

**A STUDY OF THE ATTITUDES OF TOURISM INDUSTRY PROFESSIONALS
TOWARDS THE FUTURE OF SCOTTISH TOURISM**

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I, WILLIAM REVILL KERR, declare that I am the sole author of this thesis, that during this period of registered study I have not been registered for any other academic award or qualification, nor has any of the material been submitted wholly or partly for any other award. I have personally carried out all the work of which this is a record. The Scottish Hotel School, Strathclyde Business School, University of Strathclyde has delivered the programme of study of which this is part.

Signed

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CHAPTER ONE: INTRODUCTION TO THE THESIS

This thesis is a study of Scottish tourism public policy. It is a particularly appropriate time to have conducted such a study. In the closing decade of the twentieth century, tourism in Scotland generated significant public concerns and controversy regarding its national economic and political significance. In addition, these issues were focused, concentrated, and mutated by political devolution and the restoration of the Scottish Parliament in 1999.

This thesis constitutes an original contribution to knowledge as follows. First, following an evaluation of global tourism performance (Chapter Two) in 1998, it leads to an appraisal of tourism public policy (Chapter Three) then to a detailed survey and description of the state of Scottish tourism in a global context in the lead up to and shortly after devolution (Chapters Four through Five). Specifically, it reviews the development of Scottish tourism to this point in terms of the evolution of institutions, organisations and elites involved in Scottish tourism administration, up to and including the immediate post-devolution period. In addition, it places the recent economic performance of the Scottish tourism industry in a wider international context. This is important because no such integrated contemporary account of tourism in Scotland exists, the best extant commentary being represented by a volume of papers edited by MacLellan and Smith (1998), which, however, tends to the fragmented rather than holistic and takes no account of the impact of devolution on Scottish tourism.

Secondly, the thesis makes an original contribution to knowledge in that it contains, as far as it is possible to ascertain, the first survey of both expert and operator opinion about contemporary policy issues on Scottish tourism. Simply put, the thesis has reviewed the arrangements of Scottish tourism and analyses how recent policy initiatives have evolved and been perceived by members of the industry. The particular salience of this study perhaps lies in the fact that the research embodied in the thesis has been conducted during conceivably the most interesting and volatile period for the Scottish tourism industry.

One contextual factor of importance in this respect has been the emergent debate over the appropriate role of the state in society. This has had considerable impact on the development of tourism and those organisations which participate in it, and is closely derived from the philosophy of the Thatcher era which from the 1980s saw a period of supposed retreat by central government from active intervention in tourism policy (Hall, 2000: 17). For example, by 1985, the Secretary of State for Trade and Industry, Lord Young, was asking why the government should involve itself directly in tourism which he thought was primarily a matter for private enterprise. He believed that the best way to help tourism flourish was for the government to provide a general economic framework which encouraged growth while at the same time removed unnecessary burdens or restrictions, as opposed to intervention (Wanhill 1987: 54-58). In fact, Smith (1998: 44) claims that in 1989 only after the intervention of the Tourism Society (see *The Tourism Society*, 1989: 5-6 for a fuller account) did it manage to avert the high tide of Thatcherism sweeping away most of the UK's tourism support edifice. Despite this, at the national level, policies of deregulation, corporatisation, privatisation, free-trade, the

elimination of tax incentives, and a move away from discretionary forms of macro-economic intervention, were and have been the hallmarks of a push towards smaller government and lower levels of central government intervention in various countries around the world. For example, tourism is not immune from changes in political philosophy in its wider policy environment (Hall, 2000: 17), and, as already noted, what this means in particular to Scottish tourism, particularly in relation to the development of policy, will be developed in subsequent chapters.

Pursuit of the thesis was motivated by a curiosity to understand and explain the dominant issues and controversies in Scottish tourism in the lead up to devolution, which came about in June 1999 after a referendum which took place in October 1998. For the Scottish people this meant a new parliament in Edinburgh, with a devolved administration: the Scottish Executive. It became responsible for education; training and lifelong learning; planning, enterprise development (including the functions of Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), and the Scottish Tourist Board (STB)); some areas of agriculture; some aspects of transport (e.g. the road network; bus policy; ports and harbours); justice, rural affairs, housing and health (FEDS, 2000), and of course tourism.

As much as devolution brought about a wide range of opportunities it also brought with it uncertainty across a broad range of policy issues. For tourism, these were:

- future tourism policy formulation and implementation in Scotland;

- the ministry tourism would be subsumed by;
- the potential difference in tourism policy relative to the rest of the UK (which since devolution means comparisons with other UK countries' policies, and which will be built upon in subsequent chapters);
- the likely influence of interest groups and individuals in the new political environment;
- the role of tourism in the wider economic development firmament;
- the shape of the tourism infrastructure;
- future tourism funding; and
- administrative arrangements for the tourism sector in Scotland

At this point it is worth stressing that not only is there no written down text of a discernable UK tourism policy, there is also no written down text of a Scottish tourism policy. Instead, the notion of tourism policy not only for Scotland, but also for the UK, is implicitly derived from a series of strategy documents, such as those discussed throughout the thesis, which the industry, ministers and others understand to be tourism policy, and it is in this context that this thesis is researched and written.

