended as relevant in decision-making processes by influencing non-monetary attributes in stakeholders' preferences (Cardenas, 2004). These wider preferences might result from intrinsic motivation and/or informal social benefits derived from following norms of behavior or shared strategies among users. Agents are considered intrinsically motivated to perform an activity when they receive no apparent reward except performing the activity itself (Deci, 1971). Thus, intrinsic motivation refers to the way in which stakeholders prefer to behave (disregarding monetary outcomes) and the outcomes they wish to obtain for themselves and for others. Norms of behavior or shared strategies are a second source of non-monetary preferences. Contributing to an adequate management of a natural resource may be positively recognized by other users of that resource, entitling agents who follow norms to become part of a group and obtain advantages as a result (Tarui, Mason, Polansky, & Ellis, 2008)<sup>1</sup>.

In the following section, we review the incentives that stakeholders at tourism destinations might have for undertaking different types of voluntary initiatives for environmental protection within the tourism industry. The literature mostly refers to monetary incentives (e.g., profitability, occupancy rates), but we also consider non-monetary incentives whenever possible.

## UNILATERAL COMMITMENTS

Unilateral commitments refer to uncertified environmental practices (e.g., environmental codes of conduct; Mihalič, 2000). Different stakeholders in the tourism industry can undertake individual voluntary activities to improve their environmental sensitivity. We consider four broad groups of stakeholders in the tourism industry, namely, tourists, residents, the public sector, and tourism firms. There is empirical evidence that all these stakeholders have incentives to undertake unilateral commitments to reduce their environmental impacts, therefore contributing to the rejuvenation of degraded mature destinations. In this section, we study incentives for these agents to engage in unilateral commitments using various types of analysis and achieving different degrees of consensus in terms of the results.

First, tourists are the consumers of tourism goods and services. Therefore, their commitment to greener patterns of consumption can affect the environmental performance of the tourism industry as a whole. One prerequisite for tourists to be willing to carry out unilateral commitments is for them to care about environmental quality. In the tourism literature, it is conventional to assume that environmental quality has a positive effect on tourists' preferences in mature destinations (for example, Alegre, & Cladera, 2006). This is consistent with various studies that find that tourists are willing to pay extra for an environmentally friendlier industry and for improvements in environmental quality at tourist destinations (some examples are Dodds, & Joppe, 2005; PATA, 2007). Thus, tourists do seem willing to compromise for better environmental performance of the tourism industry.

Second, tourism usually takes place in areas where there is a local population. Empirical evidence shows that residents are concerned with the environmental impacts of tourism, particularly in destinations in the advanced phases of the destination life cycle model (Kuvan, & Akan, 2005). Further, there are studies demonstrating that residents are willing to pay for increased environmental quality of natural resources. For example, research has analyzed the benefit to residents derived from good quality aquatic and related terrestrial ecosystems, including beach use, swimming, fishing, boating, and pollution avoidance (WSTB, 2004). Also noteworthy are studies estimating the value placed by residents on amenity services derived from agricultural land use, as opposed to development (Brunstad, Gaasland, & Vardal, 1999). Additionally, the literature has described mobilizing efforts by residents to demand more responsible environmental policies in the tourism industry (e.g. Kousis, 2000).

Third, despite the rich literature in political economics (Persson, & Tabellini, 2000), the public sector's incentive structure has remained largely neglected in the analysis of environmental management of tourism destinations. The common and often implicit assumption in the tourism literature of benevolent planners avoids the problem of understanding the underlying incentives of the government, as it identifies government's preferences as concern for aggregate social welfare (Porter, & Van der Linde, 1995; Ritchie, & Crouch, 2003). However, agency problems abound in modern political systems (Laffont, & Martimort, 1999) and other motivations often lie behind

government actions, such as pure rent-seeking by political representatives (Brennan, & Buchanan, 1980) or opportunistic vote-maximizing behavior and lobbying (Becker, 1983; Canan, & Hannessy, 1989). Notwithstanding these motivations, political competition in modern democracies may still drive the government toward policies that are beneficial for broad segments of citizens (Wittman, 1995). It is therefore reasonable to consider the existence of scenarios whereby the government has incentives to promote and participate in unilateral commitments to improve environmental management.

