



## Taking responsibility for border security: Commercial interests in the face of e-borders



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### HIGHLIGHTS

- Examines the implementation of the UK e-Borders border security programme.
- Uses stakeholder analysis to examine this new phenomenon.
- Offer insights into the impact of e-Borders on travel firms' commercial interests.
- Shows how travel firms manage the negative consequences of compliance.
- Implications for research and for travel organizations are explored.

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### ABSTRACT

Security is an important feature of the macro environment for tourism that affects the consumption of travel products. Following high-profile terrorist attacks, UK border security measures have been increased through the implementation of the *e-Borders* programme. This initiative requires passenger carriers to collect and electronically transmit travel document information and service information for any individual entering or leaving the UK. The commercial impact of *e-Borders* on travel firms is investigated by examining the relationships between the affected stakeholders, considering the power and decision making at play, and exploring the outcomes. The *e-Borders* programme is described, and a framework for the in-depth, qualitative study is presented. The findings show that passenger carriers and travel firms manage the negative consequences of compliance and restore their commercial interests by engaging in a process we describe as *recognizing*, *rationalizing* and *refashioning*. The implications for research and practice are explored.

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## 1. Introduction

Tourism research often focuses on individual case studies (e.g., Pearce, 2001), with the consequence that it may fail to consider how wider trends impact on the industry. Yet as a global activity, tourism is deeply affected by phenomena such as globalisation and the networked economy (Witlox, Vereecken, & Derudder, 2004),

while the discretionary nature of leisure travel means that demand is strongly impacted by context (Pearce, 2005). Therefore, research in tourism must take into consideration the macro setting in which tourism activity occurs (Ashworth & Page, 2011).

Security is a key feature of the macro environment. It affects the preferences and behaviours of individual tourists (Hall, Timothy, & Duval, 2004), the activities of businesses operating in the industry (Fuchs & Reichel, 2011) as well as wider perspectives, such as the promotion of regional peace or the control of infectious disease (see Isaac, 2010; Yu, 2012). Therefore, it is common to witness government intervention and policy change in the aftermath of events that threaten homeland security (Birkland, 2006). One important area of government intervention concerns the protection of national borders, specifically decisions concerning who is allowed to cross such borders (Timothy, 2001). Following high profile terrorist attacks in the US, UK and elsewhere, the scrutiny of cross-border

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passenger traffic is deemed essential for blocking the entry of problematic individuals (Salter, 2004) such as terrorists. In the UK, such concerns have led to the development of a wide-ranging counter-terrorism initiative known as e-Borders. Through this initiative, which involves monitoring the movement of people across national borders, the UK Borders Agency on behalf of the government, requires passenger carriers to collect customer identity and behaviour data on its behalf (Whitley & Rukanova, 2008).

From the carriers' viewpoint these requirements represent a major change in the macro setting and have the potential to affect the operational and commercial aspects of their business. When disruptions to the macro environment occur, organizations typically move to protect their commercial position (Smart & Vertinsky, 1984). For carriers, e-Borders has the potential to threaten these interests because of the operational costs involved in implementing the initiative and its potential to damage customer relationships. The industry is already being affected by other major changes in the macro environment, such as the effects of increased Airport Passenger Duty (APD) [ABTA, 2013]; the EU's Emission Trading System (ETS) [European Commission, 2013]; and the challenge from online retail and the breaking up of the travel supply chain. Additional disruption that threatens the status quo by making it more difficult for firms to keep operating costs low will be unwelcome. Furthermore, e-Borders implies a major change in the role of carriers, as well as in the relationship and balance of power between these businesses and the government. Potentially this initiative also has implications for the carriers' relationships with their customers and other stakeholders, including other travel organizations in the supply chain. An understanding of the real cost of e-Borders and how that cost is implemented down the supply chain and spread among industry players is therefore essential.

