

From Governing to Selling Tourism: Local Government and the Tourism Industry of Bohol, Philippines

Carl Milos R. Bulilan

Holy Name University, Philippines

Abstract

Tourism is a major global industry. Governments in developing countries have adapted tourism as a means for economic development. The role of government is crucial in making tourism beneficial for the local people. The traditional functions of government involve crafting legislation and regulating touristic activities in local destinations. The business and marketing aspects of tourism are often entrusted to the private sector. Today, local governments are involved directly in the tourism business. The traditional functions of governments have expanded into managing and marketing touristic enterprises, and making partnerships with private and government agencies, non-government organizations, and host communities. This study, then, aims to examine how local government units (LGUs) are able to perform both political and entrepreneurial functions in tourism development. In particular, this study explores the case of the province of Bohol - a model for tourism development in the Philippines. Bohol LGU demonstrates how local government can integrate governance, coordination, and doing business through tourism. This case study attempts to offer useful insights in formulating policies in local tourism development.

Keywords: governance, local tourism, tourism development, tourism business, public-private partnership, policy-making, local politics

Introduction

Tourism has become one of the biggest global industries. As a top worldwide export category, it has surpassed automotive products and food (UNWTO 2017, 6). Tourism activities affect the economic, social, political, and environmental components of host countries and communities more than the traditional industries. Management plays a crucial role in making tourism contribute to local economic, social, and environmental sustainability. Private businesses carry the task of managing tourism and control development of destinations. Multinational corporations operate hotels, resorts, tours, and transport services with minimal government interventions.

The role of government in tourism development is crucial. Governments with their political and legislative powers have the great potential to influence the development of tourism. For the past decades, government agencies play only a supporting role by providing the political and material environment for tourism to flourish. Through their legislative arms, governments provide laws and policies which directly or indirectly affect the operation of touristic business and the flow of the coming tourists. These legislative mechanisms seek to regulate business, facilitate orderly touristic experiences, and ensure environmental viability. Aside from the provision of legal mechanisms, governments also provide facilities for tourism to grow. These include good road and highway networks, airports and seaports, terminals and land transports. Traditionally, the task of governments then is to provide the right conditions conducive for tourism business to grow and generate revenues from taxes.

Today, local government units (LGUs) have ventured into a new role in tourism. From being passive providers of laws and infrastructures, they are becoming managers and operators of their own touristic business. LGUs have entered directly into tourism related enterprises to become corporate governments. They are now operating their own hotels, resorts, adventure parks, and natural touristic sites even competing with private business. Aside from the revenues from business taxes, LGUs are now gaining additional income from their own touristic enterprises and provide new jobs for the local people.

Entrepreneurial LGUs have become a trend in the Philippines. Javier (2002) argues that public entrepreneurship among LGUs has become a strategy to decentralize the political process. This new movement is contextualized within the Philippine Local Government Code of 1991 that empowers LGUs to engage actively in corporate activities to increase their local revenue contributions (RA 7160). This new trend poses important issues in the role of governments in tourism development. It raises the

question on how LGUs are able to perform both governance and doing business at the same time. With their political advantage, are LGUs more effective in managing tourism and in delivering its benefits down to the communities than their private counterparts?

Using the case of the tourism industry in Bohol, this study therefore examines how local government units perform both political and entrepreneurial functions in tourism development. First, this study examines how LGUs exercise its traditional political roles in making tourism grow in the province. Second, it presents the municipality of Danao, Bohol as a model of how traditional governance and doing business can work together in tourism. This study highlights how partnerships and collaborative actions enable the growth of an inclusive tourism development.

The province of Bohol lies in the Visayan archipelago in the Philippines. It is the tenth largest island in the country with a land area of 4,821 square kilometers. By January 2018, it had a population of 1,255,128 people scattered within its 47 municipalities and the city of Tagbilaran (Philippine Statistics Authority 2018). From one of the poorest, Bohol has become a first class province (income class) and one of the most dynamic provinces in the country. From a hotbed of political insurgency, it has become a leading tourist destination. Tourism has become one of the socio-economic drivers of the province with growing tourist arrivals and tourism related business.

This study employs qualitative case study methods. In gathering data, I used in-depth interviews with Key Informants and Focus Group discussions. Informants were selected through purposive sampling method based on their knowledge on the topic and their authority regarding the issues at hand. Informants included the provincial development and provincial tourism office heads, municipal mayor and municipal development and tourism staff, local people, and tour operators. Gathering of data and fieldwork were conducted within a year.

To triangulate data gathered from the interviews, I also used primary and secondary documents and literature. I gathered official documents from the provincial and municipal offices including statistics, legislative papers, development plans, accounting and financial reports, and local narratives written by local people. Official data from government agencies were also analyzed.

Governments and the Growth of Tourism

In the last half century, tourism has become “one of the most important industries in the world in terms of employment creation and generation of foreign revenues” (United

Nations Steering Committee on Tourism for Development 2011, 3). It is now one of the biggest industries of the world, and is a major component of the global economy (Hunter and Green 1995, 4; UNWTO 2015, 2).

The UN World Tourism Organization (UNWTO 2017) reports the increasing number of international tourist arrivals. The agency accounts 1, 235 million tourists travelled around the world in 2016, 46 million (3.9%) more than 2015. Asia and the Pacific countries have the highest increase in the number of tourist arrivals (90%), the Philippines has around 6 million tourist with a reported growth of 11.3% (UNWTO 2017). Improvements in transportation and communication systems, the lowering cost of air travel, and increased income in industrialized countries, facilitate this rapid growth of tourism in Third World destinations (Eadington and Smith 1992; Hitchcock *et al.* 1993; Holden 2008).