Lastly, for tourism firms, there is an open debate about whether they have incentives for developing unilateral commitments. The academic literature addressing the monetary and non-monetary incentives of tourism firms is both recent and scarce. This literature has mainly considered top European tourist destinations (including Austria, France, Germany, Greece, Italy, Portugal, Spain, and the United Kingdom). The literature addressing economic incentives is beginning to understand the forces behind the environmental-economic relationship. Based on cluster analysis techniques, it has been shown either that more environmentally proactive groups enjoy significantly higher economic results (Álvarez, Burgos, & Céspedes, 2001), or that environmental laggards significantly underperform (Carmona-Moreno, Céspedes-Lorente, & de Burgos-Jimenez, 2004). In addition, structural equation models show that environmental practices, built into service design, positively impact customer satisfaction and loyalty, thereby improving the performance of firms (Kassinis, & Soteriou, 2005). This partial evidence suggests that, at least for a certain proportion of firms in mature destinations, it pays to undertake individual voluntary environmental action (a thorough review of these studies is presented in Blanco, Rey-Maqueira, & Lozano, 2009).

In addition to economic aspects, there is evidence of other motivations for tourism firms to perform greener. One example of the impact of social pressure on the tourism industry is whale watch in Vancouver Island, Canada. Local ecotour operators usually prevent the flow of information about whale sightings to other operators who engage in inappropriate behavior (Sirakaya, 1997). Another example comes from a study of 27 firms close to a UK national park, which revealed that small tourism firms are influenced by a range of different factors that combine to shape their response to sustainability, only some of which are commercially-based (Dewhurst, & Thomas, 2003). Further, empirical evidence shows cases where there is a positive influence on compliance results from publicizing the names of noncompliers, whereas other types of sanctions are insignificant in explaining compliance (Sirakaya, 1997).

The same research reveals that personal morality has a positive relationship with guideline compliance by eco-tour operators, and is also the most important factor in explaining their compliance behavior (Sirakaya, 1997). Other findings show that firms that believe they have a responsibility for addressing environmental matters are significantly more involved in voluntary environmental initiatives (Sirakaya, 1997). Lastly, local owners of firms might be more motivated to undertake responsible environmental strategies due to their more personal attachment to the destination as compared to foreign owners (Brohman, 1996; Sekhar, 2003). Also, smaller operators may be particularly concerned about the sustainability of an area (Dewhurst, & Thomas, 2003).

Consequently, it can be defended that, at least for a subset of firms in the tourism industry in mature destinations, the incentives for free-riding on others' environmental actions are partially or totally compensated for by extra profits and/or intrinsic or social rewards by individual firms undertaking environmental initiatives.

### **NEGOTIATED AGREEMENTS**

Negotiated agreements involve negotiations between regulators or other third parties and an individual or group of firms on abatement targets and plans. Tourism Collaborations<sup>2</sup> and Partnerships<sup>3</sup> for Sustainability are types of negotiated agreements that are being developed in the tourism industry. In both cases, the core principle is the voluntary engagement of stakeholders to solve a common problem. Negotiated agreements for tourism's environmental management involve interactions between stakeholders who may be in the public, semi-public, private, or voluntary sectors, including pressure and interest groups (Bramwell, & Lane, 2000).

The tourism literature has justified the creation of tourism collaborations and partnerships for sustainability, based on the existence of environmental problem domains at destinations. A problem domain is defined as a system-level challenge composed of numerous parts, over which no single agent has complete authority (Parker, 1999). Parker (1999) argues that as the destinations become more mature, derived consequences evolve from small, discrete problems to single but multi-dimensional and interdependent problem domains. Thereafter, agents at the destination become unable to address the situation in isolation, and collaboration becomes needed. It is believed that, as the issues in the problem domains are more likely to be effectively dealt with by collaborations and partnerships than by external solutions, agents generate cooperative ventures in order to more effectively address their environmental problems to rejuvenate the destination (Waddock, 1989). These coordinative practices for achieving environmental protection have been broadly used (see the special edition of the *Journal of Sustainable Tourism* Vol. 7, nos. 3&4, 1999; Bramwell, & Lane, 2000; WTO, 2001).

### **CERTIFIED VOLUNTARY PROGRAMS**

An ecolabel is a certified voluntary program that implies the certification of a particular level of environmental performance in the production of a tradable product or service<sup>4</sup> (Buckley, 1992). Certified voluntary programs primarily involve firms and governments or NGOs, but other stakeholders are also involved in various ways (e.g., assessing the design of the program or monitoring compliance with criteria). Ecolabels in tourism are often organized by institutions external to the industry (87 percent of ecolabels are organized by governmental agencies or NGOs; WTO, 2002), require assessment of participants (Font, 2002; UNEP, 1998), and must generate a positive image with consumers and other stakeholders (UNEP, 1998; WTO, 2002).

