

Tourism Destinations and Local Rental: A Discussion around Bureaucracy and Anti-commons. Algarve Case (Portugal)

José António Filipe

Lisbon University Institute ISCTE-IUL, BRU-IUL, Portugal

jose.filipe@iscte.pt

Abstract – Local rental in such an important tourism destination - as it is Algarve region (Portugal) - is a very important economic activity in this region, involving a very large number of owners, intermediaries (many are foreign agencies) and users. Traditionally, a large part of this activity is not caught by the fiscal system. In this work, anti-commons framework is used to analyse the situation of bureaucracy for the segment of local rental in Algarve region in Portugal. This work analyses a specific situation in which government creates new rules for bringing to legality a set of houses and apartments that have been traditionally out of the tax system, usually rent in a short duration system to tourists. Many people are questioning now if this new position of the Portuguese Government to create new legislation is an overreaction to an illegal situation, by creating again an excess of rules and administrative procedures, in a bureaucratic muddle. However, although the final result is not clear, it seems, in a previous version of the legislation to be approved in the Portuguese National Parliament, that the new law brings some procedural simplification and less bureaucracy in a set of procedural processes, allowing to overcome a problem for this area that normally is chronic in Portugal. Yet there are specific rules necessary to guarantee quality standards. Will be them the strictly necessary or continue them to be excessive and even some more procedural diligences are introduced?

Keywords – Tourism, Tourism Destination, Local Rental, Anti-commons, Algarve, Portugal.

1. Introduction

The present study is based on anti-commons framework and on tourism economics. Heller (1998) has made “the tragedy of the anti-commons” a popular expression since the term has been presented by Michelman (1982). Since then, anti-commons theory has been used to a large set of situations and debated in several academic disciplines. It has been discussed within the property law area and assorted

boundaries have been studied for the concept.

Heller (2008) presents many examples of anticommons in diverse legal fields in many countries around the world. Although Heller (2008) views are considerably powerful in the debate of many legal, social and economic situations, they have been object of many criticisms (see for example Claeys, 2011; or Epstein, 2011). Heller (2008) himself notes that anticommons theory is now well established, but empirical studies have yet to catch up. Heller states that there is a free market paradox: usually, private ownership creates wealth, but too much ownership has the opposite effect – it creates gridlock. When too many people own pieces of one thing, cooperation breaks down, wealth disappears and everybody loses.

In this sense, Buchanan and Yoon (2000) have presented diverse bureaucratic situations in which anti-commons theory may be applied. Moreover, anti-commons have been recently considered also to be applied to tourism. One of the ways may be to use it for analyzing bureaucracy in tourism destinations, for example. Anyway, coordination and cooperation are often used to show how anti-commons problems may be solved. Although, there are exceptions on cooperation’s benefits, for example, when the transaction costs are too high or too many rights holders exist.

The growing economic importance of tourism conducted to a fast development of Tourism Economics over the last two decades. Tourism is internationally a key industry and the most important sector in many economies. According to the United Nations World Tourism Organisation (UNWTO), over the past six decades, tourism has experienced continued growth and diversification to become one of the largest and fastest growing economic sectors in the world. The World Travel and Tourism Council (WTTC) estimate

that tourism contributed 9.2 per cent of global GDP and forecasts that this will continue to grow at over 4 percent per annum during the next ten years to account for some 9.4 per cent of Gross Domestic Product (GDP) – WTTC (2010), cited in Dwyer and Spurr (2010). Over time, an increasing number of destinations have opened up and invested much in tourism development, turning modern tourism into a key driver for socioeconomic progress (Dwyer and Spurr, 2010). In fact, tourism has become a global force in terms of economic growth and regional development and holds a mix of benefits and costs, making an important contribution to tourism policy, planning and business practices.

The specific situation of Algarve (Portugal), for example, may be presented as one of the best destinations on the area of beach and golf segments. In this region, tourism has become the most important activity for the regional economy¹. Algarve is internationally recognized as Portugal's main tourism destination, allowing the relax and joy of the golden sandy beaches, the beautiful design and quality of the golf courses, the pictorial villages and the taste of seafood in the regional restaurants. The weather, in general, is enjoyable all the year and there are excellent tourism facilities.

In this paper, anti-commons theory is presented and a discussion over the tourism problems involving this theory on bureaucracy problems is made, having Algarve (Portugal) as scenery to analyze this situation. The aim is to show that, based on the experience, it is possible to learn and to improve wealth reducing the bureaucratic barriers and the number of exclusion rights assigned to a set of agencies, who deliberate on the procedures needs, procedures circuits, procedures' verification and, in general, participate on the approval processes.

