

## Rural Tourism: Win-Win-Win Case study: Women Cooperative Gargaliani

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**Abstract:** In this paper public involvement concerned with Rural Tourism-Rural Development is conducted. Involving local people in the development procedure round a local "Flag Theme", is therefore necessary. In particular the paper focuses on sensitisation process as the reaction to given information, which influences the socio-economic behaviour in the bargain.

The main hypothesis is that development may be sighted as the output of the bargaining trends. Paper goals are three: Firstly, it aims to map past research on regional development, related with knowledge creation and individual strategies. Secondly, it offers a theoretical critique of the Nash "win-win" Model. Thirdly, it provides a behaviour approach for rural development (win-win-win).

Key words: Sensitisation, public involvement, flag theme, bargaining strategies-behaviour information.

#### Introduction

## 1.1 The stage of the main discussion

Rural Tourism-Public Involvement: Sensitisation as a form of knowledge creation

The paper deals with the Rural Tourism- Rural Development procedure, as a part of the Development procedure, in which "public participation" is the keypoint.

Public participation presupposes that a methodological approach could be applied in the rural area, by easy steps towards motivating local people and involving the Community.

This methodological approach includes 5 steps, i.e. information, sensitisation, participation, involvement and partnership, in its main version

The paper focuses on "sensitisation" as the main step of the methodological procedure, based on the "bottom-up" approach and the local people motivation, towards developing their place

From this point of view, a definition of "Sensitisation" is given. Flag-Theme is the focus point for motivating local people, thus creating a local "team-psychology"

In particular, the paper deals with "sensitization", as a form of integrated information (knowledge creation and knowledge transfer), based on a 3-person

pure individual strategies' interaction (decision making). It could be concerned as an extension to Nash "non-cooperative game" theory.

It concerns the field of social sciences, especially, social behavior and socialization process, introducing a new methodological tool in planning regional and local development: Based on "links" between "tacit" knowledge and "codified" knowledge, in the framework of neural, regional (and local) networks, it could be proved to be a useful methodological tool for policy and decision makers, in planning and achieving the development process. It has been applied by the author more than 39 times —at empirical level- in promoting a "team psychology" for establishing rural tourism women cooperatives, in Greek rural areas (a case-study is referred).

The concept introduced by the paper may be concerned as a triple synthesis:

- 1. "Sensitisation" is a form of Integrated Information".
- 2. Integrated Information leads to knowledge creation which influences pure "instant reaction" individual strategies *in* the bargain, through the changes in socio-economic behaviour, locally, due to sensitisation.
- Instant reaction individual strategies in the bargain influence the rural development and rural tourism feed-back effect, due to the changes in socioeconomic behaviour, at local level.

A case study "Women Co-operative Gargaliani, South -West Peloponnesos-Greece" from the very recent past (2002) is referred, as an applied form of this "synthesis" which may be concerned as the contribution of the paper.

There is no running scientific discussion on this very specific field (the triple synthesis) I looked for it in "every stone", but I did not find anything.

Scientific knowledge (even the most recent, 2002) in each of the three fields has been used by the author in a synthesis, on which, personal contribution has been based.

The three fields are mainly covered, recently, by the following scientific approaches from different directions:

- 1. Fischer M. M, (2002) "Learning in neural spatial interaction models: A statistical Perspective"
- 2. Kuhn W.H and Nasar S., (2001) "The essential John Nash"
- 3. Guillaumaud J, trnsl, (1963) "Cybernetique et Materialisme Dialectique"
- 4. Papakonstantinidis, trnsl, (2002) "The Sensitized Community"
- 5. Swarbrooke J (1999) "Sustainable Tourism Develoment" GABBI Publishing Ed, London

- Torreta Gullietta (1997) "Sociological Aspects in the Human Resources Management inside the Public Administration" International Sociological Association (I.S.A) R.C 26, special issue, Toronto Canada
- 7. Thirion Samuell: "Flag Theme and Local Development", LEADER Magazine, iss 8 Aug 2000 (p.p 31-34)
- 8. Wilkinson Kenneth (1991) "Social Stabilization: The Role of Rural Society"-International Center for Development Studies –U.C.G –IRL, special issue,