The origins of ecolabels stem from the manufacturing industry, which has greater direct and measurable environmental impacts, clearer operating systems, and larger organizations (Tribe, Font, Griffiths, Vickery, & Yale, 2000). Ecolabels began in the tourism industry in the mid-eighties, and were further developed in the nineties (Font, 2002). In 2002, the World Tourism Organization identified approximately 60 tourism

ecolabels (almost 80% of them operating in Europe, and only a few in less developed countries), reaching approximately 7,000 tourism products certified worldwide in 2001 (WTO, 2002). Some argue that these are the voluntary initiatives with the highest potential to move the market towards an environmentally sensitive recreational industry (WTO, 2002).

The effectiveness of ecolabels depends on three crucial factors (WTO, 2002): First, it is necessary for the target group to have substantial potential for improving their environmental performance (UNEP, 1998; WTO, 2002). Ecolabels must improve environmental performance above legal compliance in order to achieve relevant improvements in their main problems, and must also contain substantive criteria for distinguishing members from non-members (Buckley, 2002; UNEP, 1998). Second, it is necessary that clients view ecolabels as adding quality. Quality signals through ecolabels and other informational disclosures has been shown to strengthen market incentives for voluntary action without the need of governmental imposition (Khanna, 2001). When consumers become aware of the environmental achievements of ecolabeled firms, short/medium term benefits for members might result from increased competitiveness. For example, empirical findings show that hotels with higher levels of environmental performance, and which are enrolled in ecolabels, charge significantly higher room prices (about \$30 per night more than the room prices of non-member hotels, according to Rivera, 2002). Additionally, the Green Tourism Business Scheme in Scotland has reported almost 10% higher occupation rates from certified establishments (Font, 2002). The high level of consumer response to ecolabeled products has been defended as one of the most telling indicators of strong environmental concern among the general public in many developed nations (Buckley, 2002). Third, to become viable in constituting a real consumption alternative, ecolabels must include a minimum of 3 to 10 percent of the firms operating in a region (WTO, 2002). This constitutes the minimum contributing set of firms joining an ecolabel to credibly present a certification program to the tourism market (Font, 2002) and offer a real consumption choice to tourists (WTO, 2002). These figures are slightly lower than those for manufacturing, where current ecolabeling systems are usually designed to cover between 5 and 20 percent of the market (Amacher, Koskela, & Ollikainen, 2004).

### **Limitations of the literature on voluntary environmental initiatives in tourism**

The main finding in the literature on the tourism industry's voluntary environmental initiatives is that there are tourism stakeholders who have been able to undertake voluntary environmental initiatives to rejuvenate their tourism destinations. This evidence parallels results of the literature on collective action for the management of natural resources demonstrating that the prediction from mainstream economics of inevitable zero voluntary cooperation within large-group environmental problems is too pessimistic (see Marshall, 2005; Ostrom, 2000).

Nevertheless, the literature on voluntary environmental initiatives is recent and still scarce in the case of tourism. Most empirical research to date on such initiatives has been based on case study methods (see the special edition of the *Journal of Sustainable*

Tourism Vol. 7, nos. 3&4, 1999; Bramwell, & Lane, 2000), though some comparative analyses between voluntary initiatives have also been undertaken (UNEP, 1998; WTO, 2002).

The literature on tourism industry's voluntary environmental initiatives has not yet been deeply connected to the well-rooted mainstream literature on institutions and management of natural resources (Ostrom, Gardner, & Walker, 1994). In addition, few contributions have been made that develop theoretical frameworks for analyzing self-organization in tourism policymaking (Bramwell, & Sharma, 1999). As Bramwell, and Lane (2000) argues, we need to develop analytical frameworks that assist researchers in understanding the process behind voluntary environmental management in tourism planning.

The mainstream literature on institutions and natural resources management has benefited from contributions from political science, economics, anthropology, law, sociology, psychology, and other disciplines (Ostrom, 2005). The tourism literature could build on this previous knowledge to stimulate a wider recognition of the relevance of natural resources in the tourism industry, and to rigorously advance a better understanding of how individuals make decisions under different contextual situations.