2. Anti-commons Theory and Tourism

There is an old discussion around property rights. Property rights are constantly investigated once much discussion may happen from the difficult definition of the boundaries of several property rights situations. As stated in Coelho, Filipe and Ferreira (2009), ambiguous concepts blur analytical and policy prescription clarity. For the analysis of this subject and clarification of the conceptualization on this area,

see Filipe (2006), Coelho, Filipe and Ferreira (2009) or Filipe, Ferreira and Coelho (2011).

In property rights field, it is possible to define the actions that individuals can take in relation to other individuals regarding one object: if one individual has a right, someone else has the corresponding duty to match that right.

Anti-commons theory has appeared representing the idea of an excessive partition of property rights. This theory has appeared in the 80's of last century, introduced by Michelman (1982). In the last years of the 20th Century several ideas about this new problem around property rights have emerged in which too many rights of exclusion and a reduced level of utilization of the resource are present. Many examples have been given in the areas of pharmaceuticals, intellectual property, or natural resources, for example. When Michelman (1982) presented the notion of "anti-commons", he defined it as "a type of property in which everyone always has rights respecting the objects in the regime, and no one, consequently, is ever privileged to use any of them except as particularly authorized by others". Considering the anti-commons conceptualizing, Buchanan and Yoon (2000) wrote that the anti-commons concept helps to explain how and why potential economic value may disappear into the "black hole" of resources underutilization.

The description of the "anti-commons" settings makes evidence of the lack of efficiency in several situations in which each one of several owners with property rights over a given resource has no effective rights to simply use the resource (and also, each one has the right to exclude other agents from its utilization) or to use it properly.

If property rights are too dispersed and complementary factors owners are unable to come up with efficient agreements, a "tragedy of the anti-commons" may happen (Heller, 1998; Bergstrom, 2010).

As seen in Filipe (2014) anti-commons tragedies conceptualization allow to join, in a unifying framework, a construction that reflects a set of coordination failures in very distinct areas, such as patents, telecommunications, eminent domain, tourism, pharmaceuticals, intellectual property, natural resources or bureaucracy, for example. Overcoming these failures may be difficult, often brutal, but solutions can be got, by understanding the problems and finding the solutions on the available set of

¹ Tourism and related services are around two third of the regional economy.

strategies for agents, sometimes considering administrative solutions to overcome the problem. The ability for one person to veto a solution drastically increases the obstacles to get a solution. Vanneste *et al* (2006) say that anti-commons may well lead to ‘disaster’.

In Tourism Economics the discussion around anti-commons in tourism can be found recently for authors as Candela and Figini (2010), Andergassen, Candela and Figini (2013), Candela, Figini and Scorcu (2006) or Álvarez-Albelo and Hernández-Martín (2009), for example. Candela and Figini (2010) show that a tragedy of anti-commons may, in fact, be present in tourism, once three dimensions of the coordination problem may be taken into account on this area: the coordination in quantities, the coordination in quality and the coordination in prices (for more details see Candela and Figini, 2010). The Ammaia specific project in Portugal allows a discussion around this subject of anti-commons problems (see Filipe, 2014).

3. Algarve as Tourism Destination

3.1 The territory, its geographic and administrative division and the economy

With a total area of 4,995 square kilometres, the Algarve is the most southern region of Portugal. Occupying 5.4% of the total area of the national territory, this region borders Alentejo to the north, to the east it is separated from the Spanish Community of Andalusia by the Guadiana River and the west by the Atlantic Ocean. In spite of being a small region, the Algarve occupies approximately one fourth of the coastline of the Portugal mainland. The quality and diversity of its natural resources, generally well preserved, are recognized internationally. The city of Faro is the capital of the region. The Algarve is divided into 16 municipalities (Albufeira, Alcoutim, Aljezur, Castro Marim, Faro, Lagoa, Lagos, Loulé, Monchique, Olhão, Portimão, São Brás de Alportel, Silves, Tavira, Vila do Bispo and Vila Real de Santo António). Algarve has natural characteristics associated with its geology, quite unique to the region, being possible to identify several “sub-regions”, which are associated with different economic activities.

The “Serra” (Mountains) is almost an amphitheatre open to the ocean that separates the Algarve coast from most of the rest of Portugal. It is in this region that most of the more traditional activities are developed in Algarve, usually attached to forest

resources and some agriculture, with a low rate of human occupation and occupied by the older generation.

The “Barrocal” zone is the intermediate zone (between the coast and the mountains), it has very favorable conditions for the development of some agricultural activities and close to major urban centers, it has become a very attractive region for locating economic activities.