Tourism has become a crucial contributor to the global economic growth. The World Tourism Organization (UNWTO 2017) estimates tourism's contribution to the global gross domestic product (GDP) at some 10%. It records that 1 in 11 jobs in the world are tourism related. The potential of tourism for contributing to economic development makes the industry attractive to governments, especially in developing countries. Relying on natural resources and requiring no vast capital for infrastructures, many developing countries venture into tourism industry as a "quick" and "simple" solution to the problem of underdevelopment (Crick 1989, 315; Long 1992, 135). Through increased foreign-exchange, employment opportunities, increased income, and enlarged tax collections, these countries look up to tourism as a means to eliminate the widening gap between developed and developing societies and to contribute substantially to social development and general progress (Jud and Krause 2010, 304; Vanhove 1997, 60).

Growing number of destinations "have opened up and invested in tourism development, turning modern tourism into a key driver of socio-economic progress" (UNWTO 2017, 2). To encourage the growth of the industry, governments have invested in providing suitable political, social, and natural environments for attracting tourists and thereby encouraging the growth of the hospitality industry. Governments' traditional responsibility includes enacting policies and laws to regulate the industry, constructing and maintaining infrastructures, and organizing institutional mechanisms to facilitate the management of touristic activities (McIntosh and Goeldner 1986, 311-313).

In the case of the Philippines, the government has invested in tourism in the past decades. This includes improving basic facilities and offering financial assistance

to various tourism enterprises. In 2016, the Philippine Statistics Authority (2017) recorded 8.6% contribution of tourism to the country's economy amounting PhP 1,243.5 billion in 2016, higher by 13.7% in the previous year. Employment in tourism related industries was estimated at 5.2 million in 2016, higher by 5.1% in the previous year. Tourism shared a recorded 12.8% of the country's total employment.

In the past decades governments focused on mass tourism as an approach to maximize the benefits from tourism industry. Started in the 50s and 60s, "mass tourism" refers to big-scale approach to tourism industry. Run mostly by multi-national corporations, it is expected to increase the flow of income and employment from huge numbers of visitors coming to local destinations (Vanhove 1997, 59-60). To regulate orderly growth and development of mass tourism industry in their respective countries, governments established tourism offices. These offices provided programs of information, advertising, publicity, and research relating to the recreational scenic, historic, highway, and touristic attractions at large (McIntosh and Goeldner 1986, 50). Government also "have been actively promoting tourism aiding facility development through the provision of grants and subsidies" (Murphy 1985, 33).

Policy-making is crucial in tourism development. It is because "like any significant element of an area's economy, there are political aspects that can and often do have major influence on the creation, organization, and survival of tourism projects" (McIntosh and Goeldner 1986, 4). To regulate the flow of the industry and to control its impacts on the local people, governments see the need to set up tourism policies. The government is the "sector most responsible for tourism policy... through the creation of objectives and legislative support" (Fennell 2008, 134). Tourism policy is "the direction or course of action that a particular country, region, locality or an individual destination plans to take when developing or promoting tourism" (Biederman as cited in Edgell *et al.* 2008, 7).

Krippendorf (1982, 147-148) provides five main reasons why "careful" tourism policies are necessary, as follow:

- the special vulnerability of the rural environment;
- the irreversibility of certain processes;
- the special importance of the environment as the raw material, the basis of tourism and its economic driving force;
- the lack of evidence and the uncertainty we experience (measurement of damage to environment, see-saw effects, when they appear, etc); and
- the sensibilities of the local population and its claims to independence.

Policies may include national and local legislations with provisions which directly or indirectly affect touristic activities and business, executive and administrative orders, and local government codes.

Closely related to policy-making, governments are also in charge with drafting tourism plans. Tourism planning seeks is concerned with anticipating and regulating change in a system, “to promote orderly development so as to increase the social, economic, and environmental benefits of the development process.” It “requires goals to provide a frame of reference for the detailed physical planning and day-to-day management decisions” (Murphy (1985, 156). Planning takes a form of a Tourism Master Plan - a comprehensive guideline for tourism development which is an outcome of define goals, collection of analysis of market and resource data, development strategies, and political decision process (*Ibid.*, 159).

Aside from policy-making and planning, governments are also in charge of providing public facilities which are essential for the growth of the tourism industry. Tourism as a service oriented industry relies on physical infrastructures to facilitate the transport of visitors and to ensure their safety and convenience. Topping the list is transportation facilities which include air and sea ports, highways and access roads to touristic spots, terminals, and enough number of transport vehicles. McIntosh and Goeldner (1986, 313.) enumerate seven responsibilities of governments regarding transportation:

- continual, detailed study of transport used for tourism with a view toward planning necessary improvement and extensions
- establishing a national or international plan of roads relevant to tourism, building new roads if necessary, improving those in a deficient state, and improving road sign system
- improving rail transport... for travelers on lines
- improving road frontier posts, extending their capacity to ensure smoother crossings, organizing easier movement of in-and outgoing tourist flows
- providing adequate airport services and installations to meet demand, and
- planning for ports and marinas equipped for tourism
- extending car-hire services.

Other basic touristic needs that governments shoulder are water and electric supply, sanitation and waste management, public safety, and health. Together with private

businesses, governments also ensure availability and enough accommodations such as hotels, resorts, and restaurants.