Consequently, we investigate the following research question: What is the impact of e-Borders on the carriers' relationships with their customers and other stakeholders? In considering the impact of e-Borders, as advocated by Faulkner (2001) and Scott and Laws (2005), we look beyond the phenomena and explicitly consider the effects of the initiative on the system. We do this by examining the interactions between stakeholders at the micro level, in order to understand the impact on affected parties of this macro-level change in the regulatory environment. In line with other studies of stakeholder collaboration in tourism management research (see Arnaboldi & Spiller, 2011), we focus on three broad areas: i) the identification of key stakeholders and their interests; ii) the collaborative process; and iii) the long-term structure and outcomes of the multi-stakeholder process. We use the framework to reveal that carriers and travel organizations engage in a process of *recognizing, rationalizing* and *refashioning* in order to manage the negative consequences of compliance and restore their commercial interests. Although our study focuses on the UK, it is an example of a wider phenomenon of passenger data capture by airlines and so will be of interest to those operating in and researching other territories.

After describing the e-Borders programme and identifying emerging issues, we present the framework around which the study is based. The findings are presented and discussed and the implications for further research and practice are considered.

## 2. The e-Borders programme

The e-Borders programme is a UK government initiative to monitor all movements of people across the national borders and, in this way, 'to support an intelligence-led approach to border control' (UK BA, 2009). It is typical of EU-wide and US initiatives to prevent risky individuals from entering or leaving territories, which have

grown apace since the 9/11 terrorist attacks (Surveillance Studies Network, 2006; 2010).

The programme requires that all travel carriers collect and electronically transmit travel document information – also called advanced passenger information (API, the collection of which is referred to as APIS) – as well as service information, for all individuals travelling out of the EU. Data must be transferred to the UK Border Agency (UK BA), between 24 hours and 30 minutes before travel. The UK BA checks the details against watch lists of individuals judged to pose a risk to national security and analyses the data for unusual patterns of travel behaviour. Where concerns arise, alerts are generated for border staff, including police, immigration and customs officers. Although currently only air carriers are required to do so, by 2014 it is proposed that all air, sea and rail carriers must comply (Home Affairs Committee, 2009, pp. 1–26). As part of the e-Borders programme, carriers are also responsible for collecting data from organizations that sell seats on their aircraft on their behalf. Specifically, travel agents, tour operators and seat brokers are all affected by e-Borders and have developed processes and implemented systems to collect and transfer the required information to the carriers. The e-Borders initiative has encountered a number of problems since its inception. The launch was moved from May to October 2009 after airlines cautioned that introducing the system during the peak holiday season would lead to chaos (Millward, 2009). In turn, the EU warned that freedom of movement within the EU meant that, 'citizens who refused to pass on their personal information could not be stopped from entering or leaving Britain' (Whitehead, 2009, p. 12). This situation has not been resolved. While the EU has suggested that European Citizens may opt out of providing data, the UK has challenged this advice and the two parties are still in dialogue. In July 2010, the government sacked the main IT contractor in the supplier consortium, Raytheon, due to significant delays in delivery (Ford, 2010; Kollwe, 2010). After Raytheon was sacked, new suppliers were brought in on temporary contracts. For example, IBM and Serco were employed to implement the system before and during the Olympic Games in London 2012. While the scheme continues to operate, those involved face changing requirements and considerable uncertainty, as noted by the Home Affairs Committee (2012), who 'remain concerned about progress on the programme'.

The e-Borders programme is symptomatic of what has been seen as a blurring of surveillance processes across public-private boundaries (Surveillance Studies Network, 2006; 2010). Like other regulatory control initiatives, it relies on information gathering, standard setting and behaviour modification (Hood, Rothstein, & Baldwin, 2001). The rationale for involving commercial organizations in a government's national security programme is that these firms have direct contact with their customers, enabling them to collect passenger identity and travel behaviour data. Benneer (2006) argues that non-state regulation works best: (i) when the organizational population is diverse so they can choose their response; (ii) where the information collection burden on the regulatory body would be very high if information collection was not decentralized; and (iii) where the risks associated with regulation are uncertain. If we follow Benneer (2006), from the government's point of view the design of the e-Borders programme, where air carriers have to collect data from other companies and their customers, seems an efficient choice.

However, Coglianesi and Nash (2006) assert that moving regulation to private sector companies has operational implications for these companies, and will 'penetrate and shape what goes on inside private sector firms' (p. 3). Furthermore, Porter and Kramer (2011) caution that whilst regulators can determine the objectives or targets of regulation, they should not mandate the approach to meeting the regulation, which they see as 'blocking

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