The region further south is the “Litoral” area (coastline) is the most sought for the development of economic activities (predominantly related directly or indirectly to tourism, since this is the main engine of the regional economy) or the largest source of employment.

In the extreme east and west of the region there are the “Costa Vicentina” and “Baixo Guadiana” areas, both with low levels of employment, in general employments held by older people (over the Baixo Guadiana) and with weak economic dynamics and usually closely associated with the endogenous resources of the primary sector.

3.2 Algarve – An Important Tourism Destination

In general, the theoretical developments in Tourism Economics are based on the systemic nature of tourism and on the big heterogeneity of the tourism activities. Tourism presupposes a strong net of relationships among the economic agents in a complex system of interactions among local, regional and national levels of governmental agencies, firms, tourists and residents. In this sense, tourist products necessarily include a set of heterogeneous and complementary goods and services, supplied by firms belonging to different industries which are mainly, but not exclusively, located in the tourism destination.

In Algarve many activities depend on tourism. Many tourism products are provided and a strong demand is got each year. Particularly, since the 1960s, Algarve has become an important destination for European people. Algarve became a very popular destination for tourists, mainly from Britain. Since then, it has become a common destination particularly for Germans, Dutch and Irish people. Many of these tourists have their own properties in this region. There are Algarve-based English-written publications and newspapers specifically addressed to this community. In addition to the natural beauties and

ample beaches, the Algarve has invested in the creation of a network of golf courses. The Algarve is a popular destination, largely due to the beaches - many of them very well known abroad - a Mediterranean climate, safety conditions, a tasty cuisine and also relatively low costs. It is also popular for religious tourism.

Algarve's gentle climate attracts the interest from Northern Europeans wishing to have a holiday home or residence in this region. Considering that Algarve is a region of Portugal, and therefore belongs to the European Union, any EU citizen has the right to freely buy property and reside with little formality in the Algarve. British, followed by German, Dutch and Scandinavians, are among the largest groups wishing to own a home in this sunny region of Portugal.

Tourism plays an important role in the economy of the Algarve. A large number of seasonal job opportunities are tourism-related and are fulfilled by many immigrant workers from countries like Brazil, Ukraine and Cape Verde, among others.

In March 2007, the Minister of Economy, Manuel Pinho, announced the creation of the "Algarve" brand, as a part of a strategically promotion of the Algarve as a tourism destination for foreign citizens.

Additionally, many owners that have a second house or are away for any reason intend to rent their properties. As the region is very demanded for tourism the rental sector became very attractive.

Taking into account that the tourist destination is, in essence, a travel destination that gets the attention of a large numbers of tourists, visitors may come to visit these destinations to enjoy the beaches, to see historical sites, natural wonders, etc. Some tourist attractions also include many activities and souvenirs that are often got on these destinations. In tourism, the "space" plays a fundamental role (Leiper, 1990), being Algarve recognized as a beautiful and warm place to enjoy the space, reason by which it is a very strong tourism destination in several segments.

In Leiper (2004), tourist destinations are defined as "places where travelers choose to stay a while for leisure experiences, related to one or more features or characteristics of the place – a perceived attraction of some sort". According to the view of Cooper *et al* (2008) for territorial system, Algarve represents a territorial system supplying tourism products to satisfy the complex tourists' demand needs. Accordingly, Algarve has a sort of common features

as destination region providing a variety of touristic products, allowing significant economic value accumulation for the regional economy.

Considering the features of Algarve destination, there are some interesting notes about, namely:

- In the region there is a significant tourism seasonality, being the demand for beaches the main strength of Algarve tourist economy.
- Sometimes an important part of the Algarve carrying capacity is reached, mainly in several specific areas of the region. In these circumstances, the overuse of specific common resources creates unsustainable conditions for a pleasant use of these common resources.
- Often, tourists and residents compete for a limited amount of available resources. In the region it is usual that in some seasons, particularly in Summer season, goods become more expensive considering the strong demand, and also the conditions for using the beaches become worse and often an overcrowded capacity is reached.
- There is anyway a different sort and variety of products offered in the region which compose the "regional tourism product", often being of different segments but trying to get homogeneous products for these specific segments what allows to preserve specific products in the region, targeting different touristic publics. This offer allows to guarantee a compatible quality permitting to get the economic success of the different products in the region destination.
- As Andergassen, Candela and Figini (2013) point out - and matched for Algarve - tourism supply meets demand in the destination; environmental and cultural resources, attractions and the hospitality industry are located in the destination; the demand for tourism is revealed in the destination; tourism destination is the conceptual link between:
 - the complexity of the sector, the complementarity and substitutability of the many goods and services of which the tourism product consists,

- and the supply of available local resources.