A distinctive and problematic feature of the thesis is the author's own involvement in the tourism industry at a semi-strategic level. For example, he played an active role in the industry before and during the writing of the thesis, both as an operator (General Manager of a Hotel (also Secretary of a Housing Association in which the Hotel operated)) and as a member of various regional and national tourism and economic development

organisations, and other nationally recognised organisations. These are shown in Table 1.1. Involvement in this variety of bodies culminated, in April 2000, with his appointment as Chairman of Scottish Enterprise Ayrshire (SEA), the Local Enterprise Company (LEC) of which he was already a Director, the objectives of which will be discussed in subsequent chapters. This position also entitled him to participate in Scottish Enterprise (SE) LEC Chairs' meetings and other prestigious meetings, which because of the sweeping changes taking place in Scottish economic development afforded him much privileged information, and also access to industrialists, politicians and civil servants at the highest level (see Chapter Six for a statement on confidentiality in relation to this). In 2001 he also became an advisory member of the Scottish Enterprise Board, and Chairman of the Ayrshire Economic Forum: the Local Economic Forum (LEF) set up by the Minister for Enterprise and Lifelong Learning, Wendy Alexander MSP. .

Table 1.1. Various Positions held by the Researcher during the research.

POSITION	ORGANISATION	DURATION
Chairman (Director of Enterprise Ayrshire from January 1998)	Scottish Enterprise Ayrshire, formerly Enterprise Ayrshire	2000 -
Chairman	Ayrshire and Arran Tourism Industry Forum (AATIF)	1993 - 2000
Chairman	Ayrshire Economic Forum, the Local Economic Forum	2001 -
Vice-Chairman (Committee member from 1997)	British Hospitality Association, Scotland Committee	2001 -
Director	Investors in People (IIP) Scotland	1999 -
Director	Springboard Scotland	1998 - 2000
Director	Business Excellence Ayrshire (BEA)	1998 - 2000
Director	Ayrshire Development Fund Limited (ADFL)	2000 -
Advisory Member of the Board	Scottish Enterprise	2001 -
Committee Member	Scottish Qualifications Authority (SQA) Accreditation's Committee	1997 - 1999
Committee Member	Scottish Disability Consulting Group	1999 - 2000
Ambassador (formerly Business Adviser 1998- 2001)	Prince's Scottish Youth Business Trust (PSYBT)	2000 -

The researcher's position as both an operator and participant in the above organisations involved in the administration of Scottish tourism and economic development sensitised him to ambiguities in the beliefs, views and actions of tourism professionals in Scotland. Put crudely, it was evident that at the tourism industry's grassroots there was deep dissatisfaction with Scotland's arrangements for the administration of tourism. It was equally clear that at both the grassroots and higher, policy-making level, there was a plurality of views as to the importance of the tourism industry and how it might be administered. It is the sources of this plurality at both levels, which generated the questions noted above and led to the formulation of the research embodied in this thesis.

The relevance of these comments to the contribution to knowledge noted earlier is as follows. First, the history of the issues and controversies that have characterised Scottish tourism in the last decade or so is to a large degree the history of the behaviour of government and quasi-government organisations through their policy-making activities. For example, while the state is extremely difficult to define (in fact McCrone, 1996: 16-33, argues that Scotland is a nation and not a state), it is broader in extent than the idea of the government or the bureaucracy. Therefore, an understanding of the relationship between tourism and the state is perhaps best achieved by identifying the main institutions that constitute the state. By this I mean central government (Scottish Executive (and previously Scottish Office)), administration departments, the courts and judiciary, enforcement agencies and other levels of government. In relation to tourism we mean the national tourism organisation, the Scottish Tourist Board (STB) (renamed VisitScotland following the 2000 STB review), and to a certain extent economic

development agencies such as Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE), and other tourism related agencies. An understanding of the development and activities of these organisations is critical to any comprehension of the state of the tourism sector during the lead up to and post-devolution, as is an understanding of their predecessors. Of particular importance, as will be shown, is the interaction between these organisations in terms of remit, complementarity and competition and of the pursuit of specific agenda.

Secondly, and having noted this, it is equally important to observe that such organisations do not exist in a state of grace, but are susceptible to external influences. Organisations comprise people and, in the context of Scottish tourism, the many government and non-government organisations that exist to promote some aspect(s) of tourism, the number of individual opinion formers is relatively small. Contact between these individuals is regular, and the intensity of such relationships, and their rivalries might be supposed to be a fruitful locus for investigation of the processes of policy formulation, provided these are properly contextualised within an organisational/institutional framework. At the same time, all organisations to a greater or lesser extent act as a focus for interest groups (put crudely, 'lobbies'). Indeed, many organisations exist solely for this purpose, and this is no less true of the Scottish tourism industry than any other (for further reading see Handy, 1993: 398-401). In the context of governmental or quasi-governmental organisations and the policy making process, the influence of such organisations is difficult to chart or quantify. Nevertheless, a unique feature of this thesis is an account of how one such organisation, the Scotland Committee of the British Hospitality Association (BHA),

formerly the Scottish Committee, and individually those who composed it, sought to contribute to the Scottish tourism policy-making process during part of the period of study (Chapter Nine). The major characteristic of this case study was that it examined activities of the organisation in the lead up to devolution; from then to the inception of the new Scottish parliament; and in the first years of the parliament's operation. As perhaps the most strategically orientated tourism interest group in Scotland at the time, among who were many of the aforementioned small number of individual opinion formers, the BHA case study offers an object case for understanding issues relating to influencing tourism policy.