Tourism needs marketing. Marketing support is an essential factor in promoting touristic sites and activities worldwide. Government agencies help in producing promotional printed materials (brochures, travel booklets, magazines, and posters), and sponsoring television and radio advertisements. Internet websites and blog sites are now becoming popular means for governments to post advertisements. Government agencies also join international tourism expos and tourism fares.

Local participation and environmental conservation are crucial in tourism development. With the current trends in international development, governments are becoming aware of the importance of local cooperation and ecological sustainability in crafting tourism policies. Overtime, governments have gone beyond economic concerns and revenue generation because the growth of tourism industry generates increasing evidence of physical and social impacts (Murphy 1985, 34). Tourism planning started to incorporate perspectives of local communities in the decision-making processes and management of tourism projects (see for example, Province of Bohol and German Development Service 2010).

Governments have encouraged community-based tourism (CBT) enterprises. Though CBT is based on the development approach that highlights local initiatives in finding solutions to community problems using local social and natural resources (Fennell 2008, 157), it needs the collaboration with the government. As a highly fragmented industry which involves several actors of varied interests trying to benefit from the commonly shared touristic resources (Jamal and Getz 1995, 186), tourism needs the government to ensure that local communities could gain benefits. To achieve coordination among stakeholders, a powerful political actor is necessary to do the task. Governments, as no other institution, have the power vested upon them by the people to influence and direct tourism industry towards desirable courses through their financial, legislative, executive, and judicial powers (Murphy 1985, 36).

Overview of Tourism in Bohol

Bohol is one of the top tourist destinations in the Philippines. With the economic benefits that go with the coming of visitors, tourism has become one of the biggest industries in the province. It is considered a means for alleviating poverty, generating employment, and developing social infrastructures.

The province's tourist resources are based on its natural features, cultural practices, and heritage structures. Natural features include white beaches, marine life, forests and its animal species, waterfalls and rivers, hills and mountain terrains, caves, and "adventure parks." Musical performances and native dances, religious and historical festivals, and local handicrafts comprise its cultural attractions. Closely connected with *Boholano* culture and history are the province's heritage structures.

This section provides a general background of Bohol tourism. First, it presents a statistical overview of the touristic movements. Second, it examines both nature- and culture-based touristic resources in the province. Finally, it surveys existing public and private facilities that make travel convenient and safe. This overview demonstrates how the local habitat, history, heritage and hospitality have become the main resources for tourism and how government support facilitates the growth of the industry.

Tourist Arrivals

The number of tourists continues to grow in Bohol. According to the record of the Bohol Tourism Office (BTO), in November 2016, there were 820, 640 tourists who arrived in the province. This number is 36.26% higher than in the year 2015, with an average annual growth of 28.5% for the past years. After the great Bohol earthquake 2013, tourists continue to visit the island, in spite of fears and the damages in infrastructures and in tourism facilities.

Tourists in Bohol comprise both local and foreign visitors. In 2016, BTO identified 585,316 (71.32% of the total number of tourists of that year) local tourists; 233,736 (28.48%) foreign nationals; and 1,588 (0.19%) Overseas Filipinos. Among the foreign tourists, China has the biggest number of 59,289, followed by Korea (39,229); US (20,317); and France (11,690). A significant number of tourists also come from Japan, Germany, and Taiwan. The Bohol Tourism Office with the Department of Tourism (DOT) projects 1,226,574 tourists in the province in the year 2012 with the operation of the new airport in Panglao Island by the year 2018.

From among the tourist destinations, Panglao Island has the biggest number of tourists. From January to November 2016, there were a total of 366,174 tourists flocked to the island municipality. The provincial capital Tagbilaran City had 105,885, followed by Dauis, 25,914. Since most of the touristic facilities like the airport and pier, and tourist accommodations like hotels and resorts are located in these areas, it is expected that the biggest number of tourists are found in these municipalities. Tourists visit destinations in other municipalities for sight-seeing and other activities without staying there overnight.

Touristic Products and Activities

Nature-based Tourism. The natural environment is a main feature of tourism industry. It provides “an important ‘backdrop’ to commercial service areas and recreation sites, or at least contribute to all tourist locations,” (Farrell and Dean 1991, 26). “Nature-based tourism” is “tourism in natural settings (e.g., adventure tourism), tourism that focuses on specific elements of the natural environment (e.g., safari and wildlife tourism, nature tourism, marine tourism), and tourism that is developed in order to conserve or protect natural areas (e.g., ecotourism, national parks)” (Hall and Boyd 2005, 3). The Bohol provincial government enumerates natural assets which have been developed as touristic attractions (see Table 1). One advantage of traveling around Bohol is the proximity of the touristic sites.

Table 1 Nature-based tourism resources in Bohol

Natural Sites	Location
Chocolate Hills	Carmen and Sagbayan
Man-made Forest	Bilar
Rivers and Water Falls	Loboc and Loay River and Busay Falls; Mag-aso Falls, Antequera; Abatan River Cruise and Nature Viewing consisting Cortes, Maribojoc, Antequera, Balilihan and Catigbian
Cave	Hinagdanan Cave, Dauis
Beaches and Marine Attractions	Panglao and Anda Beaches; Dive sites in Balicasag Island and all over Panglao and Cabilao, Loon; Dolphin Watching, Pamilacan Island
Protected Areas	Rajah Sikatuna Protected Landscape in Bilar; Mangrove areas in Panglao, Candijay, Maribojoc, and Banacon Island

Source: Based on the data from Province of Bohol and German Development Service 2010, 7

Culture-Based Tourism. Culture is “a deeply embedded aspect of tourism” (George *et al.* 2009, 5). Traditional practices and customs of host communities have become tourist attractions. In Bohol, cultural traditions are evident in its physical and intangible forms. Physical and artistic expressions include old religious buildings, Spanish structures, ancestral houses, music, traditional dances, religious and historical festivals, handicrafts, and delicacies. Aside from these manifestations, *Boholanos* are also known for their tradition of hospitality and friendliness toward the visitors which

can be experienced in the celebrations of *pista*. The Provincial Government of Bohol enumerates specific cultural and historical assets which are of touristic values (see Table 2).