Algarve has reached an important position in the international context of tourism destinations, pleasing the demand in the different requesting contexts. Considering that there has been a strong specific demand for local rental sector, matched by different kinds of offer (apartments, houses, villas, hostels,...), the main point is now to reflect about what will happen with the legal changes in the sector, considering the proposal of Portuguese Government for Local Rental regulation.

4. Local Rental Sector

4.1 A New Legal Framework Scenario for Local Rental Sector in Portugal

Learning from past experiences, it is usual to say that in Portugal the bureaucracy mines activities, the business creation processes and the procedural requirements needed for economic activities. It is usual that administrative procedures create a web of customs that bring difficulties for those who want to develop activities, also often too many documents are needed to cope with the current life situations.

In general, administrative procedures are exaggerated and bring economic problems leading people to lose a lot of time with administrative matters which in general are absorbing too much time and resources. Some cases are often singled out as paradigmatic as construction licenses, projects approval in various areas, namely aquaculture or in restoration, the creation of enterprises, etc. There is a wide background and experience of excessive bureaucratic procedures in Portugal which in general have brought very bad economic results.

In the present case study of local rental in Algarve, lawmakers seem to want less bureaucracy in this sector. Registration of local accommodation will become mere prior communication to the City Halls (according to the previous version of the new Decree-Law ruling this sector). Anyway Portuguese Government is fixing a maximum of nine apartments for rent and provides for fines up to 35 thousand euro, according to this prior version of the Decree-Law for illegalities.

Local rental is already under the previous Portuguese Legislation. The figure of the local accommodation

was created by Decree-Law No. 39/2008², to enable the provision of temporary accommodation services in establishments which do not meet the requirements legally required for tourist resorts (for the purposes of that Decree-Law). According to it, the registration of the local accommodation is yet required and is a responsibility of local authorities.

In the expression local accommodation establishments (in Decree-Law nº 39/2008) were considered the villas, apartments and other accommodation establishments with authorization to provide temporary accommodation services, with remuneration, but not meeting the requirements to be considered as tourist resorts. The local lodging establishments had to comply with the minimum requirements of safety and hygiene set by joint Ordinance of government officials responsible for the areas of tourism and local administration.

The local accommodation establishments which met the requirements provided had to be registered at the Town Hall of the respective area. Only the local accommodation establishments registered in the Town Halls of the respective areas could be marketed for tourist purposes either by their owners or by travel agencies and tourism. The municipalities had to provide to the *Turismo de Portugal, I. P.*, the computer access to the register of local accommodation. The establishments referred to in this Decree-Law had to identify as local accommodation and could not, under any circumstances, use the qualification of tourism, nor any system of classification.

Considering these specifications, there is a set of legal procedures which make that often only a part of entities that explore the business in a structured way are under the fiscal system and have the business formally created. Many situations in the sector exist for which the activity is not legalized and consequently they pay no taxes.

² This Decree-Law established the legal regime of installation, exploitation and operation of tourist resorts, by revocation of the various diplomas that previously regulated this matter and by bringing together in a single law the provisions common to all activities in this area. This Decree-Law intended a flexible classification system. However it enforced a set of minimum requirements for each category and enumerated a set of optional requirements allowing to achieve the score needed to obtain certain category. At the same time, the requirements for periodic review of the rating were introduced, predicting a quality control performed not only by tourism offices but also by other accredited entities for this purpose.

The Portuguese Government is now creating new rules and creating new penalties for infractions. Simplifying and “debureaucratizing” the rules of local accommodation is the buzzword in the new law that is being prepared by the Portuguese Government. Among the new rules under consideration is the transformation of the current registration of houses for rent to tourists in a mere advance notification addressed to City Hall. But each owner will be able to explore just nine apartments, otherwise falls on the law of tourist resorts.

As mentioned above, the strengthening of fines is also an aim of the Portuguese Government: the accommodation locations that are not registered or with outdated records risk fines between 3,741 and 35 thousand euro, depending on whether being individuals or corporations.

The new legal framework creates a new type of establishment, the “guest-house” - part of a house or an apartment rented to tourists.

These are some of the measures included in the latest version of the diploma (Monday, 19th May 2014) that will regulate local accommodation. The new rules will be approved later by the Council of Ministers (expected to be approved by the end of June) and that can still suffer adjustments – are expected to be applied this year, adjusting the properties for rent to tourists to the functioning of the market.

