

## TOURISM POLICY RESEARCH AFTER THE COVID-19 PANDEMIC: RECONSIDERING THE ROLE OF THE STATE IN TOURISM

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### Abstract

*Over the last thirty years of research into tourism policy, there has been a dominant assumption that the appropriate role of the state in tourism is mostly settled. The state has a legitimate role in the tourism industry, but it is essentially one of 'steering and not rowing'. This assumption has developed against the backdrop of the neoliberal shift towards small states, powerful markets and light touch policy interventions in industry. This research note argues that the measures that have been taken by governments around the world in respect of their tourism industries, in response to the COVID-19 pandemic, are sufficiently significant and long-term to warrant a re-appraisal of the role of the state in tourism. Specifically, this note makes the case for a renewed focus on research into tourism policy in non-Western contexts, where the role of the state has not been as constrained by the neoliberal shift, and for an increase in international comparative policy research, which has been notably absent in the tourism policy field to date.*

**Keywords:** *Tourism policy; COVID-19; neoliberalism; role of the state*

Over the last thirty years of research into tourism policy, there has been a dominant assumption that the appropriate role of the state in tourism is mostly settled. The state has a legitimate role in the tourism industry, but it is essentially one of 'steering and not rowing'. In those countries where this was not the case it was because they had extremely radical, or extremely conservative, governments and this would most likely only be a temporary state of affairs. That there has been a 'shift from government to governance' (Bramwell & Lane, 2011) in the creation and implementation of tourism policy has become almost axiomatic in the literature. Ever more frequently, the solution to problems at every point in the tourism policy cycle has been prescribed to be more governance, and the involvement of an increas-

ingly wide range of stakeholders at all stages. Despite ongoing work in the political economy of tourism that has engaged with more broad issues of tourism's place in the global economy (Bianchi, 2018), tourism policy research has mostly made use of functional models of tourism policymaking (Airey, 2015) in which the state curates a largely value-free cycle of policy formulation, implementation and evaluation.

In many ways, it is not surprising that tourism policy research has continued under these assumptions. Research from the core, Western economies has taken place against the backdrop of the neoliberal shift towards small states, powerful markets and light touch policy interventions in industry. In these contexts, it has become dogma for policy makers to

assert that the private sector knows best how to grow the tourism industry and that the most important role for government is to get out of the way of enterprise and to cut 'red-tape'. The UNWTO and the WTTC, the two most prominent international organisations making the argument for tourism to policymakers and attempting to guide the global growth of tourism from public sector and private sector perspectives, have been instrumental to this. Accelerating this trend, the Global Financial Crisis (GFC) that began in 2007 impacted the public finances to such an extent, that most government tourism policies became further distanced from the intrinsic benefits of tourism and increasingly focused on the 'hyperneoliberal script' (Amore & Hall, 2017) of restructuring, market-driven agendas, public-private-partnership (Chaperon, 2017) and economic growth as the *sine qua non* of tourism development. The growing exception to this view over the last decade has been the call, from academics and civil society, for governments to increase regulation in the face of the climate crisis (Gossling et al, 2020). However, ongoing academic arguments over the ideal balance between economic development and sustainability (Higgins-Desbiolles, 2020) mirror the lack of progress on addressing the climate crisis in tourism policymaking.

More recently, a growing body of research into tourism policymaking and evaluation has emerged, where the formulation of policy does not conform to these assumptions about the role of the state and the centrality of governance for successful policy outcomes. Generally, these have been positioned as outside of the mainstream of tourism policy research and have involved the use of non-traditional research inquiries (Hassan et al., 2020) or have particularly unique development contexts (Jenkins, 2015). Broadly speaking, this research has taken place in developing countries,

emerging and transition economies, postcolonial settings and, importantly, China. In these destinations, combinations of powerful local states, supranational institutions and quasi-public NGOs continue to take the central role in tourism policymaking. This means that their tourism development is taking place in ways that challenge neoliberal convictions about the role of the state and its relationship to markets, especially outside of the governance frameworks that are seen as essential to good outcomes in the global North. Up to now, this research has helped to illuminate the more hierarchical models of tourism governance (Hall, 2011), or at the very least has blurred the boundaries between these categorizations. Mainstream tourism policy research would suggest little could be learnt from these extreme cases, and that the states they were in would develop incrementally (or through upheaval) in a way that would eventual conform to the hyperneoliberal script that dominates elsewhere. However, various crises and the emergence of alternative development paradigms have called the dominance of neoliberalism into question, and Fukuyama's 'end of history' may never have been fully realized. The spread of the COVID-19 pandemic has led to a more widespread interruption of the neoliberal perspective on the appropriate role for the state within tourism, and tourism policy researchers must now respond.