Table 2 Culture-based tourism resources in Bohol

Physical Structures And Cultural Practices	Examples and Location
[Stone] Churches	Baclayon, Dauis, Loon, Loboc, Maribojoc, Albur, and Dimiao
Heritage structures	Punta Cruz Watchtower in Maribojoc, Escuelas de los ninos y ninas and Clarin House in Loay, Casa Rocha in Sitio Ubos, Tagbilaran City, Panglao belfry and Ermita Ruins in Dimiao.
Local craft	Loom weaving in Tubigon, Inabanga, Albur, and Buenavista; basket weaving in Antequera, pottery-making in Albur and Calape; and calamay manufacturing in Albur and Jagna
Concerts and presentations	Popular cultural groups such as the Loboc Children's Choir, the Dimiao Children's Rondalla, the Bol-anon Theatre Group, the Diwanag Dance Theatre, the Cecilio Putong National High School Dance Troupe, and recently the Tubigon Dance Group
Festivals	The Sandugo [Blood Compact], a re-enactment of Miguel Lopez de Legazpi and Boholano Chieftain Rajah Sikatuna's treaty of friendship and the Bolibongkingking, a spiritual thanksgiving and petition dance in Loboc, fluvial parades in Loay, Loboc and Talibon, and the annual town fiestas

Source: Based on the data from Province of Bohol and German Development Service 2010, 7-8

Old Spanish-period structures are included in tourist routes. These include the old stone churches, fortresses, houses, and bridges dating back to the early Spanish colonization of Bohol. Some of Bohol's heritage structures were destroyed by fire or by natural disasters. The great Bohol earthquake of 2013 destroyed many historical buildings, including the churches of the towns Loon and Loboc. Some have been totally restored or are now undergoing restorations. Modern reconstruction also caused the degradation of some of these churches.

Aside from ancient buildings, Bohol is also known for its musical traditions. Boholano talents have caught the attention of tourists and of international musicians. One best known musical group in the province is the Loboc Children's Choir. The choir is composed of elementary and high school students from the town of Loboc carefully selected by their school teachers. The group won several international competitions including the first place during the "Europe and Its Songs" international choir festival in Barcelona, Spain in 2003 and first place during the "Concorso Internazionale Di Canto

Corale” SEGHIZZI held in Italy in 2017. Tourists can experience this *Boholano* musicality through the Loboc River Cruise which culminates with musical presentations.

Bohol is known for its religious festivals and parades. The province is famous for its grandiose *fiesta* celebrations. Dating back to the Spanish period, *Pista* is a community (town, *barangay*, *sitio*) celebration of thanksgiving in honor of the local patron saint. Cultural presentations are held for at least two days. Houses prepare food, not only for their relatives and friends, but doors are open for everybody who comes. Food is for free anytime within of the day. During *pista* seasons (especially in the month of May) tourists can experience the festive atmosphere, while witnessing various traditional dances and musical presentations often held in public places.

Bohol also has traditional handicrafts both produced for touristic consumption and for export. Products from loom weaving in the towns of Tubigon, Inabanga, Albur, and Buenavista, basket weaving in Antequera, and pottery-making in Albur and Calape can easily be purchased in souvenirs shops mostly found in tourist destinations and in city malls. Tourists also can taste and take home traditional *Boholano* sweets including *calamay* (made of coconut milk, brown sugar, and peanuts) of Albur and Jagna, peanut kisses, and other locally baked pastries.

Tourist Facilities and Services

By Air , By Sea, and By Land. The island of Bohol can be reached either by airplane or by boat. Bohol has one domestic airport located in the capital City of Tagbilaran. With the completion of the new airport in Panglao Island in 2018, the provincial government expects to bring in more tourists. This project is sponsored by the Japanese International Cooperation Agency (JICA). At present, there are seven direct flights connecting Bohol and Manila. Three main airline companies offer the services: Philippine Airlines, Cebu Pacific Airlines, and Air Asia. One-way fare costs around PhP 3,500 (around USD 67). In June 22, 2017, direct international flight from Korea to Tagbilaran City started operation.

An alternative way of coming to Bohol is by ship. There are at least four major sea ports in Bohol - Tagbilaran, Tubigon, Jagna, and Ubay. One shipping company operates direct trips connecting Manila and Tagbilaran City. However, since traveling by air is now cheaper and more convenient, people now prefer to take the plane from Manila. Coming from Cebu, the ports of Tubigon and Tagbilaran are the most convenient because of its proximity and the number of trips. For Cebu-Tagbilaran route, slow ferries cost around PhP 210 (USD 4); Fast ferries cost around PhP 350 (USD 7).

Cebu-Tubigon route is closer and cheaper. Pump boats are also travelling from Cebu to the towns of Getafe and Inabanga. Travelling within Bohol is not a problem. Public land transportations are affordable. These include open-air buses, air conditioned vans, *jeepneys*, cabs, tricycles and *habal-habal* (transport motorbikes). Tourists can also rent cars and motorcycles to go around destinations.