Thirdly and finally here, if 'expert' opinion is covered by those working in the specialist organisations referred to above, then a wider distribution of tourism professionals' opinion and its relevance to the wider tapestry of issues and controversies current in Scottish tourism in recent years is equally important. It is represented in this thesis by a survey of operator opinion constructed in such a manner as to be sensitive to the changing political landscape of Scotland in 1998. This is the first such survey of its kind to be available in the public domain in Scotland and acts as a useful means of exploring the relationship between the views of opinion leaders and those at the 'sharp end' of the industry (Chapter Eight).

GENERAL FORM OF THE THESIS

Following on from the general introduction, Chapter Two discusses the impact of global tourism on Scotland while Chapter Three addresses tourism in public policy terms and

sets out a philosophy and framework for the thesis, in terms of theories and approaches. To do so, it analyses a set of political science approaches/theories. On reflection, those perspectives lead to consideration of those most relevant to the thesis and the adaptation of a 'heterogeneous' approach, which seeks to capture those elements of theory most appropriate to examining the key issues in the research.

The descriptive function of the thesis as described in Chapters Four through Five provides an account of the development of tourism policy and institutions with specific reference to the period 1990 - 2001. This is justified because (a) such an account is currently unavailable in the public domain (indeed, constructing such an account is, because of a reliance on primary materials, a necessarily complex task); and, (b) it is a necessary precondition to the exploratory component of the thesis. This part of the thesis constitutes a substantial part of the 'literature review' though in reality it also incorporates large elements of original research defined in terms of the identification, location and analysis of documents and related materials germane to the presentation of a (contemporary) historical account.

The investigative part of the thesis as described in Chapters Seven through Nine has the objectives of:

- exploring the perceptions of policy needs for tourism through the eyes of key policy makers;

- comparing the perceptions of policy makers and interest groups as organisations relative to those of individual professionals working within the tourism industry in Scotland; and,
- examining the role of interest groups in the tourism policy process through a case study of one such group.

In keeping with the implied philosophy of a doctoral study, fulfilment of the descriptive and investigative components of the thesis should generate intelligible material for wider dissemination through publication in the public domain. This process has in fact already begun (Black and Kerr, 1999; Kerr and Wood, 1999; 1999a; 1999b; Barron, Kerr and Wood, 2000; Kerr and Wood, 2000a; 2000b; Barron, Kerr and Wood, 2001, plus the researcher's composition (albeit mainly the draft for the 2001 one) of the BHA responses to Scottish tourism strategy consultations first in 1999 and then in 2001).

For reasons explained in the chapter on methodology (Chapter Six) this thesis does not propose a crude positivistic testing of hypotheses (a proposition that is stated in testable form and that predicts a particular relation between two or more variables) (Pizam, 1994: 96). However, investigative hypotheses, or propositions to be examined, are considered to be important to framing the thesis. These are, as has already been recorded, that in the late nineties there was deep dissatisfaction with Scotland's arrangements for the administration of tourism. There was also a plurality of views at grassroots and the higher policy-making level, both on Scottish tourism's institutions and structures, and on its importance to the economic well being of the country.

CONTEXT OF THE THESIS

The foregoing propositions relate primarily to the investigative component of the thesis. The study is, not, however, simply a loose history of the evolution of tourism policy in Scotland although such a narrative is critical to the work as explained earlier. It is also about the planning and development of public policy in tourism as it emerges within a political context. This is a subject that has been largely ignored or neglected by tourism specialists, as has the political dimension of the allocation of tourism resources, the generation of tourism policy, and the politics of tourism development. Political science too has also all but ignored the role of tourism in modern society. Defence, housing, health, energy, environmental issues and social policy have all been studied in depth by political scientists and policy analysts throughout the world, but tourism has rarely been touched upon (Hall, 1999).