## 1.2 Reference to literature connecting to the suggested idea

Rural tourism is a profitable local activity, in rural areas. So it is necessary, costs and benefits be measured (Gannon, 1990, M'.O.Cinneide, 1991). At the same time, it may be concerned as a methodological tool for an integrated rural development, at local level (Wilkinson, 1992, Swarbrooke, 1999 et alle). In this paper, the "development side" is conducted. Rural tourism may be concerned as an important local initiative, in planning the integrated rural development program, which influences the socio-economic behavior, at local level (Torreta 1997). It is, therefore, necessary, local people be involved in the development procedure, round a local "flag theme" (Thirion, 2000). From this point of view. public involvement at local level, through a ladder of "easy steps" is the key point (Arnestein, 2000). This paper focuses on the "sensitization", as the main step of ladder, as it influences both the direction and the communication of the development procedure. (Papakonstantinidis, 2002). During the first post-war period, N. Wienner (1948) highlighted the art of "cybernetic" suggested by Platonas (427-347 B.C). (Guillaumaud, 1963, p. 17), according to which any system incorporates direction and communication. Wienner (1948) had also suggested that information -as a form of energy-should to be the crucial "link" between direction and communication (Guillaumaud, 1963) Changes in direction may be concern as the feed-back effect coming up from communication (see "reroaction"- Brillouin L, 1955). Alternately, "information" facilitates "tacit" It transfers "tacit" knowledge to "codified" knowledge's externalization: knowledge and then, to the "systemic" knowledge (Fischer M. M, 2002, p 10) through neural networks. Neural spatial interaction modeling (Fischer M.M. 2002, pp 12-14) introduces the organizational knowledge, as a complex interactive process. It is characterized by a continuous and dynamic interaction between the two forms of knowledge: tacit and codified. Human relations are based on the above knowledge division (Fischer M.M., 2002)

From the other hand, socioeconomic relations—as a part of human relations-include the bargaining problem (<u>Kuhn</u>-Nasar, 2001) Despite the rise of the marketplace with millions of buyers and sellers, who never interact directly, one-one deal between individuals, corporations, governments or unions, economists assumed (<u>Kuhn</u>-Nasar S, 2001) that the outcome of a two-way bargaining was determined by psychology and was therefore outside the realm

of economics [zero-sum, two players game- <u>win-lose</u>]. They had no formal framework, for thinking about how parties to a bargain would interact. Each participant in a negotiation was expected to benefit more by cooperation, than acting alone. Nash J.F (1951-introduction) visualized a deal as the outcome of either a process of negotiations, or else independent strategizing by individuals, each pursuing his own interest (<u>win-win</u>).

From a different point of view, "sensitization" is a continuous process, through which a community becomes aware of the capacities and talents of its members as well as the potential of the resources that are available to it and sets a target for local development, and it is the key-point of public involvement. That could be achieved through a "team psychology" local population's spirit round a "flag theme" at local level, providing it with the collective choice and a new value system at local level, or, a step towards public participation (Papakonstantinidis L.A, 2002)

As a methodological tool, sensitization may be concerned as a form of knowledge creation leading to "integrated information", It facilitates tacit knowledge from one person to be transferred to another person, as a "codified message", thus to be incorporated, as a conceptual knowledge, in a cross-road neural, regional, or local network procedure(Fischer M.M, 2002) Conceptual knowledge influences—through the sensitization procedure-individual behavior towards socialization, thus, leading pure individual strategies and the community (as the third "invisible" part in the bargain) towards converging and therefore, developing sensitized strategies, so each of the three parts to win (win-win-win). That is the paper contribution.

## 1.3 Outlining the purpose of the paper: The "Win-Win-Win Model"

The paper based on Nash "win-win" Model, focuses on the sensitisation process, as an instant reaction to given information which influence the socio-economic behaviour, through knowledge creation and knowledge transfer. It aims to converge local people pure individual strategies in the bargain.

Taking part in such a negotiation each member of the community should ask him/her self three questions: what is the best for me? What is the best for me and for the others? and what is the best for me, for the others and for the community? Thus, "converging individual strategies" may be created, forming a solid basis for co-operation between community members and the Community itself (as the third-invisible part of negotiations) thus maximising the socio-economic profit for all the involved parts in a negotiation [pure co-operation, in its limit-point]

In particular, following the previous approach, the suggested form of "integrated information" lets people <u>plan pure individual strategies in the bargain. each of them taking into account:</u>

- · what is the best for me, personally
- what is the best for me and for the others (as it maximizes my personal profit)
- what is the best for me, for the others and for the community as the thirdinvisible part of negotiations

The last one, suggested in this paper —based on "sensitization" - may be proved to be more important than the previous ones, as it incorporates pure individual sensitized strategies, based on the "integrated information" (market, real personal needs, social needs, community needs, environmental priorities etc). It is the result of a soft compromise between individual pursuit and social welfare, as the outcome of a better conceptual knowledge. The three forms of individual pure strategies are corresponded [1-1], to the following forms of the bargaining problem:

- zero sum, two players game (von Neuman and Morgenstern, 1947)- win-lose
- non-cooperative game/pure individual strategies (J.F.Nash, 1951) win-win
- non-cooperative game/pure individual strategies + sensitization: win-win-win

(which is the concept of the proposed "Win-Win-Win Model" as a Nash' "Non-Cooperative Game-N.C.G" extension , based on the critical review of the Nash' "Win-Win Model" (trust theory)

The proposed "Win-Win-Win Model" by the paper, based on a "3-person integrated information" may lead the community members, as well as the community itself to a pure cooperation, towards local development. The suggested "idea" could be applied by the experts, in planning the development procedure in rural areas, especially, in planning the rural tourism development.