Accommodations and Other Services. Bohol has a number of luxury hotels and resorts, tourist inns, pension houses, travel lodges, and home-stays. In 2015 data (the latest), the Bohol Tourism Office accounted 360 accommodation establishments in the province, with a total of 6, 370 rooms (Province of Bohol 2015, 24). This number is far more than the 2,000 rooms accounted in the year 2010 (Province of Bohol and German Development Service 2010, 8). These accommodations spread throughout the province, especially in the areas of Tagbilaran City, Panglao Island, and Baclayon. With its fine white beaches and proximity to the capital city, Panglao Island has the most number of resorts and spas including a five star hotel and exclusive resorts

Aside from accommodation services, there are also a number of local travel agencies in Bohol. There are 15 BTO accredited local travel agencies which provide assistance and travel services. For tourists who like shopping, Bohol has a number of shopping malls and department stores. The three main shopping malls include, Bohol Quality Mall, Island City Mall, and Alturas Malls. Withdrawing cash are becoming convenient with the 49 banking units and Automatic Teller Machines (ATM) scattered around the city and in municipalities (Province of Bohol and German Development Service 2010, 8). Communications is also made convenient by telecommunication companies providing mobile and internet services.

Governing Bohol Tourism

Tourism is a major industry of Bohol. Projecting a reduced poverty incidence among its people, the Provincial Government considers tourism as one of the means to achieve economic growth. Adopting the concepts and strategies of the *Pro-Poor Tourism* (PPT), planners look on tourism to uplift the socio-economic condition of poor local communities through employment, sharing of income, and growth of local entrepreneurship; at the same time, to conserve the province's natural resources (Province of Bohol and German Development Service 2010, 1). To achieve these goals, building institutions and crafting legislations are crucial roles of the local government.

Institutionalizing Tourism

Establishing institutions for nature-based tourism has become a starting point of Bohol tourism development. Aiming to develop a general framework for tourism development, a Memorandum of Agreement was signed between the Soil and Water Conservation Foundation and the Provincial Government of Bohol in 2005. Through the Provincial Planning and Development Office (PPDO), the Bohol Environment Management Office (BEMO) and the Bohol Tourism Office (BTO), preparatory steps started for the formulation of the Ecotourism and Biodiversity Conservation Framework Plan of Bohol as mandated under the Bohol Environment Code of 1998.

The partnership project involved national agencies particularly the Department of Tourism (DOT) and the Department of Environment and Natural Resources (DENR). European development agencies assisted the project by providing technical and financial support. These agencies include the German Development Service (DED) and Soil and Water Conservation Foundation (SWCF) for technical support, the InWEnt, for the financial assistance, and the UNDP-GEF-SGF Program and the European Union (EU) both through SWCF (Province of Bohol and German Development Service 2010, 2).

To provide technical assistance during the formulation of the tourism framework plan, the Provincial Government of Bohol established a multi-sectoral Ecotourism Technical Working Group. This was composed of regional and provincial government agencies such as the Department of Environment and Natural Resources (DENR), Department of Tourism (DOT), Bohol Environment Management Office (BEMO), Provincial Planning and Development Office (PPDO), Bohol Tourism Office (BTO), and Non-Government Organizations. Organizers provided modular training for LGUs, NGOs, local communities, academe, and private sectors from March to November of 2005. The trainings focused on topics like ecotourism and biodiversity, ecotourism product development, marketing and promotion, and monitoring and evaluation (*Ibid.*, 3).

The workshop produced the Bohol Ecotourism Club (BET-C) composed of representatives from local governments, NGOs, local communities, private sectors. Serving to be a “prime mover” and “watchdog” for eco-tourism activities in the province, the body ensures the inclusion and implementation of ecotourism principles in municipal tourism development projects. It also seeks to educate the public on ecotourism and to recommend acceptable ethical standards on tourism development projects in Bohol. One of the organization’s roles is to be “communities’ mentor” to guide people to see alternative opportunities to earn income through tourism (*Ibid.*).

The project came to be known as the *Biodiversity Conservation and Ecotourism Framework Plan of Bohol 2006-2015*. The paper served as a bible for investors, tourism business sector, municipal executives, planners, and NGOs in the province for their tourism development and biodiversity conservation projects. Guidelines included principles, regulations, standards, best practices, and ethics for tourism activities which the government considers in-line with its vision.

Specialized agencies composed of national, provincial, and local government units, NGOs, and private sectors are now in place to promote and facilitate the development of tourism in the province. One is the Provincial Tourism Council (PTC). The body was originally composed of more than 50 members representing 60% from the private sector and 40% from the government. Before this body was created, a Committee on Tourism was an integral part of the *Sanguniang Panlalawigan* (Provincial Council). During that time, an independent Provincial Investment Office existed having a tourism sector as one of its sections until 1997.

Intending to run for Mayor, the Tourism Committee chairperson of the *Sanguniang Panlalawigan* decided to turn over the responsibilities of the committee to the Provincial Investment Office. In 2007, the tourism section of the investment office became a separate Provincial Government entity. It was the time when the tourism industry started to grow larger and the former office was no longer enough to accommodate the growing needs of the industry. Now, the Bohol Tourism Office (formerly, Provincial Tourism Office) has functioned as the secretariat of the Provincial Tourism Council.