The revision of the legislation seems to respect the principle of reducing the bureaucracy in the tourism sector (the registration will be replaced by a prior communication to the City Hall) and freedom of initiative (the government aim seems not to be limiting or prohibiting the existence of local accommodation; however, theoretically it is difficult to discuss the problem involving politics, which is not anyway the aim of this study).

4.2 The Local Rental Sector in Algarve

As already seen, Algarve is an important destination for Portuguese and for foreign tourists. Accommodation in the Algarve ranges from high rise resorts in places like Albufeira to traditional guesthouses, located in the small towns and villages surrounding the Algarve coast or even apartments or villas. Over the past 50 years the Algarve region has registered an important development, particularly in tourism activities. Over the past few years many tourists visiting Algarve have moved away from the resorts, and have chosen the comfort of a traditional

Algarve guesthouse. Many of these people came from England, Holland, or Germany who have escaped to the Algarve region for a higher quality of life.

Algarve has developed the segment of local accommodation once it proved to be very profitable. The tourism demand has reached very high levels and as a result a strong supply for this kind of local rental in the market is a reality (as it is the case for example for apartments).

Besides, it is factual that the vast majority of these rentals do not comply with their tax obligations and has been normally out of the legal system. Once the sector in Algarve is quite important, the tax losses are very significant, being this situation one of the reasons why the Portuguese Government is currently preparing legislation. It intends to bring to the legal system many of these rents in order to tax the incomes that have been away from the legal system and to establish a strong control scheme in what relates to the prevarication on this kind of practices.

5. Discussion

With the new regulation, villas and apartments rented for short periods of time will be entered into a register agency what will facilitate rents control. A new National Register of Local Accommodation (RNAL³) is being prepared in order that all the buildings rented to tourists are registered there. This implies a licensing in the Portugal's Tourism Agency⁴ and at the same time a declaration of commencement of activity in the Ministry of Finance Department for taxes effects, through the use of a CAE⁵ (Economic Activity Code) specifically for this purpose.

The new regulation aims that rentals not declared for taxes purposes may be eradicated, ending tax evasion and unfair competition in the tourism sector. These villas or apartments are frequently advertised on the internet⁶ and beyond the control of the Portuguese authorities.

In addition to the supervision by the tax authorities, new requirements such as cleanliness and quality of facilities will be also required, being ASAE^{7,8} (Food

³ *Registo Nacional de Arrendamento Local.*

⁴ *Turismo de Portugal.*

⁵ *Código de Atividade Económica.*

⁶ Often the entities that advertise are international companies that do not pay taxes in Portugal.

⁷ ASAE - *Autoridade de Segurança Alimentar e Económica.*

and Economic Security Authority – a branch of the Criminal Police) the entity responsible for the surveillance and inspection of these activities in the sector.

One of the main objectives is to create a kind of mega database of accommodation places, forcing the Local Authorities to send the communications on registration to the Portuguese Tourism Agency *Turismo de Portugal*. In this way this process will facilitate the cross-checks with the taxes authorities that will tax the incomes of this activity in a normal way.

Beyond the tax discussion another matter is considerably important involving the discussion. The excess of rules destroy value as far as the creation of reasonable administrative processes in the system brings new behaviours and a more efficient management of the sector's structures and logistics.

It is possible to enhance value by creating correct requirements to citizens, generating an acceptable level of administrative demanding. Besides, involving a more general analysis, as far as taxes are put in a correct level the sector may develop in a more structured and organized way creating new strands of business development, although if there are not excessive requisites created for the activity.

This legal regime is applied to 4 types of accommodation: apartments, villas, lodging establishments and guest-houses (part of villa or apartment). Nine apartments are the limit for each owner. Otherwise, it will be considered as tourist resort. Apartments registered in the spouse's name, descendants and ascendants of the owner or holder of the exploitation are considered for this effect. These are some of the foreseen measures that apparently intend to supervise the sector efficiently and fairly. Moreover all the measures needed to be accomplished by all the agents involved in the process, if applicable in a sensitive manner, may make the sector to compete fairly and bring add of value for all the parts implicated in the sector operation.

Nevertheless, it is not clear that the administrative procedures will be simplified and that there will be less bureaucracy. The practice will respond to this situation but the last effect is not clear. If some of the processes will not be expedite, the bureaucracy can

bring the well known face of losing. Garrido (2014) states that the worst situation may be feared with the legislation expected for the sector: regulation and more regulation, documents coming and going, authorizations in “thousands” of departments. [...] this will destroy the small businesses. The last result will be less income and less innovation, with income gains for the ones who are already installed in the structured part of the activity. In that case, the bureaucracy may be attacking, destroying value and ensuring rents. All this may happen in the guise of combating tax evasion and unfair competition.