(It has been already applied by the author in creating a team psychology, towards establishing women rural tourism cooperatives in Greece, during 1983-2001)

The conclusions of the paper are based on the suggested "integrated information", including "sensitization", through knowledge creation and knowledge transfer, leading to successive coalitions, until the "pure cooperation" situation, as the limit-point of the process, through <u>converging</u> the "pure individual strategies" due to "sensitization".

## Main Body

## 2.1 How to involve the local people through tourism

The purpose of Rural Development (including the Rural Tourism development) is to improve the quality of life of the local population, of a rural region.

Rural Development should be based on the interest and the involvement of the community living area for the reasons, that:

- they know best what are their problems and needs
- they control many of the resources (land, buildings, local products upon which development is based
- their skills, tradition, knowledge and energy are the main resource for development
- their commitment is vital (if they do not support an initiative, it will die)
- they have their own Value System (customs, etc)
- · they have their own communication code
- they have relative links (in most of the cases)

It is easy to understand, that these ideas emphatically apply to the development of rural tourism:

- Tourism can bring real economic and social benefits, to a rural area, but it can also bring real problems. So it is vital to sure, that the benefits are gained and the problems are avoided.
- This is best done by enabling the local people to understand what is proposed by way of tourist development.
- Local people (residents) have a moral right to be involved in the development of an industry, which can bring both benefits and costs to their community.
- Moreover, the involvement of local people may encourage them to take a
  positive role in the tourism initiative.

## Instead of the question:

What can tourism do for me?

then more difficult but necessary is the question:

What can I do for Tourism?

How, then, may the local people be involved in the process of tourism development?

In many European countries there is no strong tradition of what has been called "participated democracy" People in many villages and small towns are not used to taking part in public discussion of proposals, even where these proposals direct affect them. But the trend, toward participation, decision-making or bottom-up development can be observed, not only through Europe, but also all over the world.

Where local people are unusual to public discussion, of such matters, it may be necessary to move towards public involvement by easy steps. This idea was expressed (Arnstein G. 2000) by a <u>ladder</u> which people could climb (diagram 1):

### Diagram 1

partnership

involvement

participation

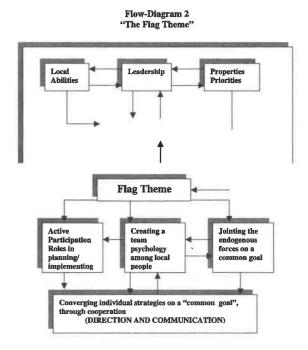
sensitisation

information

To explain the diagram, in a little:

- A first step may be information (in its integrated form-see the "win-win-win model", below), which people are told about possibilities of their area.
- The next step may be sensitisation, by which local are encouraged to reflect
  on the character of their area, the natural, cultural and human resources of
  the area, the ways in which these resources might be used for tourism, the
  kinds of visitors who might come, and the impact that tourism might have
  upon the local economy and environment.
- This may then lead to active participation in the debate upon the development of tourism and in the decisions are made
- This, in turn provoke the direct involvement of people in pursuing and contributing to the tourism development program
- This direct involvement may then form the basis for the creation local
  partnerships or associations which may undertake aspects of the tourism
  development or on the protection and enrichment the resources which are
  associated with it
- Europe is rich in examples of local groups who care for nature reserves, small
  museums, historic buildings and other parts of the natural and cultural
  heritage: very often, part of their work is the reception of visitors. An initial
  interest in developing tourism can lead to an enchase pride among the local
  people for the heritage of their place, including wildlife, local history, historic
  and archaeological places, traditional arts, and crafts, ethnic and spiritual
  riches etc.
- Raising the local sensitivity in this way, can be a major factor in community development and in encouraging a sustainable approach in local life.
- The process of public involvement can be much assisted by training -education

- Where people become interested in their local heritage, in possible entrepreneurial activity, by themselves, or in communal initiates to promote tourism, they may become open to learning more.
- Training may then, be offered by local authorities, local development agencies, on N.G.Os, in topics, as leadership, management, problem-solving, group dynamics, and building partnerships, and links with other organisations.
- There may be opportunities for public education on tourism with a focus on the benefits and costs of tourism, the way of which enterprises can be developed and how to cope with tourists from different cultural and language background
- Having in our mind the ladder of public involvement one might say that the
  top step would be cooperative action. But, tourism, with its small enterprises,
  and the need to link together the many different services, which a visitor may
  need, offer a natural ground for such cooperation
- The idea for such cooperation tends to evolve naturally out of a common need or interest among potential members of a group; it may be expressed in a share vision or a flag theme (see below, the "flow diagram" 2) which motivates the group and sustains their active participation in the developing process, around an "open-discussion theme", at local level, which has the ability to make people to converge their own interests and expectation on this "theme", which is provoked as a "central theme"- See the "Flow-diagram" 2:



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"Flag Theme" is a "central theme" which concentrates local resources, skills, abilities, talents, leadership (which is a "talent"), as well as "priorities" and properties at local level and, in its turn, operating as an incentive, mobilises local people to actively participate in planning and implementing the integrated endogenous, local business plan, as well as to create a team psychology among people and joint local population forces under the "umbrella" of the "flag theme".