Since all the touristic sites are under the administration of the LGUs, the Provincial Government could not develop touristic attractions on its own. However, it oversees the overall tourism development activities in the Province and provides for needs of the LGUs. The Bohol Tourism Office has become the advice-giving and coordinating body of the province for tourism development. BTO has specific responsibilities. First, it provides assistance to LGUs and the private sectors in developing their own touristic sites. It also orients planners regarding the policies and other issues concerning tourism in the province. It accepts tourism project proposals from the LGUs and provides rightful advice and suggestions concerning the viability and marketability of such projects. Second, being the marketing arm of the provincial government, the office employs communication media like posters, brochures, and videos to promote Bohol tourism to the world. Seeing the potentials of proposed touristic projects, the office also provides the markets for local tourism business.

Third, BTO organizes basic skill trainings on tourism and hospitality services.

In coordination with other government agencies like the Technical Education and Skills Development Authority (TESDA), the office provides seminars and workshops for LGUs, community organizations, and other tourism practitioners to enhance their services. Trainings include basic culinary arts, waitering, tourist guiding, and operating cottages and accommodations. The office also coordinates closely with other government agencies like the DOT for professional and financial resources, especially in organizing seminars, and the DENR on issues concerning protected areas which are now being utilized as tourist attractions.

The Provincial Tourism Council and the Bohol Tourism Office have limited power. Although these institutions are under the Office of the Provincial Governor, they could not decide on their own regarding implementation of policies, nor could they regulate the touristic activities in the province. Officers are elected but members only meet regularly twice a year. Core group members meet regularly, and in special cases, discuss pressing issues.

Another government agency that is involved in the tourism industry of the Province is the Protected Area Management Board (PAMB) under the DENR. The body is composed of *barangay* captains (village chiefs) and municipal Mayors of localities enclosed within protected areas. One-fourth of the entire island of Bohol (75,766 hectares) is under protected areas (Province of Bohol and German Development Service 2010, 11-12). Many of which had become touristic sites including the Chocolate hills, the Man-Made Forest in Bilar, the Loboc Watershed, the Tarsier Sanctuary in Corella, and 15 marine sanctuaries within the seas of Panglao, Dauis, and Baclayon.

As the governing body to decide on matters relating policy and administration of protected areas, PAMB reviews project proposals and existing tourism activities if they comply with the set standards of ecological conservation. The body also decides on budget allocations (Province of Bohol and German Development Service 2010, 15). Coordinating closely with PTO, PAMB discusses with development planners on issues related to developing touristic sites in protected natural environments.

Enacting Tourism

Aside from institutionalizing tourism, Bohol Provincial Government also enacts policies and environmental ordinances for tourism development. The legislation aims to ensure the protection of natural and cultural resources for the industry. These ordinances were put in place in response to national legislations (e.g., RA 9586 or NIPAS Act of 1992) that promote ecological conservation and eco-tourism. Bohol pioneered a provincial legislation, the Bohol Environmental Code of 1998, protecting the natural environment

which has become a major component of its tourism industry. This code has become a model for other local governments in the country.

In 2007, Republic Act No. 9446 was promulgated. This law declares Bohol as an eco-cultural tourism zone. It mandates the Department of Tourism (DOT), the Provincial government and the city of Tagbilaran to coordinate closely in developing and promoting the tourism industry in the province. Coordination involves formulating development plans, protecting natural and cultural resources, consolidating political powers, providing technical and material assistance, and partnering with private and non-government agencies. The law produced the Bohol Tourism Master Plan “that would be a unified direction of the province to further harness and sustain its vast tourism potential” (Province of Bohol 2007:1). This law was further strengthened by the promulgation of Tourism Act of 2009 (RA 9593).

Since 1995, there are at least 165 provincial ordinances, resolutions, and policies related to tourism development. Many of these documents concern with coordination among different LGUs particularly with municipal mayors and also with NGO and private agencies. These ordinances urge and encourage partnerships among stakeholders in developing and governing touristic activities in the province. In 2017, the province prepares the “Bohol Surprise Tours” program that highlights 12 new local eco-tourism destinations. This program showcases the livelihood activities of host communities as touristic sites. In the same year, the province with the Department of Tourism (DOT), the United States Agency for International Development (USAID), and private sector representatives, launched the province’s new branding – “Behold Bohol”. This branding aims to project the revival of Bohol after the 2013 earthquake.

Local Government Units in the municipal level started to develop their own tourism programs and activities. Since the LGUs administer most of the touristic sites, they are able to have control over these areas in terms of management. Coordinating with private agencies, LGUs either provide the environments conducive for tourism business or develop and manage touristic enterprises by themselves.

For example, the municipality of Loboc is known for its Loboc River Cruise. The tourism project is a product of partnership among the local government units, donor agencies, private investors, and local community organizations. The LGU provided the necessary facilities around the tourism complex which include building the river port for the boats and floating restaurants, developing the tourism office and terminal, and providing access and huge parking space to the area. Private businesses manage the cruise, the shops, and the floating restaurants. The local community organizations participate through their musical and cultural performances held along the riverside.

Foreign government donor sponsored the lighting of the river's vicinity.

An example of an exclusively LGU-managed tourism enterprise is the ABATAN River Tour. The project involves the four neighboring municipalities of Cortes, Maribojoc, Balilihan, and Catigbian. The tour features a boat cruise through the mangrove forest along the river connecting these municipalities. The route includes going to the waterfalls, visit to the local villages, and cultural presentations held at the Tourism Center. The costal municipalities of Panglao, Dauis, and Baclayon also initiated similar partnership which is called PADAYON. The three towns are located within the Bohol Marine Triangle (BMT) wherein five major marine ecosystems are present (see Green *et al.* 2002, 48). This collaborative project aims at environmental preservation for tourism development.

