

Article

Port Governance and Cruise Tourism

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Abstract: Cruise activities, until 2020, have presented a significant increase in revenue, as well as number of cruises and passengers transported, and it has become a challenge for ports to respond to this demand for services. In response to this, the world's ports have implemented different governance models. In this context, in this paper, we aim to review the different governance models, as well as port cooperation, competition, and stakeholders. For this purpose, using science metric meta-analysis, an article set is extracted that strictly refers to the governance model of two databases integrated into the Core Collection Web of Science, whose selection process is polished with the PRISMA guidelines, establishing the eligibility criteria of studies using PICOS tool, to which a qualitative meta-analysis is applied. A limited studies set is identified, that includes governance model implementations, private strategies and internalization patterns in the port sector and cruise ships, patterns of port cooperation and governance, governance models in cruise ports, structures and strategies, and changes in the cruise market. Finally, various governance model forms are determined, all documented in the scientific research worldwide, discussing the various components of study topics.

Keywords: blue economy; seaport; cruise terminal; stakeholder; cooperation; competition; tourism; cruise ship



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1. Introduction

In this paper, we aim to identify port system governance models that incorporate cruise tourism, cruise ship operations, cruise terminals, or passenger interactions as one of its strategic elements.

Cruise tourism is a service industry with a high-level of service quality [1], which involves all aspects of the economy and society [2] and has become an industry that significantly contributes to the tourism economy globally [3]. Revenues from this market amount to USD 134 billion annually, making it one of the fastest growing and most financially promising sectors of the tourism industry [4]. Between 2009 and 2019, the number of ocean cruise passengers worldwide increased from 17.8 million to 30 million passengers, and North American passengers make up most cruisers [5,6]. The rapid growth of the cruise industry and its effects on all the services involved in its itineraries, port development, and related services represent an opportunity to contribute to the economic development of the places and countries visited, but also to highlight its effects on sustainable environmental and social development [7,8]. In this regard, the Cruise Line International Association (CLIA) notes that cruise tourism generated, in 2017, an estimated circulating movement of USD 134 billion in total production of goods and services globally, generating an increase of 6.3% as compared with that in 2016 [3,4]. Given this, 1,108,676 jobs were generated with an 8.5% increase over that in 2016, and people employed in these jobs

received USD 45.6 billion in revenue, an 11% increase over that in 2016 [9]. More recently, in 2019, these figures reached 1,166,000 jobs estimated at USD 50.5 billion in wages and salaries, generating a total global output of USD 154.5 billion. The effect of the COVID-19 pandemic, from mid-March through September 2020, generated losses of USD 77 billion in global economic activity and 518,000 jobs equivalent to USD 23 billion in wages [10].

As we have already pointed out, until 2020, cruise tourism was the fastest growing sector within the tourism industry [2]. However, due to COVID-19 pandemic in March 2020, due to health indications and governmental restrictions, cruise lines stopped operations and suspended their travels. Thus, the COVID-19 pandemic with government measures such as global mobility restrictions, port closures, and health socialization measures, found a cruise industry very unprepared to deal with the countless effects of this pandemic, from operational and health policies to overall business management, and which have led to an unprecedented crisis in cruise tourism [11]. All this has led to a very significant financial and value loss of major cruise lines resulting in a wide ranged collapse in the total value of the assets of the main cruise lines, i.e., the Royal Caribbean Cruises lines' shares fell by 82.31%, and the Norwegian Cruise Line Holdings shares fell by 85.17%. Another example is Carnival where its shares in Corporation & Plc fell by 76.61% from 2 January 2020 to 23 March 2020 [12,13]. However, all of this has generated a reaction in the industry by developing action plans to revive its operations with strengthened new management systems and cost controls.

2. Background Literature

2.1. Port Governance Modeling

The challenges in port governance have focused on the effects on the surrounding territorial economy based on logistic services and integration with other modes of transport, an increase in public-private participation in ports, and an increase in the added value of services through port and port terminal performance assessment systems [14–17].

The findings of these assessments confirm that decisions depending on the trajectory of local/national systems, generate asymmetry of implementation when different countries seek generic governance solutions. Therefore, these results confirm the existence of different types of port governance models, which to some extent correspond to the hypothetical typology according to which port authorities may be conservative, facilitating, or entrepreneurial. Differences are mainly defined by geographical location and condition and governance practices between small and large ports [18–20].

By observing the implementation process of some of these models documented in mainstream academic publications, we are addressing various situations. In the Netherlands, corporatization has involved transforming state agencies into majority state-owned enterprises, such as what happened in the Port of Rotterdam, where comparing two periods showed significant improvements in all performance indicators [21]. In the case of the Portuguese government, the policies adopted in port management had different effects, causing both operations and port labor to be more productive [22]. For its part, port governance in France has changed recently, with the place of the State being the supervision of delegated ports and large seaports [23]. In the Brazilian port sector, its functions were reformulated to the National Council for the Integration of Transport Policy with decentralization of national port planning [24].

Port governance also involves considering spatial structure and information systems necessary for a mix between operational efficiency and commercial efficiency [25]. Additionally, finding the appropriate cooperation and competencies models requires a reflective effort that incorporates the stakeholders needed to not produce tariff wars and to attach governance models in coherence with territorial government systems [26,27]. This is relevant because within the same country there can be various port governance models, which can affect the mechanisms and port performance factors and their margin and profitability [28,29].