Sensitisation may be regarded as the main step of the ladder.

"Sensitisation is a process, through which a community becomes aware of the capacities and talents of its members as well as the potential of the resources that are available to it and sets a target for local development, including tourism development. Thus, sensitisation can be seen as a means of enhancing human communication within a community, leading to community activation and development and hence promoting the principle of sustainable rural tourism development at local level"

## 2.2 The problem

Rural Communities are experienced by underdevelopment, due to the lack of information flow, low level of labor specification, low productivity of labor, low level of invested capital, low population income etc People suffer of a low level of income and living quality. The result may be isolation, coming from the accumulated disappointment of those people, whose choices are exclusively depended on the metropolitan decision making center. (Cinneide M.O', 1991) "Who holds the center, governs with the benefits of occupying the information flow" (Wilkinson K. 1991)

In that case, rural community has to try to succeed the suitable "economic size" for those free market competitiveness reasons, making valuable, its own (natural, environmental, architectural and historical) resources and advantages, therefore, promoting its "local identity" (Gannon A, 1990). The key-point in the development procedure is, therefore, *the* "community decision" as the first step towards social capital accumulation and "social stabilization" (Wilkinson K., 1991) But how?

How Less Developed Area's economies, could be able to break the "poor cycle" in which they should had been trapped?

## The answer should be:

Improving the information flow, through regional and local networks, promoting the spatial diversification (Wilkinson K, 1991) through local innovative applications. Modern Innovation Theory introduces the "knowledge creation and dissemination" at the very center of focus.

This theory emphasizes the interactive and the dynamic nature of innovation and knowledge creation system (Fischer M.M 2002).

Intellectually, "bargaining theory" emphasizes "the interactive and the dynamic nature of human relations in an organized community" (The bargaining theory -Nash J.F, 1951)

Therefore, the analysis of this concept is mainly based on these parallel and concrete "systems", "innovations", with knowledge-creation and "human relations" These "systems" are valuable in explaining the new trends in regional development

It is therefore, necessary, to start with the new trends in regional development policy.

## 2.3 New trends in Regional Policy: Knowledge-creation

Regional Science is a rich discipline at the cross-roads of economics and geography that deals with:

- · urban and regional economics problems
- transportation and spatial interaction problems
- · natural resources problems

The progress made in these three major fields could be summarized in:

- spatial analysis
- regional economic modeling, in particular, spatial interaction modeling and
- · regional development and policy analysis

Research on Regional Development and Regional Development Policy has been developed by two major "Schools of thought" that have participated in the debate on innovation, <a href="knowledge/information">knowledge/information</a> and regional development (Fischer M.M, 2001):

- those, which concentrate on institutions and industrial organizations and
- those concerned with technological change and learning

The first one has been already surpassed by the evolution and the technological change: "Industrial organizations theory " had been a useful methodological "tool" in explaining the development procedure, during the industrial period and the industrialization / urbanization procedure (Poles Theory, Stages of Growth, Balanced and Unbalanced Development etc)

It is estimated, that during the post-industrial period, research on regional development, should be better expressed by the second "School of Thought" concerned with technological change and learning, introduced by the Modern Innovation Theory, in terms of:

- Knowledge creation and dissemination at the very center of focus. This Modern Innovation Theory emphasizes (as the above referred) the interactive and dynamic nature of innovation (Fischer M.M, 2002)
- Innovation is viewed as an institutional and localized –not placeless- social process (Fischer M.M, 2002)
- Following the previous approaches, based on literature, it is concluded that
  considerable advance over the network school of innovation has been made
  by <u>a</u> decisive shift in focus from firm to territory, from knowledge creating
  firm to knowledge- creating territory, (on which the win-win-win suggested
  approach has mainly been based).

## 2.3.1 Innovation and knowledge-creating, as an Interactive Process- Information

A system of "innovation" is "a set of actors or entities such as firms, other organizations and institutions that interact in the generation use and diffusion of new—and economically useful-knowledge in the production process" (Fischer M.M, 2002) There is no general agreement about the specification of the sets of actors and specifications

Following the above mentioned, let us see, now, the "innovation" as an interactive process:

Research is interacted with the general scientific and technological knowledge "pool", based on the "logic" of the firm-specific knowledge.