Selling Tourism: The Case Study of Danao

The town of Danao is in the central part of Bohol. It is located around 66 kilometers (the fastest route) northeast of Tagbilaran City that can be reached by car in around two hours. The town has 17 *barangays* and has the population of 17, 890 in 2015 with 3,364 households. It has an average income of PhP 90 million and the Internal Revenue Allocation amounting around PhP 75,526,524 as of the year 2016. People of Danao are involved in basic farming as their main livelihood. With the LGU-run tourism development, Danao went up from being a 6th class in 1999 to a 4th class municipality and ranks 1st in Bohol and in the region in income generation efficiency.

From Insurgency to Hospitality

Before tourism was developed in Danao, the town was known for its political insurgencies and poverty. The province of Bohol was an insurgent hotbed in the year 2000, until it was declared insurgent free in March 2010 (Torres 2011, 1). Several attacks and gunfights had happened in the province, including raids of government and business centers that were related to insurgent groups. The extreme poverty in the area, especially in farming communities, became the seedbed of ideology-based conflict. This had been the experience of the people for decades, although this phenomenon is not something new for Danao. Historically, the town was the headquarters of the group of Fernando Dagohoy, the leader of the longest revolution in Philippine history (1744-1829).

Danao was known also for its poor, malnourished, and low educated population.

In 2003, it was considered as the poorest municipality of Bohol and one of the poorest in the country with 57.2 poverty index (National Statistical Coordination Board 2009). People survived on small-scale traditional farming and charcoal making. Others work as domestic help and laborers in other places undermining family life. With these social and economic conditions, Danao became a pilot area of the national government assistance. Government agencies started to introduce livelihood projects to the local people. However, local communities saw the assistance insufficient and even made them more dependent on the government support rather than to exert the effort to improve their livelihood.

Today, the local government of Danao is noted for its tourism enterprise. The LGU-run tourism program came to be known as the E.A.T Danao (Eco, Educational, Extreme Adventure Tour). The tourism activities are taking place at the Danao Adventure Park (DAP). The park is located around 7 kilometers from the town center. Its landscapes include cliffs, caves, river, rock formations, and century old trees. These natural features provide the venue for outdoor adventure activities. These include trekking, kayaking, caving, cliff plunging, zip-lining, rappelling, and root climbing. Visitors can also enjoy what they call, the “Sea of clouds”, a formation of fog and clouds suspended on the top of the neighboring mountains during early morning.

The then Municipal Mayor Jose Cepedoza started the idea of having a tourism enterprise in 2001. The idea was realized through his successor Mayor Louis Thomas Gonzaga which led to the opening of the park in 2006. Informants narrated that the concept of an adventure park came about after the experience of the mayor in New Zealand, in the A.J. Hackett Bungy Jumping of Queenstown in the South Island. The country has several tourism activities which highlight adventure activities, particularly on its mountainous terrains. The mayor then shared the plan with his advisers and formed a team to do the feasibility study. After the death of Mayor Gonzaga in 2016, his mother took the office and is now continuing the project.

The Danao Adventure Park is a product of collaboration and partnerships among stakeholders. The touristic activities started initially with caving and mountain trekking, until groups of tourists saw the potential of the place. Activities further developed to include river-based activities. Danao LGU started to connect with adventure enthusiasts, government agencies, and tour businesses for support. The fame of Danao spread and government agencies including the Department of Tourism (DOT) and the Department of Environment and Natural Resources (DENR) came to acknowledge the potentials of the park.

The DENR helped Danao for resource inventory. DOT assisted the LGU in

product development and marketing. The Department of Trade and Industry (DTI) helped in the making of souvenir items, while the Technical Education and Skill Development Agency (TESDA) for the training of local personnel in touristic services. Tour businesses in Bohol and private individuals also helped in the project. Tour agents, web bloggers, and adventure enthusiast assisted in the product test-run, product development, and marketing. The World Bank and the Development Bank of the Philippines also assisted Danao in its tourism project.

The development of Danao tourism is a product of local participation. Local people were involved during the planning and implementation of the project. During the initial stage, they worked together with private agencies and individuals. LGU employees and officials contributed extra hours work without extra pay. *Barangay* officials encouraged their communities to do voluntary services. Civil groups helped in the ground work without pay. Volunteers worked in clearing the areas, landscaping, and in packing tours. They also started to act as tour guides. Local leaders learned from the feedbacks from visitors and tourists on how to improve the place and the services. This spirit of cooperation led to the sense of community ownership among the local people.

Tourism Benefiting Local People

The main sources of income from the tourism activities in Danao include revenues from individual entrance and parking, adventure activities, and accommodation services. Entrance fee cost around PhP 40 and parking fees from PhP 10 to PhP 30. Adventure activities cost around PhP 350 per person, aside from the more expensive “Plunge” which costs PhP 700. Danao Adventure Park also has room accommodations ranging from PhP 600/night to PhP 1,000/night rates. The park also offers tourists the adventure packages which cost from PhP 1,500 to PhP 3,500 per person which may include food and accommodations.

The LGU-run tourism was able to contribute to the economic and social wellbeing of the local people. It took two years for Danao to profit from its LGU-run tourism industry. Based on municipal records, in 2009 Danao had an income of around PhP 4,800,000 from tourism related enterprises. This grew to PhP 21,250,000 in 2012. In 2010, the LGU started to give back to the local people what had been gained from their cooperation. However, after the great earthquake hit Bohol in October 2013, Danao experienced a decrease in income due to the low number of coming tourists. The LGU also had to spend huge amount in repairing its touristic facilities. In 2014, the number of tourists plunged to 7,261 from 25,531 (in the preceding year). Danao is slowly regaining its visitors through the years. From January to October 2017, the

number of tourist now totaled 23,042.