Moreover, the widespread problems of incomplete model specification and omitted variables in the mainstream empirical literature on institutions for the management of natural resources, as described by Agrawal (2001), is also characteristic of the tourism literature. Agrawal (2001) notes that an important reason for this problem is the lack of a single widely accepted theory for the sustainability of common property institutions. This problem might be even greater in the tourism literature, where the theoretical aspects of voluntary environmental initiatives have not been developed with the same intensity. To address these problems, Agarwal (2001) encourages paying careful attention to research design, index construction (to reduce the number of variables in a given analysis), and comparative rather than cases study analyses. He advocates for a new research path that postulates causal links investigated through structured case comparisons. These comparisons should use a large number of cases that are purposefully selected on the basis of causal hypotheses, and the researcher should undertake statistical tests to examine the strength and direction of causal relationships.

**Policy implications  
for rejuvenation  
strategies:  
Crowding-in  
and crowding-out  
voluntary  
environmental  
initiatives**

Tourism policy-makers in mature destinations aim to design sound policies to rejuvenate their areas. These well-intentioned policies are often based on regulatory control of stakeholders' behavior to align them to the principles of sustainable development. Tourism policies are still based on the notion of free-riding agents who are not considered capable of generating self-governing systems to avoid depletion of resources. Within this context, the appearance of voluntary environmental initiatives presented in section two represents a conceptual challenge for environmental policy at tourism destinations. Voluntary environmental initiatives have shown empirically that there are motivations for stakeholders in tourism to diverge from free-riding behavior and that

there are realities where users of tourism natural resources have been capable to solve social dilemmas related to tourism uses. Thus, rejuvenation strategies by destination management organizations impose regulations to stakeholders that might be already undertaking initiatives for sustainability voluntarily.

The "Porter Hypothesis" (Porter, & Van der Linde, 1995) states that businesses are more complex and imperfect than economic theory presumes. According to this hypothesis, firms would only make optimal choices in a static optimization framework, where information is perfect and profitable opportunities for innovation have already been discovered. The authors who defend this hypothesis believe that these conditions do not hold in reality and, instead, dynamic competition is characterized by changing technological opportunities and incomplete information, organizational inertia and problem domains. As a response to this situation, Porter and Van der Linde defend the introduction of "properly crafted" environmental regulations, which can: (1) signal companies about likely resources inefficiencies and potential technological improvements, (2) raise corporate awareness by gathering relevant information, (3) reduce the uncertainty for green investments, (4) create pressure to motivate innovation, overcome organizational inertia, foster creativity thinking and mitigate agency problems, (5) level the transitional playing field to avoid free-riding, and (6) regulate environmental targets in case of incomplete offsets. Therefore, the Porter Hypothesis is related to the literature of crowding-in effects of regulations on voluntary environmental initiatives. According to Frey and Jegen (2001), external intervention would crowd-in intrinsic motivation if the individuals concerned perceive it as supportive, i.e., if self-esteem is fostered, and if individuals feel that they are given more freedom to act, expanding their self-determination. Consequently, it is possible to design scenarios where rejuvenation policies implemented by destination management organizations foster voluntary environmental initiatives already undertaken by stakeholders in a certain region. As a result, public and private strategies to regenerate the destination might reinforce each other, advancing in a unique shared direction.

The opposite is also true, however, and institutional crowding-out is a relevant policy phenomenon. Frey and Jegen (2001) suggest that external intervention crowds out intrinsic motivation if the individuals affected perceive it to be controlling. These authors review motivation crowding theory and present several laboratory and field experiments studies that demonstrate the crowding-out effects of environmental external intervention. Examples of this include more egoistical behavior of forest users when regulatory approaches are imposed or higher compliance with pollution standards with lower fines for noncompliance. The authors argue that the use of rewards in the real world allows for control of people's behavior, which is why they are so widely advocated. Rewards, however, also undermine self-regulation and people take less responsibility for motivating themselves. Frey and Jegen's (2001) main conclusion is that crowding-out is an empirically relevant phenomenon, but that it does not always prevail over the rewarding effect.