There appears to be reluctance on the part of many decision-makers both in government and in the private sector to acknowledge the political nature of tourism. There is also a lack of official interest in conducting research into the politics of tourism. Nor is tourism regarded as a serious scholarly subject (Hall, 1999: 4). These facts are compounded by the methodological problems attendant on conducting political and administrative tourism studies. Therefore it is possible that the lack of research into the politics of tourism exists because tourism politics seldom generates sufficient controversy to become an issue on the political agenda and therefore attract the attention of politicians, political scientists or the media (Brent Ritchie, 1984: 2-11). Similarly, unlike the politics of abortion, equal rights, the environment, energy or education, tourism politics evokes few strong feelings

among established groups or citizens (Mathews 1983: 303). The combination of the above may be as Hall claims (1999: 10) the result of the unwillingness of both governments and significant individuals within the policy-making process to be scrutinised and therefore to be held responsible for the decisions that they have made. Paradoxically, the recent onslaught of 'foot and mouth disease' may have brought rural tourism to the forefront as a political (and economic) issue, particularly as in 2001, American tourism income to Scotland was reduced by 25% (Herald, 2001), much of this downturn blamed on 'foot and mouth'. However, although the Westminster parliament set up a Rural Taskforce to look into affects on tourism of 'foot and mouth', which covered issues such as access to the countryside and disposal of carcasses and so on, there was no similar initiative in Scotland or input to this taskforce from Scotland (Cotton, B. personal communication, 2001).

In most countries tourism is also statistically invisible and usually only the most obvious sectors or those devoted exclusively to tourists are enumerated in official tourism data (Williams and Shaw, 1988: 1-11). Inevitably, this tends to be the accommodation sector, and perhaps cafes and restaurants. This has probably contributed to tourism not being taken seriously as a priority area for policy development. For example, government attention to tourism is focused more on promotion of inbound tourist businesses rather than on a more general approach that deals with reduction or removal of restrictions to tourism on a world-wide basis. Nor is tourism policy, implicitly or otherwise, integrated across government departments. For example, the fact that there was no apparent policy to deal with the impact of the aforementioned 'foot and mouth' disease on tourism raises

the question of why there is no apparent UK or Scottish tourism policy. Also, if there is an understanding that such a policy exists it should be explicit (written) as opposed to implicit (derived from politicians, pronouncements, and strategies). Such a policy, one would assume, would include a crisis management plan for most eventualities, e.g. how tourism would deal with the eventuality of the 'foot and mouth crisis, or the contingency of the fallout from the New York and Washington terrorist attacks?

Governments, too, have not fully assessed the 'tourism impact' of their laws and regulations and policies concerning international relations. For example, political, economic, monetary and financial considerations often conflict with and override tourism policy. Also, for the most part, the international organisations' such as the World Tourism Organisation (WTO), the World Travel and Tourism Council (WTTC) (see Chapter Two for a fuller description of these organisations), and to a certain extent the national tourism organisations (NTOs) that address problems of tourism deal with them mainly in piecemeal fashion and not with tourism as an integral unit. Although there is some co-ordination among international organisations on tourism matters, there is also a lack of general, internationally accepted rules and principles for dealing with new problems as they arise, and of a mechanism for dispute settlement (Hall, 1999: 63-64).

Nevertheless, for many countries, tourism is one industry fast superseding a disappearing manufacturing base. Yet, in countries such as Scotland, in comparison to other industries, tourism in the late nineties was less of a Government public policy priority than other sectors. This was due to the general approach of successive United Kingdom (UK)

governments. Although they accepted there was a need for administrative and funding support for the tourism industry, they minimised and marginalised the formal development support roles. In this sense the UK fits easily into the European context, lying somewhere close to the middle between the more 'dirigiste' and the more 'laissez-faire' (see Chapter Three) approaches adopted by other governments (Smith, 1998: 44). This is compounded, and perhaps to a certain extent explained, by the fact that there appears to be little relevant research on the subject of tourism public policy in Scotland that can be brought to the attention of the Scottish Executive. This is particularly true of the relationships between politics and public policy, which is one of the reasons that this particular research is not only necessary, but also timely. For example, twenty-six years ago H.G. Mathews wrote that the literature of tourism lacked political research (1975: 195-203). Twenty-four years later C.M. Hall (1999: 1) claimed that despite the vast amount of research currently being conducted elsewhere in the social sciences on tourism-related subjects, the politics of tourism is still the poor cousin of both tourism research and political science and policy studies. Some authors have also pointed out the lack of overtly political analysis of tourism as compared with the related field of leisure (Hughes, 1994). As Smith claims (1998: 45), this criticism is justified, and it is far from clear as yet how closely or otherwise the evolution of central or indeed local government policies for tourism might relate to the framework proposed by these authors for leisure.

However, it is clear enough that over a thirty year period UK governments have chosen to pursue varying policy objectives in relation to tourism, shifting from balance of payments problems to regional development concerns, to employment creation hopes (Goodall,

1987: 109:123; Heeley, 1989). This is a process that is being rectified (e.g. Hall, 2000: 1), but it is not unreasonable to assert that studies of the relationships in tourism of the kind described above, between government, quasi-government and non-government organisations and individual professionals 'in the field' are in their relative infancy. Nevertheless, there is sufficient by way of conceptual and theoretical development in tourism policy to be of use in formulating an overarching framework for the prosecution of this thesis.

