



Regional Spotlight Paper

May we live in less interesting times? Changing public sector support for tourism in England during the sovereign debt crisis

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ABSTRACT

This Regional Spotlight focuses on recent changes in public sector support for tourism in England since the Coalition Government was elected in 2010. It focuses on some of the early consequences of stripping away the long-established regional layer of tourism administration and its replacement with more flexible sub-regional arrangements of Local Enterprise Partnerships (LEPs) and Destination Management Organisations (DMOs). Policy extols the importance of reaping the rewards of the 2012 Olympics, but the recent changes in tourism administration challenge this by creating great uncertainty and by putting responsibility for delivery in the hands of multiple quasi-independent, non-government bodies.

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What's in a word? Well, quite a lot it turns out if it's 'region'. Shortly after the Conservative-Liberal Democrat 'Coalition Government' was elected in May 2010, it announced that regional development agencies (RDAs) in England would be disbanded (Cabinet Office, 2010, p.10). Introduced by Tony Blair's New Labour government shortly after it came to power in 1997, RDAs were to close by April 2012. According to some commentators, it was precisely because of their political connotations that the RDAs were doomed even before the election (Kite, 2010). Others contested their records of achievement in stimulating economic development. Allegedly poor returns on taxpayers' investment made possible savings from their closure all the more attractive in the drive to reduce the United Kingdom's public spending and spiraling sovereign debt (Taxpayers' Alliance, n.d). Where once the region had been advocated as the ideal scale of governance to respond to the effects of globalization and the hollowing-out of the nation-state (Webb & Collis, 2000; Fuller, Bennett, & Ramsden, 2002), this was no longer the case. Instead, according to the rhetoric, new times require new solutions and local communities were to be at the heart of the recovery. Harking back to the Enterprise Zones of neo-liberal policy in the 1980s under the Conservative Prime Minister, Margaret Thatcher, Local Enterprise Partnerships (LEPs) were to spearhead economic development in England. Sub-regional in scale and to a large degree previously untested, LEPs were to focus on

local economic strengths to leverage future investment and promote growth. Interestingly, LEPs would be permitted across existing local government boundaries and allowed to overlap (Mellows-Facer, 2011; Fig. 1).

From the perspective of destination marketing and management, this shift in the preferred spatial scale of economic governance is significant. England had a complex and densely-populated landscape of public sector support for tourism in early 2010 and architecturally this was dominated by the region. Regional Tourist Boards had existed since the Development of Tourism Act in 1969 (Shaw, Thornton, & Williams, 1998, p. 216) and they had been charged with implementing national government policy aspirations for tourism within parts of England (as well as Wales, Scotland and Northern Ireland prior to devolution). RDAs as the strategic lead for economic development not surprisingly worked very closely with RTBs during the last decade. In some cases, they directly invested in their activities while in others RTBs were progressively integrated within RDAs. Arguably then, rather than a clear, well-structured field, the landscape had become a fractured bogage. In addition to RTBs, a number of destination-level groups had emerged at various sub-regional levels including individual resorts, localities (e.g. The English Riviera Tourist Board in Torbay) and counties (e.g. The Cornwall Tourist Board, Visit Devon). In many cases, these local-level organizations built on the long and rich legacy of place brand equity creation by resort bureaux, associations and (regional) railway companies in the early twentieth century (e.g. on the South West of England, see for instance Morgan & Pritchard, 2000). More significantly in the spirit of the current age, such groups intended to capitalize on the benefits of public-private (sector) partnership

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working. However, they were for the most part restricted to existing politico-legal boundaries because they relied heavily on local government funding and hence were accountable to local electorates. Nevertheless, destination management organisations (DMOs) became ever more visible before the 2010 election.

At a stroke then, the abolition of the RDAs sounded the final death knell of the RTB (even if the clapper had been swinging for some time). As the new Conservative Prime Minister, David (Cameron, 2010) argued in a speech to industry leaders,

The old Regional Development Agencies [and hence RTBS] put bureaucratic boundaries over natural geography Now if areas like this want to work together across those old, centrally-imposed boundaries they can.

What is more, the Coalition Government’s tourism policy (Penrose, 2011, p. 21, p. 8) identified the need for ‘new industry-led local tourism bodies’ in the form of ‘smaller, highly focused, industry-led partnerships between tourism firms and government’. In short, the document proposed a greater role for DMOs. They would work collaboratively with the private sector, other DMOs and their respective LEPs in order to leverage investment, stimulate development, and contribute to other tourism policy ambitions set out in the document (Table 1). The private sector is expected to contribute a progressively greater proportion of costs, preferably in their entirety because,

we shouldn’t expect taxpayers to pay for the marketing budget of any other sector of our economy, let alone an industry as large and successful as [tourism] (Penrose, 2011, p. 19).