This "knowledge pool" is interacted with a number of firm-specific knowledge base interactive systems, i.e potential market, invent and analytic design, redesign and produce, distribute and market (Fischer M.M, 2001)

From the other hand, "knowledge" is the most strategic resource and knowledge creation becomes the key for firms to stay abreast of product and process innovation.

At this point, it is necessary to introduce the term of the "organizational knowledge" as a complex interactive process characterized by a continuous and dynamic interaction between two forms of knowledge: "tacit" and "codified". From this point of view, "knowledge conversion" —through "information" channels- are both valuable, for innovation diffusion and human relation progress (Papakonstantinidis L. A, 2003)

Literature (Reinsmann, Fischer, Nonaka, Takeuchi and others) introduced various processes of "knowledge conversion" based on the proved and "build" information systems incorporated in an organization (see bellow, 2.2.3).

Possible cases/orders, between "tacit" and "codified" knowledge produce the four (4) major processes of knowledge conversion:

- Tacit knowledge to tacit knowledge produces the sympathized knowledge (socialization)
- Tacit knowledge to codified knowledge produces the conceptual knowledge (externalization)
- Codified knowledge to tacit knowledge produces the procedural knowledge (internalization)
- Codified knowledge to codified knowledge produces the systemic knowledge (combination)

Each of these processes of "knowledge conversion" corresponds [1-1] to a specific type of information (as a form of <u>human</u> energy) (Papakonstantinidis L. A, 2003), particularly:

- · Social Information-Sensitization
- External Information- Participation
- Internal Information-Involvement
- Combined Information-Networking

In the case of a mathematical problem, able to accept more than one possible solutions, we need more information, so that the number of possible solutions be decreased, until the limit of the "only one solution" (full information).

Concluding, "information"- as a math term- is a function (probability "P") of possible solutions before-Po and after-P the information has been taken. (Guillaumaud, 1963) In the case of a "full information system", we have Po\*P-1 =1 [as the number of possible solutions before (Po) the information has been taken is equal to that, after the information taken (P)] A set (sum) of more than one information, corresponds to a unique multiplication of relations, and therefore is illustrated in a logarithm function, as it transfers a sum to multiplication.

# 2.3.2 Socio-economic Relations, as an Interactive Process: Bargaining Problem

By its turn, each of the specific types of information- corresponded 1-1 to knowledge conversion processes- may lead individuals in four different types (1-1) of human (social and economic) behavior, according to "direction" and "communication":

- Socialization
- Participation

- Public Involvement
- Creating coalitions, or networks

Particularly, information as the tool of knowledge conversion process influences the economic behavior of individuals leading them in planning their own pure individual strategies, in the bargain.

Bargaining is an old problem in socioeconomic theory based on "Utility Theory" A two-person bargaining situation involves two individuals who have the opportunity, either to be competitors each-other (win-lose) [ see "games theory", below], or to collaborate for mutual benefit in more than one way. In the simple case, no action taken by one of the individuals without the consent of the other can affect the well-being of the other one. In fact we there is only one decision Economists (particularly, von Neuman and Morgentern, 1947) assumed that the outcome of a two-way bargaining was determined by psychology and was therefore outside the realm of economics [zero-sum, two players game. Each participant in a negotiation had expected –according to the bargain theory, before 1951- to benefit more by cooperation, than acting alone Equally, according that dogma, the terms of deal had depended on the bargaining power of each. No one had discovered principles, by which to winnow unique predictions from a large number of potential outcomes, under the dogma "contract without competition is indeterminate"

## 2.3.3 A critical review on the Games Theory, in particular on the Nash N.C.G

That is illustrated in the "Games Theory", (von Neuman and Morgenstern, 1947), explaining the strategies which are developed by individuals who have different needs, interests and expectations in a "bargain" and try to maximize individual profits (and, corresponding, to minimize individual costs)

Games Theory may be concerned as the base of strategic plans (good strategies) between two players in its pure version. It is a theory of explaining "reactions" in terms of strategies If the result for the one player is "good", then it should be "not good" for the other. If one player is the winner, then the other should be the looser. (Filinis C, 1973) . Von Neumann and Morgenstern have developed a very fruitful theory of two-person zero-sum games. "... Their book also contains a theory of n-person games of a type which would call "cooperative". This theory is based on an analysis of the interrelationships of the various coalitions which can be formed by the players of the game... Our theory on contradistinction is based on the absence of coalitions In that it is assumed that each participant acts independently, without collaboration of communication with any of the others... The notion of an equilibrium point is the basic ingredient for the N.C games theory. This notion yields a generalization of the concept of the solution of a two-person zero-sum game.....

It turns out that the set of equilibrium points of a two-person zero-sum game is simply the set of all pairs of opposing "good strategies"......" (Nash, 1951)

From this point of view, the resulting sum should be zero, (zero-sum, two players game), but community as an entity derives a zero sum outcome. In other words, the fundamental problem in nowadays is "what is the bargaining social vision, from a zero-sum game?"