For example, the political dimensions of tourism occur at a number of different levels: international, national, regional, community, business, and individual, all of which are discussed in this thesis. Regardless of the level of analysis, the political process is dominated by the state which is exceedingly complex, in structure, and which eludes precise definition (Held, 1989). The concept of the state is also broader than that of the government or bureaucracy, and for many tourism researchers the government is the state, as in this case is the Scottish Executive. This has meant that the analysis of state involvement in tourism has been somewhat restricted and has failed to appreciate the advantages of a broader conceptual category in the study of tourism policy and development (Hall, 1999: 22). Nevertheless, it is of crucial importance in understanding the contours of public policy, because the state translates values, interests and resources into objectives and policies (Davis et al, 1993: 19).

For instance, Dye claims that public policy is whatever governments choose to do or not to do (1992: 2). Meanwhile, Hall claims that this definition covers government action,

inaction, decisions and non-decisions as it implies a deliberate choice between alternatives (2000: 8). For a policy to be regarded as a public policy, at the very least it must have been processed even if only authorised or ratified, by public agencies (Hall and Jenkins, 1995), which is why in regard to Scottish tourism the various strategies alluded to in this thesis are recognised as policies. This is an important caveat because it means that although the policy may not have been significantly developed within the framework of government (Hogwood and Gunn, 1984: 23), because it has been developed by governments' associated agencies it is still recognised as such.

Yet, as Brown *et al* (1996: 93) claim (even before devolution), Scotland has always enjoyed a level of autonomy over aspects of domestic policy that has provided a specific role for the policy elite within Scottish society. However, they do recognise that there has been a growth in central state powers during the 1980s and 1990s. There has also been an attack on other sources of power held by local government and key policy makers in Scotland, together with an increased role given to the then Scottish Office which took a 'top-down' approach to implementing central government policies on Scottish society. Therefore, often claimed consensual decision-making processes and negotiated compromises that typified the outcome of policy formation in different areas of social and economic policy in the past have come under considerable strain.

The outcomes of all of the foregoing concern for Scottish tourism in the new Millennium will be investigated fully in subsequent chapters. However, it is clear thus far that as change defines the nature of modern tourism policy either in its own context or in tandem

with other extraneous factors capturing the transformation that is taking place globally, and the impact this is having on Scottish tourism is one of the real challenges of the research, and one to which this thesis will give considerable attention.

SUMMARY

This chapter sets out the background to this thesis, its rhythm, and its contribution to knowledge. It outlines both the general form and context of the thesis. The fact that it specifically reviews the development of Scottish tourism to this point in terms of the evolution of institutions, organisations and elites involved in Scottish tourism administration, up to and including the immediate post-devolution period, and places the recent economic performance of the Scottish tourism industry in a wider international context takes it into totally original research territory. No such integrated contemporary account of tourism in Scotland exists.

CHAPTER TWO - GLOBAL TOURISM

INTRODUCTION

This chapter explores the state of world tourism in the closing years of the 20th century, its emergence as the world's fastest growing industry, its role in the global, European, UK, Scottish and local economy, and the challenges the Scottish tourism industry will face in the new century. It is researched and written in the context of Scottish devolution and the new Scottish parliament, using pre-devolution statistics as the benchmark.

TOURISM – A GLOBAL FOCUS

In the fifty-six years since the end of the Second World War, after which UK society, its population's expectations and their aspirations changed in their entirety, the tourism industry became a major economic and social phenomenon. For example, the figures in the year preceding Scottish devolution show that in 1998 overseas visitors spent £12,671 billion (\$21,115 billion) in the UK. This figure had doubled since 1988 when it was £6,184 billion, with estimates that by the year 2003 this will increase to £18 billion (circa \$30 billion), 44% in excess of 1998 (www.staruk.org.uk). During 1998, tourism in the UK contributed 4.4% of all exports; 29% of all service exports, and supported around 1.7 million jobs, with only four countries – the USA, Italy, France and Spain - earning more from inbound tourism (Hamblin J, personal communication, 1998) (figures for 1999 and 2000 may be derived from www.staruk.org.uk).

The USA is reputed to earn most from tourism and hospitality - \$71,116 billion in 1998 alone, or 16% of the world's total tourism income. Meanwhile in 1998, Italy

with \$30,427 billion surpassed France's \$29,700 billion for the first time as the leading European destination, while Spain earned \$29,055 billion (www.staruk.org.uk). These figures were all the more remarkable when one considers that in 1950, a mere 25 million people crossed international borders (Skapinker, 1998). Yet even 1998 figures fell short of industry expectations as a result of economic and financial turmoil in the Asian economy - until then the fastest growing region - and the recessionary nature of the Japanese economy. This led to world tourism growth rates, at that time, slowing to around 4% per annum, which was still in excess of world economic growth rates.

Nevertheless, according to the World Tourism Organisation (WTO), an organisation that provides the machinery for a multinational approach to international discussions and negotiations on tourism matters, in spite of the continuing problems in Asia and the Far East and the downturn in Europe, the industry was still in the ascendancy. In 1998 it also forecast that by 2020 tourism-related visits were expected to triple, with 1.6 billion tourists visiting countries abroad annually, and spending more than £2,000 billion (WTO, 1998). Other forecasts suggested that air traffic alone would increase by 168 percent by 2017. This means that in less than 20 years' time, airlines could be carrying nearly three times as much traffic as in 1998, (Skapinker, 1998), an observation that gives rise to concerns over environmental, safety and congestion issues, which are outside the scope of this research, but may be worthy of further research.