In fact, a set of new requisites has to be accomplished by the local accommodation owners. Requirements such as the number of cleanings registration, smoke evacuation equipment, book of complaints or a mandatory card at the door of the house are some of the requirements of the new law (see Garrido, 2014). The ASAE will work together with the Treasury to ensure that these requirements are satisfied.

If there are too many requirements to be satisfied, the costs of renting a house to tourists may increase considerably and in these terms many houses will no longer be available on the market to be rented.

Anyway, the final result is ambiguous and difficult to understand at this moment.

6. Concluding Remarks

In several countries in which tourism is a fundamental activity, the framework of anti-commons is a possible tool to methodologically deal with tourism problems.

Tradition shows that in Portugal the bureaucratic weight is very high. Wealth creation often depends on multiple processes, lengthy administrative circuits and many agents from whom the approval of processes depends on. Decision-making on a set of establishment's licenses and projects' economic exploitation involves too many agents, what brings frequently many problems to effective results achievements when the use of resources is considered within this field.

These excessive administrative procedures lead to heavy losses of value and economic wealth and to the frequent destruction of social projects or inhibition of the development of interesting projects to the communities.

⁸ Specialized national administrative authority within the framework of the food security and economic surveillance.

In the case of local rentals, a huge loss of tax revenue has existed in Portugal for long time because homeowners did not legalize their activities in this local rentals business.

Various administrative procedures use to be required but above all the lack of supervision and the lack of effective penalties to offenders have led to this situation. Although the bureaucratic procedures are much more demanding for tourism resorts, requiring the authorisation and inspection of multiple agents, also the process of implementing an accommodation place on local rental system is not easy, and depends on various bureaucratic associated procedures.

Based on the experience, have the Portuguese authorities learned the lesson on the simplification of procedures and decision processes regarding registration and business implementation? Local rental sector is separated from tourism resorts particularly in terms of administrative processes. On that basis, the Government proposes a Decree-law - to be approved by the Council of Ministers, after discussion - which predicts the existence of simpler and more realistic procedural practices. If the Portuguese Government main goal is to obtain greater tax revenue, the truth is that by stimulating the activity a new strand to the formal economy is given, which may correspond to an increase of integrated activities in the region. Anyway, the way procedures will be implemented are not clear for the moment.

A question remains: what will be the final result?

The reduction of procedures in a reverse logic of the tragedy of the anti-commons allows reversing the destruction of wealth that can be seen in many situations when the addition of bureaucracy is evident.

There a "Drama of Anti-Commons" may be seen in the sense that the "tragedy" happens for practical implementation of excessive bureaucratic procedures as well as there may be "comedies" through the reversal of processes, reducing the administrative charges and the decision-making circuits. With the reduction and the reversal of excessive processes, a "comedy" may happen in the sector with an increase in value for the region in terms of the wealth produced and with the integration of activities, broadening the range of beneficiaries of the introduced measures.

On the case of local rental in the present study, the question seems to be kept unanswered. In terms of the theory of anti-commons, a logic of "comedy" can be the corollary of the problem resulting from a learning process that leads to the adoption of a smaller administrative and bureaucratic assignment. But this is not evident yet. The final result will depend on the way the process of implementation of the measures and the way how the control and surveillance system will be working on. In fact, there may be:

- an increase of value/wealth, providing a "comedy" resulted from the inversion of the logic inherent to the processes associated with anti-commons;
- or the contrary, if the administrative procedures rise significantly and difficult the exploitation of the business.

References

- [1] Álvarez-Albelo, C. D. and Hernández-Martín, R. (2009), The Commons and Anti-commons Problems in the Tourism Economy, Document de Treball XREAP, 2009-16. University of La Laguna.
<http://www.recercat.net/bitstream/handle/2072/43034/XREAP2009-16.pdf?sequence=1>
(assessed on 07/05/2014).
- [2] Andergassen, R., Candela, G. and Figini, P. (2013), An economic model for tourism destinations: product sophistication and price coordination, *Tourism Management*, 37, pp 86-98.
- [3] Andergassen, R. and Candela (2012), Development strategies for tourism destinations: tourism sophistication vs. resource investments. *Economia Política - Journal of Analytical and Institutional Economics*, 29, 173-191.
- [4] Andreiychenko, O., Girnius, A. and Shasa, A. (2006), Complementary goods: prices and consumer welfare under duopoly and monopoly. *International Journal of Economics and Business*, 13 (3), pp 373-386.
- [5] Bergstrom, T. C. (2010), The Uncommon Insight of Elinor Ostrom, *Scandinavian Journal of Economics* 112(2), pp 245-261.