Nowadays, it is estimated (new-marxian theories) that the bargaining process, in its social vision has not been finished

Bargaining process has been promoted by the N.C.G Theory: Indeed, the N.C.G Theory introduced a concept of "coalitions" or "trusts" in the bargaining problem: Nash J.F (Nobel Prize, 1994) visualized a deal as the outcome of either a process of negotiations, or else independent strategizing by individuals, each pursuing his own interest.

Following the literature (Kuhn W.H –Nasar S,2001) the n-persons games should have values .A two-person anticipation should be defined as a combination of two one –person anticipations. The one-person utility functions may be regarded as applicable to the two persons anticipations, each giving the result it would give if applied to the corresponding one-person anticipation which is a component of the two- person anticipation. A probability combination of two two-person anticipations is defined by making the corresponding combinations for their components. Instead of define a solution directly, Nash asked what reasonable conditions any division of gains from a bargain would then to satisfy. He then using, under conditions, an ingenious mathematical argument ["An n-person game is a set of n players or positions each with an associate finite set of pure strategies and corresponding to each player i a payoff function pi which maps the set of all n-tuples of pure strategies into the real numbers" (Nash J.F, 1951)] showed that, a unique solution exists that maximises the product of the participants utilities.

#### Conclusions

- · "Nature" is a field of conflicts and cooperation
- "Nature" incorporates "direction" and "communication" (feed-back effect)
- Nature as the complete system incorporates an objective (direction) and an integrated information system (communication), as well as the "bargain"
- Information as a form of energy-facilitates knowledge (tacit and codified) diffusion, leading to innovation, technological change, human relations change.
- Human relations, as a part of natural relations follow them

- In particular, the socio-economic relations —as a part of human relationsproduce —according to the four types of knowledge transferred procedurespecial forms of the socio-economic behavior, i. e socialization, externalization, internalization, networking, under the constraints defined bellow:
- Self-love and power are survival conditions
- Information is a form of energy, equivalent to "power"
- Information –as a form of power- is used by owners, for dominating.

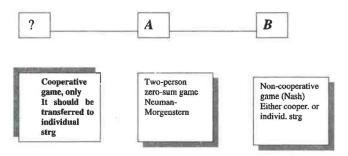
#### By its turn:

- Individuals, are rationally thinking-at any moment- for personal profit
- Any person makes -at any moment- the best choices, for him/herself.
- Individuals try -at any moment- to maximize personal profit
- Bargaining may be concerned as the base of the free market "game"
- This game seems to illustrate the world "deficiencies" in a "new economy" framework: Development in one place, based on the "extension procedure", produces under-development in another place and the question is:

"How the world resources could be managed, by the "new economy" so that to succeed a mutual profit for all the members of the "planet community"?

In particular, the bargaining problem has been explained by the "Games Theory", as:

- 1. Games theory introduced the concept of a "definite game"
- Games Theory is a theory of "conflicts" and "cooperation" -two-person zerosum
- 3. According to (1) and (2) "game" has an "end" (Rule of definition)
- 4. According to (1), (2), (3) a game has at the end a winner and a loser
- Nash proved in his "Non Cooperative Games", (1951) that all the players could
  get to win if they had pure good personal strategies even non-cooperative,
  emphasizing individual strategies, or the side of individuals.
- Nash has also proved the axioms that "in any play of game, one player or the
  other must win, but never both" and "since the game is finite with only two
  possible outcomes and since the players move alternately, with complete
  information, one of the two players must have a winning strategy"
- Neuman-Morgenstern have defined the Economic Behavior in Bargaining, through the "Game Theory" (two-person zero-sum game): Any form of cooperation is transferred to "two-person zero-sum" game, (A) strategy



- Nash, introduced that a deal is the outcome of either a process of negotiations, or else independent strategizing by individuals, each pursuing his own interest
   (B) strategy
- There is an open question coming from the above mentioned theories:

If "Nature" is symmetric then, Nash did finish the process?

#### Let's see this question in a "linear graphic scheme":

Nash "game" has been defined a priori, by strict rules of an "end", as a "competitive game" based on players instant reaction (individual strategies, formulated through given information)

Following the same "idea", a competitive game should be concerned as a "team win-win-win strategies" based on instant players reaction, after the given integrated information, let them create the BEST codified knowledge—each for him/her self

In such a situation, "pure personal strategies" should be the exemption in the bargain, as each of the "parts"—concluding the community, as the third "invisible part" in negotiations—should formulate the best knowledge, through the given integrated information(equal to bargaining power for each of them). But "integrated information" is given through "Sensitization" From this point of view, pure cooperation should be proved to be the result of the "competitive game", in its limit

Life, itself is a marvelous cooperation of about two million "competitive" microelements "chromosomes"

In that situation we have the "only ONE" equilibrium point, which is the "cooperation point", in a non-cooperative bargaining game