Due to problems of definition and the resultant interpretation that directly affect statistical measurement, it is not possible with any degree of certainty to provide

precise, valid or reliable data about the extent of world-wide travel, tourism and hospitality participation or the industry's real economic impact. In many cases, similar difficulties arise when attempts are made to measure the impact of domestic tourism, despite the fact that often-substantial investment and policy decisions are made on such information. In fact, endeavouring to calculate the impact of tourism on individual countries' economies, never mind the world's economy, is far from an exact science. However, the World Travel and Tourism Council (WTTC, 1998), a highly-influential international private sector lobbying group comprising hotels, airlines and the catering industries, believes traditional measures underestimate the contribution made to the world economy and employment statistics by the travel, tourism and hospitality industries. The WTTC argues that calculations based on direct spending ignore the knock-on or compound benefits of tourism and hospitality to the world economy. This includes the expenditure in restaurants and cafes or the contribution by tourists and travellers to retail sales, or to the arts or sport or even rural and country pursuits. The WTTC claims that if these had been included in 1998 tourism output figures, travel and tourism would have accounted for \$3.600 billion (circa £2.25 billion), or 11% of the world's gross domestic product (WTTC, 1999). Another claim made by the WTTC (Daneshkhu, 1998), is that the industry is responsible for more than 230 million jobs directly and indirectly, and as a direct result of the aforementioned growth is likely to create another 100 million jobs by 2010. This is despite the fact that in 1998 approximately 6.5 million jobs were lost worldwide in the industry, with the majority of these (5.3 million jobs) in North and Southeast Asia. The recession at that time cost European Union countries alone, about \$24 billion in lost tourism and hospitality revenue, with the loss to the world economy put at around \$73 billion; almost equivalent to the whole US tourism and hospitality

industry turnover. Capital investment in the tourism industry too, was affected in 1998, with the resultant reduction being about \$38 billion. North America appears to have been the only area to escape the downturn, mirroring the US economy as a whole, with tourism revenue, employment and capital investment all up on previous years (WTO, 1999).

For many countries tourism is a vital activity that brings significant technological, social, cultural, environmental and economic benefits to every facet of their inhabitants' modern-day life. McIntosh, Goeldner and Ritchie (1995: 4) suggest that tourism has become the largest commodity in international trade for many world nations, and for a significant number of other countries it ranks second or third. For example, tourism is the major source of income for countries such as Bermuda, Greece, Italy, Spain, Switzerland and most Caribbean countries (Theobald, 1998: 5). In addition, Hawkins and Ritchie (1991: 72-73), quoting from data published by the American Express Company, suggest that the travel and tourism industry is the number one ranked employer in Australia, the Bahamas, Brazil, Canada, France, (the former) West Germany, Hong Kong, Italy, Jamaica, Japan, Singapore, the UK and the USA.

It is a growth industry of increasing power, influence and importance, highly competitive in both a national and international sense. However, although tourism has a positive impact on local communities, it also has negative aspects such as environmental concerns, planning anomalies, litter, and congestion. There is also speculation that the tourism industry does not provide 'real' jobs; an issue discussed in subsequent chapters. Yet, for most countries, it has been demonstrated that the

tourism industry does produce jobs along with income from taxes and foreign currency, which are vital to economic stability, social structures and cultural heritage (Ritchie and Goeldner, 1994: xiii & 3). Many world leaders and statesmen have also recognised the benefits and attributes of tourism. Most recently, and notably, in countries not previously noted for having encouraged overseas visitors. Russia, for instance, despite its ongoing conflict with Chechnya, is becoming more dependent on the dollars generated by its fledgling tourist trade. China, too, after years of isolationism, has opened up its borders and Hong Kong, which returned to Chinese rule from the UK in 1996, is, in fact, still a great world tourist destination, and to China a high dollar earner, and perhaps a sign to their vast population of things to come. Even Fidel Castro has once again welcomed tourists to Cuba.

THE IMPORTANCE OF TOURISM TO THE EUROPEAN COMMUNITY

The economic importance of tourism to the European Union (EU) cannot be underestimated. It consists of 5.5 per cent of the EU GNP, with countries such as France and Spain well in excess of this level and Ireland, Portugal and Greece well above average (European Commission, 1998). In fact, in 1998, European Union tourism accounted for 41% of international tourism receipts and also in terms of arrivals, and 347 million international tourist trips were made to or within Europe, with international travel receipts for the region totalling more than \$214 billion (WTO, 1999). However, data from the WTO (1999) show that Europe's share of international tourist arrivals in 1998 fell by 10.5 per cent between 1975 and 1998, while its share of receipts (in real terms) for the same period fell by 12.7 per cent. These significant reductions, also the result of increasing competition particularly from emerging nations in eastern Asia and the Pacific Rim, were having a serious

impact on the future development of tourism in many European destinations. Nevertheless, Europe still had six of the ten top world destinations in terms of international tourist arrivals and also held positions 2-6 in the league table of the world's top ten tourism earners, after the United States of America (Youell, 1998).