- [6] Berkes, F. (1998), Dialogues of the Commons: Emerging Directions for Jointly Used Natural Resources. IASCP Presidential Address to “Crossing Boundaries”, 7th Conference of the International Association for the Study of Common Property, Vancouver.
- [7] Briassoulis, H. (2002), Sustainable Tourism and the Question of the Commons, *Annals of Tourism Research*, 29 (4), pp. 1065–1085.
- [8] Bromley, D. (1991), *Environment and Economy*. Cambridge: Blackwell Publishers.
- [9] Buchanan, J. and Yoon, Y. (2000), Symmetric Tragedies: Commons and Anticommons. *Journal of Law and Economics*, 43.
- [10] Butler, R. (1991), Tourism, Environment and Sustainable Development. *Environmental Conservation*, 18, pp 201–209.
- [11] Candela, G., Figini, P. and Scorcu, A. E. (2006), The Economics of Local Tourist Systems, available as working document in <http://www2.dse.unibo.it/figini/Figini16d.pdf> (assessed on 07/05/2014), later published as:
- [12] Candela, G., Figini, P. and Scorcu, A. E. (2008), The Economics of Local Tourist Systems, in R. Brau (Ed.), *Tourism and sustainable economic development: Macroeconomic models and empirical methods*. Cheltenham: Edward Elgar.
- [13] Candela, G., Figini, P. and Scorcu, A. E. (2009). Destination management and tourists’ choice with a two-part tariff price of the holiday. *Rivista di Politica Economica*, 99, 107-125.
- [14] Candela, G. and Figini, P. (2010), Destination Unknown. Is there any Economics Beyond Tourism Areas?. *Review of Economic Analysis*, 2, pp. 256-271.
- [15] Cerina, F. (2007). Tourism specialization and environmental sustainability in a dynamic economy. *Tourism Economics*, 13, pp. 553-582.
- [16] Claeys, E.. (2011). Exclusion and Exclusivity in Gridlock. *Arizona Law Review*, 53 : pp 9-49.
- [17] Coase, R. (1960) The Problem of Social Cost, *Journal of Law and Economics*, 3: pp 1- 44.
- [18] Coelho, M., Filipe, J. A. and Ferreira, M. A. M. (2009), Tragedies on Natural Resources: a Commons and Anti-Commons Approach. School of Economics and Management. Technical University of Lisbon. Department of Economics. WP 21/2009/DE/SOCIUS. Working Paper. ISSN n° 0874-4548. Lisboa.
- [19] Cooper, C., Fletcher, J., Gilbert, D., Wanhill, S. and Fyall, A. (2008), *Tourism. Principles and Practice*, Prentice Hall, Essex.
- [20] Dwyer, L. and Spurr, R. (2010), *Tourism Economics Summary*, STCRC Centre for Economics and Policy, Australia. <http://www.crctourism.com.au/wms/upload/resources/Tourism%20Economics%20Summary%20WEB.pdf> (assessed on 26-05-2014).
- [21] Eber, S. (1992), *Beyond the Green Horizon: Principles for Sustainable Development*. Discussion paper by Tourism Concern. Godalming, Surrey: WWF.
- [22] Epstein, R. A. (2011). Heller’s Gridlock Economy in Perspective: Why There Is Too Little, Not Too Much Private Property. *Arizona Law Review*, 53 (1). pp 51-82.
- [23] Farrell, B. (1992), Tourism as an Element in Sustainable Development: Hana Maui. In *Tourism Alternatives*, V. Smith and W. Eadington, eds., pp. 115–132. Philadelphia: University of Pennsylvania Press.
- [24] Filipe, J. A. (2006), O Drama dos Recursos Comuns. Um caso de Aplicação da Teoria dos Jogos aos Comuns da Pesca. Estudo da Cooperação aplicada à pesca da sardinha nas Divisões VIIIc e IXa do ICES. PhD Thesis presented at ISCTE. Lisboa.
- [25] Filipe, J. A. (2014), Tourism Destinations: A Methodological Discussion on Commons and Anti-commons. The ‘Ammaia’ Project’s Locale Impact, *International Journal of Latest Trends in Finance and Economic Sciences* 4 (2).
- [26] Filipe, J. A., Coelho, M. and Ferreira, M. A. M. (2006a), A Tragédia dos Anti-Comuns: um novo problema na gestão da pesca?. ISEG. UTL. Seminário do Departamento de Economia (N°15/2005/2006). Working paper.
- [27] Filipe, J. A., Coelho, M. and Ferreira, M. A. M. (2006b), The Drama of the Commons: an application of Cournot-Nash Model to the sardine in Portuguese Waters. Thirteen Annual International Conference on Advances in Management (ICAM 2006). Proceedings. <http://icam2006.eg.iscte.pt/>. Lisboa. 19-22 July 2006.