## Proposals

 A 3-person non cooperative bargaining game in its limit may be a form of COOPERATION among the involved parts, in its super-dynamic version, as integrated information let them <u>create a 3-band codified knowledge</u>, at the same time i.e

- · What is best for me, in a specific moment
- What is the best for me in relation with the best for the others, at that moment
- What is the best for me, in relation with the best for the others, as well as, in relation with the best for the community, as an entity, at that moment.
- 2. If it should be acceptable, then: Each person should make the best choices —at any time- in relation with the other persons' best choices, from the one hand, and the "community" from the other hand, as the third, invisible part of the negotiations-" The win-win-win game"
- 3. Rural community is the "weak partner" in the bargaining game, in terms of the «collective choice». In the opposite, rural community may be concerned as a good partner in producing and consummating products. This operation is necessary for the system's survival and its extension From this point of view, each "person"-included the Community may be "a possible consumer" thus depended on choices = power in their own possession, in a "reaction system"
- 4. "Rural Community position", in the bargain must, then be strengthened and , also, encouraged by the people's "collective choice", at local level as the result of the <u>Sensitization procedure</u> (at local level)
- 5. "Sensitization" may be concerned as a form of "transferred knowledge" a kind of information flow- let people transform their own "tacit knowledge" to "codified knowledge" thus to complete their "socialization" procedure, at local level, so each of them to incorporate (the mainstreaming Principle) that his "winning strategy" at any moment, passes through the "Community profit", in terms of environmental protection, social cohesion, community identity, cultural identity, mutual supporting, solidarity.
- 6. Thus, "Sensitization" -in the form of knowledge creation and knowledge transferred- may be proved to be a useful (rural and local) planning tool, as in most of rural areas, people are going to get an "urban behavior in a rural bias" (Papakonstantinidis, 2002).
- 7. That presupposes a mutual respect and recognition, among the members of the rural, community In that case, what is need is a "local people sensitization" in order to create a "team psychology", at local level, as well as an integrated local development plan, coming from the base (bottom-up approach)
- 8. The only one "solution" (the equilibrium point, as above mentioned) should be the "pure cooperation, among the parties, at local level" in order to create a strong bargaining "pole", as the result of an "instant reaction" due to given information (transferred knowledge).

9. From the other hand, an "a priori" cooperation, between the negotiators under a legal form, should be concerned a non realistic situation, under the "new economy conditions" A form of a non-cooperative operation, is a more realistic version, under the condition of a non-formal, innate agreement, at local level.

The limit of a non-cooperative bargaining game is a pure cooperation among all the involved parts.

- But local people have the common sense to understand –according to their information- that each of them, acting alone has a little power in planning and achieving successfully individual "winning strategies" in dealing with tour operators or clients in an open competitive market.
- If individuals, living in a rural community, have an equal information, then, it could be possible to understand that, trying to maximize their own profits, during a time period there is a unique moment in which, the "objective function" of each of these individuals, is going to be maximum, if and only if , they decide to transfer the bargaining problem, from a non-cooperative form, to another form, which is the absolute cooperation (in real terms)
- The "Sensitized Harmonic Integrated Endogenous Local Development-SHIELD" is a realistic rural development approach, combining "direction" (integrated local development) with "communication" (sensitized, harmonic, endogenous), according to the S.H.I.E.L.D Model (Papakonstantinidis, 1997)
- Rural Development is a much more complicated development procedure in the framework of the new economy system, as it is necessary to reverse the poor cycle economic situation, due to rural community's small sizes.
   "Production diversification" and "actively participation" by sensitized local people, is the paper proposal
- Bargaining problem is the main problem under the new economy conditions.
   Especially, this problem is impeded the rural development procedure, due to rural community's small sizes and, in its extension, to "little bargaining power" What is needed may be proved to be the "information flow" or , "information diffusion", as information could be concerned as a "form of energy" equivalent to "power", which is useful in the bargaining "game".
- "Information" should be concerned as a complicated term which means, at
  the same time, "know-how" and "action", making the know-how valuable. In
  a non-cooperative world, under the new economy conditions, a full information
  version should be —according to the above analysis- a "3-person" (manifolds)
  thinking: "what is the best for me, for the others and for the community in a
  special moment, under special moment circumstances" The only ONE full

answer to that question, should be the integrated "3-person" information (Po = 1) at the same person.