However, more than just economic benefits, the EU believes tourism has an important social role to play and that through it can achieve cultural convergence. The EU also believes tourism to be a useful vehicle for the application of sustainable development techniques and if implemented in an enduring and strategic manner, will provide long-term benefits to local communities. (Youell, 1998).

Various EU directorates have responsibilities in relation to tourism; for example, DG 1 (External Relations) gives assistance to former Eastern Bloc countries for tourism development initiatives, while DG VIII (International Development) assists tourism development projects in developing countries. Other directorates deal with freedom of movement for travellers; competition policy related to transport and tourism matters; training programmes for the tourism industry; free movement of labour; rural tourism projects under the LEADER (Liaisons entre actions pour le developpment del'economie rurale) programme; maritime, land and transport policies; IT projects; global information systems; and, tourism projects to encourage regional development and social cohesion (Youell, 1998). Meanwhile, under the Enterprise Policy, Tourism and Social Economy Directorate (DG XXIII), there is a Tourism Unit, responsible for the economic development of European tourism, whose credibility came into question in the mid-nineties when the Head of the Unit was charged with extorting bribes in funding tourism projects within the EU.

The EU also provides financial assistance. For example, during the period 1994 – 1999, around 7.3 billion ECU (approximately £5bn) was set aside for tourism-related projects. This funding was expected to supplement other funding from the private sector rather than displace it. As a general rule the EU contributes no more than half the total cost of a project. The most important of these is Regional Selective Assistance (RSA). This grant scheme, under which assistance is available for investment and the creation or safeguarding of jobs in designated Assisted Area status, is an important adjunct of UK regional policy, and so has a mixed social and economic rationale. Scottish manufacturing industry, in particular, has benefited greatly from RSA. Awards under the RSA scheme reflect the need for jobs of all kinds and quality. This includes lower quality jobs in areas of high unemployment. It also includes assistance to relocate or development of modern high-tech industries, whether UK or foreign owned, and in practice much of the budget is devoted to the latter kind of project, and has had more impact on lower than higher value jobs, many of which have been unsustainable due to much lower cost bases in Eastern Europe and Asia. However, such support has contributed to the weakening of the constraints created by peripherality.

There are also loans through the European Investment Bank (EIB) to small companies of less than 500 employees with interest rates lower in Assisted Areas within the EU, which are designated areas of decline or deprivation. The European Regional Development Fund (ERDF) also offers financial assistance of up to 30 per cent of the capital costs for tourism projects generated by public sector bodies within the Assisted Areas. Such support may be used as pump priming for direct tourist attractions such as museums, also for infrastructure development to support tourism (Holloway, 1998:

267). For example, in Scotland, Dumfries and Galloway (the area of Scotland most devastated by 'foot and mouth' in 2001) had a very successful LEADER programme. Operated by the Local Enterprise Company (LEC) it has assisted many small businesses to focus strategically. In fact, Scottish tourism has benefited enormously from the reputed £100 million of European Union investment in Scotland. However, in certain parts of Scotland support taken for granted in the years prior to 1999 has now eroded due to the Objective 2 map being redrawn. Objective 2 deals with levels of grants available in disadvantaged or high unemployment areas, meaning that areas such as certain parts of Ayrshire (e.g. Girvan incongruously, one of Scotland's employment black spots), is no longer entitled to such a high level of grant aid.

According to Lickorish and Jenkins (1997: 196) impacts of EU mainline policies on tourism are considerable, in that for member countries it is by far the most important international organisation. This is due to the fact that it not only facilitates and promotes tourism in the Community, it also improves its seasonal and geographical distribution; makes better use of the Community financial instruments, e.g. ERDF; provides better information and protection for visitors; improves the working conditions of persons employed in tourism; and provides more complete information on the sector and sets up consultation and co-ordination between the Commission and Member States. However, the inception of the Single Market has so far proved to be of little benefit to tourism, which was already largely a free international trade. Fiscal intervention has been unfavourable too, with VAT (see Chapter Nine Table 9.4.) at high and varying rates (0 – 25%) in member countries, and extended to additional services such as transport. This has distorted trade and eroded Europe's competitive edge. Intervention in labour, social and environmental regulation has also burdened

the industry with increased costs and the EU's position on employment legislation is, for the tourism industry particularly, difficult to understand. For instance, according to Hall (1998: 115), tourism has become an essential part of the shift in the EU's development strategies because it is perceived as being highly labour intensive, and, according to the EU is generally agreed that it is particularly beneficial in the present difficult employment situation. This is because it is a people-orientated industry, and its continuing expansion offers a valuable counterbalance to the unemployment that is devastating other sectors and the less favoured regions (Pearce, 1988: 13-22). Major investment in the poorer regions and in transport through the structural and social funding programme has also assisted tourism developments, in some cases substantially.