Tourism has provided alternative livelihood and social services for the community. Benefits from tourism come in the form of livelihood, employment, and social services. Social services include scholarship programs, subsidized hospitalization program, free use of ambulance, supplemental feeding, and health insurance program. Initially, Danao Adventure Park started to employ 13 local guides in 2006. The number grew to 35 in 2008 and continued to increase to 45 in 2009. Today, local tourism directly employs more than 100 local people as tour guides, accommodation and food service staff, and maintenance and support personnel. Other local people who are earning from tourism are the People's Organizations (PO) by providing food to the LGU-run restaurant and by selling souvenir items to visitors. In the area of education, the LGU started the "Iskolar sa Torismo" (Scholars of Tourism) program in 2011. Now, 83 college students are enjoying the scholarships in different state colleges and universities in the province. The scholarship program has produced 12 graduates since its conception.

Most of the benefits from tourism go to the health services. The subsidized hospitalization program helps poor patients in their medical fees. From the year 2011 until the present, 221 people have been benefited by the program. The free ambulance service of the LGU has been supported also by the revenues from tourism activities since 2011. The subsidy for health insurance program benefited around 4,000 people. However, the supplemental feeding program for preschoolers only ran for a year.

Aside from the economic and social benefits, tourism also has created environmental awareness among the local people. People started to participate in ecological preservation activities. They have also stopped cutting trees for their former charcoal making livelihood. Furthermore, the municipal mayor, Natividad Gonzaga, argues that aside from the material benefits gained from tourism, the most valuable outcome of the industry is the regaining of pride by the people of Danao. She emphasizes that tourism brings back the pride of the place, from being identified as backward and poor municipality to attracting people of the world through its natural and cultural wonders.

Conclusion

This study has examined the changing role of governments in tourism development. Governments play a crucial role in the development of tourism industry. Today,

governments have evolved from being passive to more active actors in the tourism industry. From merely providing the laws and building infrastructures, governments are now managing their own tourism related businesses. In the past decades, managing tourism has been entrusted to the business sectors. Multinational corporations and private businesses control the operation of resorts, hotels, and other tour services with minimal intervention from the government. Now, local government units (LGUs) are competing with private tourism operators.

Becoming an entrepreneurial LGU has become a new phenomenon. From governing tourism, LGUs are now also selling tourism. Aside from the revenues from taxes, local governments are now gaining additional income from their self-managed tourism businesses and, at the same time, provide employments to the local people. This new movement challenges the traditional role of governments in tourism development. It generates questions on how LGUs are able to perform both governance and doing business at the same time. With their political advantage, are LGUs more effective than their private counterparts in managing tourism and in delivering its benefits down to the communities?

To illustrate this new phenomenon, this study highlights the case of the tourism industry of the province of Bohol in the Philippines. This study examines how LGUs of Bohol are able to perform both political and corporate functions in tourism. First, the study explores how the provincial government lays the foundations for tourism development to grow in its local destinations. Second, this study examines the case of the municipality of Danao as a model on how a once poor town can grow to become an entrepreneurial local government. With its natural beauty, cultures, and the cooperation of the local people, the LGU of Danao was able to harness the economic, social, and environmental benefits of tourism.

Bohol has evolved from being a poor to a high income generating province with the growth of local tourism. Tourism development has also become a tool to address the problem of political insurgency which affected the people of the province for decades. The province has become one of the top tourism destinations in the country. Its natural beauty and colorful cultures have attracted both domestic and international tourists. The number of tourist arrivals continues to grow through the years in spite of the disruption brought about by the great earthquake in the year 2013.

The provincial government set the ground for tourism to grow in Bohol. It institutionalized tourism by organizing collective action among various government units, non-government agencies, and the local people. Collaboration among stakeholders has created political mechanisms that governs tourism and at the same time

encouraged the LGUs to engage in tourism development projects. Aside from governing tourism, multi-sectoral institutions enable local executives with their local communities to obtain the necessary knowledge and skills to manage and operate tourism related businesses. Tourism has become embedded into local governance.

Aside from institutionalizing tourism, the provincial government of Bohol has provided legislative mechanisms that directly impact tourism. Bohol pioneered a tourism code that regulates tourism development in the province. This code has become a model for the other LGUs in the country. Enacting tourism provides a solid legal basis that regulates touristic activities and development in the province. The Bohol tourism code has become a framework for the provincial tourism development plan.

The municipality of Danao illustrates how an LGU is able perform governance and doing business. From being a poor town, Danao has evolved as a top income generating municipality in the region. From being an insurgency hotbed, it is now a top adventure tourism destination in the province. Danao tourism development is a mixture of leadership and collective action. Collaboration of stakeholders transforms the once sleepy town into an eco-tourism playground. The LGU, with its political advantage, is able to build its own tourism business through collaboration with different government agencies, NGOs, businesses, and private individuals. Collaboration facilitates the planning, marketing, and operation of touristic services. With the government-run tourism businesses, people are able to participate and enjoy the fruits of the industry.

This study has mainly explored the wider view of tourism in Bohol. A grassroot level study of the experiences of local households with the growth of tourism in their localities would be of relevance. Examining the political and moral economy of local tourism development would also generate insights in understanding the dynamics of local tourism development.

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