This review is therefore relevant for policy makers in designing rejuvenation strategies, in order both to improve their knowledge-base as well as to better understand how to craft their systems of rules for environmental management. If policymakers do not understand how particular combinations of rules affect actions and outcomes in particular situations, rule changes may produce unexpected and, at times, disastrous outcomes (Ostrom, 2005). Policies may change the contextual factors in which stakeholders operate without controlling the consequences. Imposed rejuvenation strategies by destination management organizations can interfere negatively with voluntary efforts to rejuvenate the destination undertaken by stakeholders, precluding the intended results by the policy. That is why it is necessary for destination management organizations to consider the possible existence of incentives for private agents to implement voluntary environmental actions. Policy-making should evolve from recommendations that a single governance-system (e.g., government intervention, privatization, community property) should be applied to all problems of resources degradation. Empirical evidence shows that when complexity is not understood, conservation policies for uses of natural resources can generate unintended and perverse results (Liu et al., 2007).

Policymakers may confront a new scenario to rejuvenate tourism destinations; where more opportunities for flexible approaches arise; this reflects changes in governance as a whole in many countries in the West (Bramwell, & Lane, 2000).

## Conclusion

The tourism industry is a rapidly changing industry competing in a dynamic international context. Within this industry, environmental factors are of major importance. Therefore, it is to the benefit of tourism destinations to have sound institutions for the managing of natural resources, particularly in mature destinations. Institutional prescriptions offered by the tourism literature are widely rooted either in the tragedy of the commons (Hardin, 1968) or lifecycle model (Butler, 1980). Both theories predict that natural resources will be overused if there is no external intervention governing the behaviour of users.

While it is true that there are examples of tourism destinations that have overexploited their natural resources, thereby losing their appeal and stagnating, it is also true that individual agents and groups in other destinations have developed voluntary environmental initiatives that have overturned free-riding expectations. In this paper, we reviewed the literature on voluntary initiatives in tourism, showing that degradation of natural resources has been alleviated in some circumstances by means of voluntary environmental initiatives to rejuvenate destinations. We reviewed the literature on the incentives for tourism stakeholders to undertake voluntary environmental initiatives, which include unilateral commitments, negotiated agreements, and certified environmental practices. As a result, we argue that there are monetary and non-monetary incentives for stakeholders to develop voluntary environmental initiatives. Further, we presented several limitations of this literature that might be (partially) overcome by building on the mainstream literature on institutions for the management of natural resources.

The central argument of this paper is that the universe of institutions capable of rejuvenating mature destinations, by improving the management of natural resources is larger than simply those imposed by public administrations. A wide range of instruments can be used to foster tourism sustainability, most of which can be complementarily applied. For example, regulations can be used to define the legal framework for establishing minimum standards, and voluntary initiatives can complement these by fostering environmental improvements beyond the scope of the regulations (UNEP, 1998).

The prominence of voluntary initiatives reflects a change in governance (as a whole) in many western countries, where the central government is no longer supreme (Bramwell, & Lane, 2000; Marshall, 2005). In the polycentric state, the function of the government is to encourage arrangements for coping with problems and to distribute services amongst relevant stakeholders (Marshall, 2005). In this governance context, stakeholders should be provided with more information about competitiveness problems related to environmental degradation and the institutions that are in place. The disparity between expected free-riding behavior and the actual characteristics of agents to which environmental policy is addressed might produce unpredicted results. Researchers and practitioners should advance towards designing rejuvenation strategies that crowd-in voluntary initiatives by stakeholders at mature destinations, and avoid crowding-out situations.

Many research questions remain unaddressed regarding the influence of alternative institutional designs on tourism's sustainability to rejuvenate mature destinations. What are the strategic incentives of tourism stakeholders to promote rejuvenation strategies? How can government intervention change strategic incentives for undertaking abatement activities? Can different types of voluntary initiatives coexist in the long run? These are only some of the questions to be addressed within a wider research agenda in order to understand how rejuvenate tourism destinations under the concept of sustainable development.

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### Endnotes:

<sup>1</sup> These advantages can be (Osés et al., 2007): social inclusion and public consideration, everyday favors and signs of approval that make life easier and more pleasant, moral support in difficult circumstances, and various bestowals and positions.

<sup>2</sup> Collaboration is generally defined as "a process of joint decision making among key stakeholders of a problem domain about the future of that domain" (Gray, 1989:p.11).

<sup>3</sup> Partnerships are more specific in their definition and refer to interactions between parties sharing common interests or resources intended to address a common issue or to achieve a specific policy goal that cannot be addressed individually (Bill Bramwell & Lane, 2000).

<sup>4</sup> In the literature there is not terminological consensus in the use of "ecolabel" and "certified voluntary programs" (Khanna, 2001; Lyon & Maxwell, 2002). In this dissertation we opt to use both terms indistinctly.

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