- Rural development is fully depended on this information: Individuals in rural areas make their own pure strategies, based on a percentage of information. under the non-cooperative "Nash" conditions, with the result of fail and disappointment, as the rules of the new economy are very strict. Indeed, "who holds the information flow, has the power" In a competitive open market, who has the "power" is able to make the "winning strategies". So "power accumulation" leads to "winning strategies" in the bargaining, succeeding more and more "power". Rural community has the only possibility to succeed through local people cooperation "in the limit", in real terms (not in legal). That means "if someone could decide, in a moment, a personal pure strategy, only answering to the question "what is best for me", he should make, perhaps, a winning strategy, but only for one moment, as the next one, under circumstances, he could not make winning strategies, while cut the communication feed-back effect" Thus, Rural Development is based on rural community people, participating in a non-cooperative bargaining, through given information, at a special moment. If they had an integrated information, then it could be proved that the information sum, probably could lead them to the absolute cooperation, even if each of them had its own pure strategy (the non-cooperative game-Nash)
- Integrated Endogenous Local Development in Rural Areas must be based –
  according to our proposals- on Local People "Integrated Information", under
  its double mean ("tacit" and "codified" knowledge and action, motivating the
  knowledge, thus, leading to "socialization") It must have a "direction" (local
  population welfare) and "communication" (feed-back information)
- Integrated information must be given to local people living in rural areas, through the "sensitization" methodological procedure, at local level. "Sensitization" is the first and crucial "step", towards integrated endogenous local development, based on local people's "innate inclinations" which lead to "given roles" in the community development procedure (active "members" of the community, or "active citizens", instead of "individuals", lived in this rural community).
- Rural Community, as an entity -with the characteristic of "small economic sizes"- is experienced by "bargaining problems" in an open market. So, it is necessary for a Rural Community to formulate its "social capital at local level", through a cohesive bargaining policy, as the outcome of a "minimum convergence" of more than one individual pure strategies, in a non-cooperative world environment (Papakonstantinidis, 2000).

 Sensitization as a methodological tool, should be able to create a "team psychology" among local people, thus succeeding, a base of individuals pure strategies' convergence

Sensitized local people, having accepted and adopted a "3-person" integrated information, have, now, more possibilities to lead the rural development procedure to the only ONE winning "sustainable development" strategy, converging individual pure strategies of a non-cooperative "game" (bargaining), to a common development objective. Under the above conditions, convergence procedure of non-cooperative pure winning strategies has in its limit the "absolute cooperation".

## Case study: Rural Tourism Women Cooperative – Gargaliani

Gargaliani is a small town (typical case of a Greek traditional place) in the South-West Peloponnesos, It is the "capital" of Trifilia District (Nomos Messinias) of about 5.500 (2001) habitants [5.953, 1971, 5.430, 1981]

It is located in a plain, near Marathos, a popular destination for both Greek and foreign tourists, but, until 2002 local people were employed, basically in the agricultural sector (oil olives, raisin, vegetables etc.), fishing and tourism activities, during the summer, with a very low average annual income, between 1,500 and 1,800 euro

In November of 2002 the E.U Commission "Local Integrated Program" project organized a 3-months training course for local women related to the challenges and opportunities of rural tourism development

Fifty (50) women took part and this led to the formation of the "Gargaliani Women's Rural Tourism Cooperative, which started with 35 members. The aim of the cooperative was to support the local economy; to provide a supplementary income to women in the area; and to improve the social status and cultural level of women villagers

During the 3-months training course, the "tacit" knowledge was transferred by the EU experts, to these women, in the form of conceptual and then to "codified" knowledge, through the "collective choice game". Coming from different places (sea coast, plain, mountain places) the 50 women had different interests, as well as, different thoughts about the "form" and the kind of cooperative creation. During the course little by little, some kind of training women's coalitions, were being formed, as a "team psychology" between them, was being created . E.U experts encouraged them to develop their converging efforts in this "team", by sensitizing and involving them to the "community" procedure.

One and half month after starting the training course, women had already decided on what they had to do through the collective choice psychological approach:

To create a cooperative mainly engaged in the production of traditional sweets, food and drinks with traditional recipes and pure material to provide authentic and unique tastes.

The cooperative started in the very early of 2003, supported by the new mayor

Among the delicacies they produce, are sweets, "pate" jams and conserves made of seasonal fruit; pastries and other traditional food, cheese pies The cooperative also promotes traditional local customs through organizing weddings, christenings and other public celebrations, planned in a way that marks the area's cultural identity They provide catering services to conferences in and outside the area of municipality (with its local departments) Over the time, the women succeeded in building a team spirit encouraged by a small group of younger inhabitants, who acted as an "animator team" under the supervision of an outside expert (in particular, the author)

Through the game of "collective choice" they found their "flag theme" (Papakonstantinidis, 2002, p. 322-"the magic way" & 2003, p.359) namely, the home-made sweets to promote the local identity and "family games" in preparing meals and sweets which are offered during the first days of August as a cultural activity for tourists. Awareness of local problems needs and resources was raised among the local community. People got involved in the decision making process regarding future development of their area through a "business plan" composed in the context of the "Urban Development" E.U Program/Initiative, formed a Local Action Group and started to ask for financial resources.

Now the women cooperative has 35 women and the average annual income per family gas increased by 2.200 Euro Moreover, young people have begun to return to Gargaliani and the only primary school in the small town which was planned to close, due to lack of children has stayed open.

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