Somewhat direct and blunt in tone, the document also speaks of a sector,

.....surprisingly dependent on public funds for much of its destination marketing activity.....’, ‘....the danger of “free riding” by firms....’ and ‘.....widespread market failure of investment in collective destination marketing (Penrose, 2011, p. 19).

On one level, this restructuring of governance is presented by government as a great and liberating opportunity. As many academics and practitioners have recognized through countless surveys, visitors do not routinely recognize or restrict themselves to particular geo-political administrative boundaries in their trip experiences or travel behaviours. Destination brands are encouraged like the World Heritage Jurassic Coast which straddles two counties (Dorset, Devon) and two local authorities (West Dorset, East Devon). On another level, however, it has been interpreted as reckless and irresponsible. For the CEO of the British Hospitality Association, the lack of substance on how LEPs may operate and more specifically how supportive they may be of tourism (or not), is deeply unsettling because,

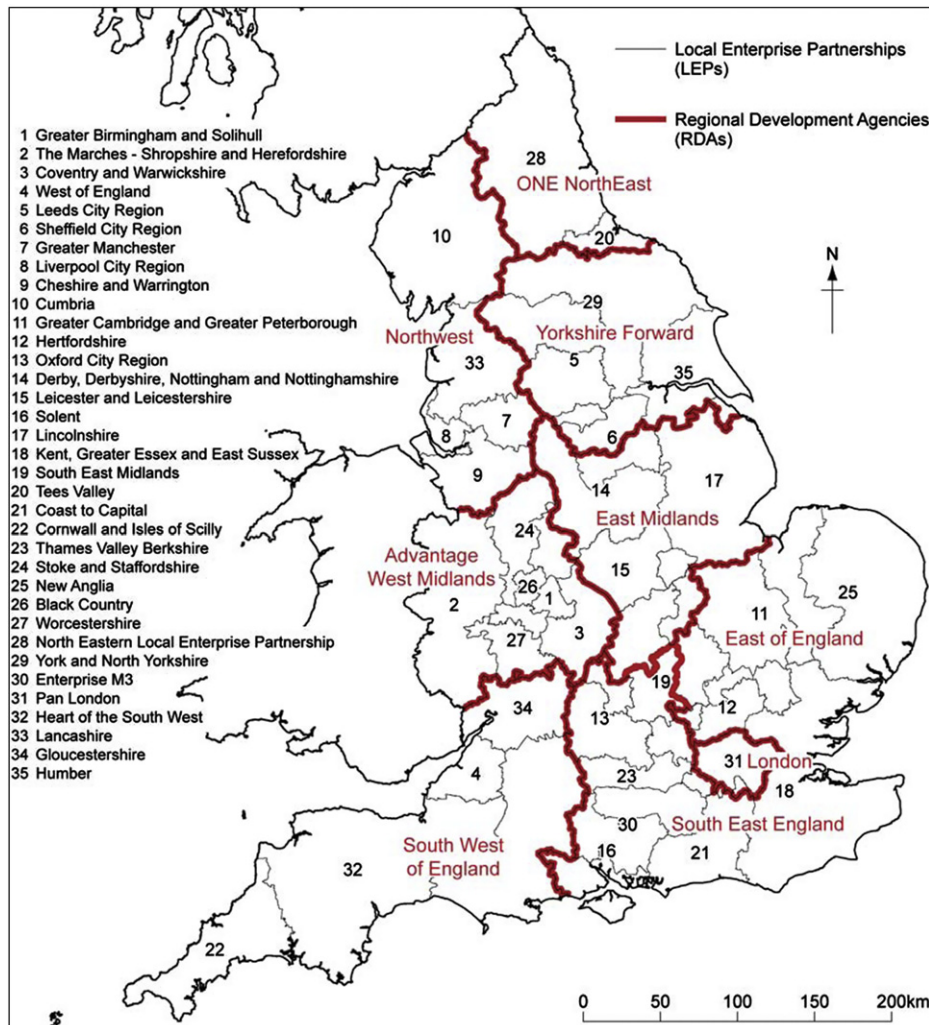


Fig. 1. The location of LEPs with respect to former RDA boundaries in England. Source: adapted from BIS (2011)

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