- [28] Filipe, J. A., Coelho, M. & Ferreira, M.A.M. (2007), *O Drama dos Recursos Comuns. À Procura de Soluções para os Ecossistemas em Perigo*. Silabo. Lisboa.
- [29] Filipe, J. A., Ferreira, M. A. M. and Coelho, M. (2011), Utilization of Resources: An ethical issue. The anti-commons and the aquaculture case, in Costa, G. J. M. (Ed.), *Ethical Issues and Social Dilemmas in Knowledge Management: Organizational Innovation*, Hershey, USA: IGI Global.
- [30] Hardin, G. (1968). The tragedy of the commons. *Science*, 162, 1243e1248.
- [31] Healy, R. (1994), The “Common Pool” Problem in Tourism Landscapes. *Annals of Tourism Research*, 21, pp 596–611.
- [32] Heller, M. A. (1998). The tragedy of the anticommons: property in the transition from Marx to markets. *Harvard Law Review*, 111, 621.
- [33] Heller, M. A. (1999). The boundaries of private property. *Yale Law Review*, 108, 1163-1223.
- [34] Heller, M. A. (2008). *The Gridlock Economy: How Too Much Ownership Wrecks Markets, Stops Innovation, and Costs Lives*. New York. Basic Books.
- [35] Heller, M. A. (2010), The Tragedy of the Anticommons, essay adapted from *Chapter 2 of Heller (2008), The Gridlock Economy: How Too Much Ownership Wrecks Markets, Stops Innovation, and Costs Lives*. New York: Basic Books.
- [36] Hunter, C. (1997), Sustainable Tourism as an Adaptive Paradigm. *Annals of Tourism Research*, 24, pp 850–867.
- [37] Leiper, N. (1990), *Tourism systems: An interdisciplinary perspective*. Palmerston North, New Zealand: Massey University Printery.
- [38] Leiper, N. (2004), *Tourism management* (3rd ed.). Frenchs Forest: Pearson Education Australia.
- [39] Ko, J. (2001), Assessing Progress of Tourism Sustainability. *Annals of Tourism Research*, 28, pp 817–820.
- [40] Michelman, F. I. (1982). Ethics, Economics, and the law of property’, in J.R. Pennock and J.W. Chapman (eds.), *Nomos XXIV: Ethics, Economics and Law*, New York: New York University Press.
- [41] Ostrom, E. (1990), *Governing the Commons: The Evolution of Institutions of Collective Action*. Cambridge: Cambridge University Press.
- [42] Ostrom, E., Burger, J., Field, C., Norgaard, R. and Policansky, D. (1999), Revisiting the Commons: Local Lessons, Global Challenges. *Science*, 284, pp 278–282.
- [43] Papatheodorou, A. (2003). Modelling tourism development: a synthetic approach. *Tourism Economics*, 9, pp 407-430.
- [44] Parisi, F., Depoorter, B. and Schultz, N. (2000). *Duality in property: Commons and anticommons*. Law and economics research paper series, N. 00-32. University of Virginia School of Law.
- [45] Parisi, F., Schultz, N. and Depoorter, B. (2004). Simultaneous and sequential anticommons. *European Journal of Law and Economics*, 17, pp 175-190.
- [46] Vanneste, S., Parisi, F., Vanhiel, A. and Depoorter, B. (2006), From 'Tragedy' to 'Disaster': Welfare Effects of Commons and Anticommons Dilemmas, *International Review of Law and Economics*, 26.
- [47] Wachsman, Y. (2006). Strategic interaction among firms in tourist destinations. *Tourism Economics*, 12, pp 531-541.

Internet and Press Documents

- [48] <http://s3platform.jrc.ec.europa.eu/documents/10157/187136/ALGARVE%20REGIONv2.pdf> (assessed on 26-05-2014).
- [49] Garrido, H. (2014). Editorial: Turistas, casas e burocratas, in *Negócios*, 20.05.2014.

Legislation

- [50] Decree-Law n° 39/2008.

This paper has been accepted on June 2014.