The global COVID-19 pandemic caused by the SARS-CoV-2 virus began in China in 2019 and has progressed to the stage where every region of the world has been affected. This respiratory disease spread quickly through international travel. Tourist facilities that brought together large numbers of people indoors, such as ski resorts and sporting events, have been heavily implicated in its transmission. As governments around the world reacted to the pandemic, tourism became one of the most affected sectors. Between

January to August 2020, international tourist arrivals fell by 70%, meaning that there were 700 million fewer tourists travelling, leading to a global loss of US\$ 730 billion in revenues, more than eight times the amount lost as a result of the GFC (UNWTO, 2020).

The impact of COVID-19 on the tourism industry has been momentous. Major restrictions have been placed on the freedoms of individuals and firms in many destinations, and with rolling temporary lockdowns this has created a hugely challenging and uncertain operating environment for the industry. During this period, many governments have significantly increased their border controls with many important tourism economies, such as Australia and Thailand, imposing temporary bans on both inbound and outbound travel. At the start of the pandemic, many National Tourism Offices (NTO) and Destination Management Organisations (DMO) attempted to pivot their strategies towards increasing the volume and value of domestic tourism, with the hope that this would help to mitigate the worst impacts of these bans. Unfortunately, the nature of the domestic travel restrictions that often followed forced the closures of venues, hotels, restaurants and attractions, and this has meant increasing domestic tourism has only been viable in destinations with very low levels of local infection, such as Japan. In the United Kingdom, which has been badly affected by the virus, domestic tourism is projected to fall by 45-50% in 2020 (OECD, 2020).

Even in the neoliberal economies of the Global North, the state has now taken on a hugely interventionist role in the tourism industry, and this is likely to last for some time. Previous crises affecting tourism such as those prompted by the terrorist attacks in New York in 2001, or by the GFC, have been limited in their duration, with international tourist

arrivals rebounding relatively quickly along with consumer confidence. In these cases, the most common activities for states in the main tourism economies was to continue to act through their intermediary agencies, usually their NTOs and DMOs, to support new marketing campaigns. Additional security and border controls after 2001 added inconvenience to international travel, but did not prevent it, and had very little impact on the industry beyond key transit points. Crucially, the impact of these crises was short-term and did not lead to long-term reconfigurations of the relationship between the state and the tourism industry. The effects of the COVID-19 pandemic on consumer confidence, the devastating impact on individual tourism businesses, widespread job losses, and the industrial restructuring that is likely to follow in the wake of the pandemic mean that the impacts of the crisis will be more enduring, with predictions that international tourism arrivals could take up to five years to recover.

Across the world, the state is now the most important actor in tourism policy-making, exercising its power to open and close borders and to open and close businesses, in a way that was previously only expected of authoritarian regimes. A period of retrenchment from investment in tourism in many countries in the wake of the GFC is being replaced by enormous state intervention in the form of direct funding for the sector. In many countries, the state is paying the wages of tourism and hospitality workers who would otherwise become unemployed, and is subsidizing businesses to prevent them from failing. The very real threat of a destination losing its capacity to meet the demand for future international tourism has sharpened the thinking of policymakers about the contribution of tourism to their economies. It is no longer possible for governments to take tourism for granted and state support for the post-COVID recovery will need to be

massive and sustained over the long term. This will have huge implications for the relationship between the state and the private sector in tourism, as the restructuring of the industry after the pandemic will be accompanied by innovations in industrial policy at the government level.

To fully understand these transformations, it will be necessary for tourism policy researchers to approach them from new perspectives. The previously dominant assumption that a hallmark of a successful tourism destination would be a small, enabling state presence in the industry, and the participation of a wide range of stakeholders in its governance, will need to be re-examined in order to make sense of the 'new normal' for tourism policy. To do this, it will be necessary to look for examples of successful state intervention in tourism. Recent tourism policy research from outside of the core neoliberal economies will be vital in this effort. Case studies abound of tourism policy interventions in non-Western and developing country contexts, and these previously marginal or extreme cases can now become more central in helping us to understand the contemporary role of the state in tourism. Much of this research has previously been seen as highlighting the relationship between tourism and development, but its implications for tourism governance and policy should now be much more clear. For example, the ways in which the Chinese government has intervened to support domestic tourism, creating public holidays and directly subsidizing tourism development away from the prosperous Eastern coast of the country were considered almost heretical from within the neoliberal tourism development script of the West. Now, however, evaluating interventions like these and learning from them should be a priority for tourism policy research that aims to have real-world impact.

As state intervention in tourism increases globally, the political character of the state will become more influential in shaping the tourism industry of a destination. Ideological differences between governments will have more noticeable implications for tourism development as decisions are made about what and who to support, and what the conditions and expectations are for this. With greater international diversity in support for tourism, more comparative research will become possible, and necessary, meaning that tourism policy analysis should come to draw more heavily on theories and tools from the public policy literature and especially that dealing with international comparative policy analysis, which has been noticeably absent in tourism policy research to date. Following the COVID-19 pandemic, tourism policy research will need to reengage with debates about the role of the state in the tourism industry, and the role of tourism within the state.

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