THE DEVELOPMENT OF TOURISM IN THE UK IN THE 20th CENTURY

Tourism purports to be among the leading industries in Britain, recognised as having tremendous future growth potential and yet, as has already been alluded to and which will be discussed later, the industry feels undervalued by government in comparison to other industrial sectors.

According to the British Tourist Authority (BTA), which was established under the Development of Tourism Act 1969 and whose principal objective is to promote tourism overseas, tourism is worth almost £40 billion to the UK economy as a whole. This comprises £13 billion from UK residents' overnight stays, £12 billion from overseas visits, and £3 billion in overseas visitors' fares to the UK and £12 billion on day trips by UK residents. The industry also provides jobs for 6 per cent of the working population, is responsible for just under 5 per cent of gross domestic product

(GDP), and accounts for almost one-third of all UK service industry exports (www.visitbritain.com, 2000). Tourism also has a major role to play in British everyday life, particularly in those remote communities that are reliant on the industry for their prosperity or even their lifestyles, or in the large cities whose tourism reputation is built on their history, their attractions, their amenities and their people. Not only does tourism enhance the image of such areas and give them a status; it also provides activity for many of those who reside there, and a lifestyle for others. Equally importantly it provides jobs.

By the 1990s, 24 million overseas tourists visited the UK annually, more than double the numbers that arrived in the early eighties, with a spending power that had quadrupled. However, the interests of visitors both to the UK and from within the UK were changing in that they were becoming more demanding, (Henley Centre, 1998). This was very difficult for many tourism businesses to deal with. Not only did they have insufficient capital to invest in upgrading their properties to meet guests' needs, many did not possess the skills or vision, or employ staff who could deal with a much more sophisticated clientele. Many jobs in the industry, too, were still seen as subservient, low paid, as not 'real' jobs. This had negative impacts on recruitment and on levels of service and hospitality provided, and as a consequence had a negative impact on capital investment.

Other key issues in the late nineties brought pressure to bear on the industry. For example, the high value of the pound combined with high interest rates made the UK uncompetitive as a tourist destination in comparison to mainland Europe. This was compounded by fuel costs being more expensive than European competitor countries.

This meant that more of its normally stable home market was also travelling abroad, while those who visited here spent less. The new Channel Tunnel, too, had become a factor in that this made it much easier, quicker and inexpensive for people to travel to mainland Europe.

The UK was also relatively expensive in terms of accommodation and food. Writing in the Caterer and Hotelkeeper (1998) Frewin (1998) suggests that the cost of staying in a UK hotel or eating in UK restaurants is 54% higher, on average, than in the USA. From the same article, a Which report (www.which.net/holiday/reports/may, 1998) found that the UK's budget-room rate of £45 to be surpassed only by Switzerland: and £20 more than in France, Italy and Spain, yet found little profit going into hoteliers' pockets despite the UK's lower wages and food and beverage costs. The report highlighted an unnamed Bed and Breakfast operator who made just £1.50 profit from a £55 room, and an hotel operator who made just £4.14 from a £100 room, but these were isolated instances.

The Caterer and Hotelkeeper article (1998) went on to claim that among the reasons given for the disparity between the USA, Europe, the UK, are that the Inland Revenue taxes businesses higher than in most of the rest of Europe, although the comparison is more variable in the USA, depending on the State in which the business operates. Unlike France, for example, the UK has more tenanted properties and few inherited freehold properties. The USA has more space, meaning that land is plentiful and cheap, plus building costs are lower. The USA also reduces costs by building standardised branded products, whereas much of the UK hotel stock is invariably old, small, and eccentrically built. In essence, Frewin (1998) claims, blandness provides

the bargains, character costs money. Purchasing wholesale food and liquor is also more expensive in the UK for hoteliers and restaurateurs than in other parts of the world. Plus business rates tend to also be in the main higher than in Europe. There is also the family dimension where generational ownership creates its own long-term problems.

Further on in the Caterer and Hotelkeeper article (1998), Del Fisher, president of the American Hotel and Motel Association (AHMA) also claims that the USA has more varied lodging options, including more budget, almost self-service properties, against the UK's predominately fully-serviced accommodation. Also USA hoteliers do not build service charge into the bill. United States consumers, due to the proliferation of cars, are also willing to stay in motels beyond the towns that they visit, to keep costs down, and are not necessarily looking for food service in a place they sleep. Such behaviours are also now beginning to emerge in the UK.

There is also the claim, by Jeremy Logie, at the time Chief Executive of the BHA (Caterer and Hotelkeeper, 1998), that tax benefits created an oversupply of hotel rooms in the USA, with intense competition slashing prices. According to Phillips (1998), high staff turnover too, may also be affecting UK productivity. In consequence, Guerrier (1998) claims the UK hotel industry needs better-trained, more flexible staff, meaning fewer staff is needed, thus cutting costs. On the continent, she adds, people fear harming their career prospects by moving on too quickly – the reverse of the UK practice (Caterer and Hotelkeeper, 1998). Nevertheless, UK tourism has the potential to grow in line with global forecasts over the next twenty years therefore creating much-needed jobs and foreign currency. One such forecast

predicts that revenue from overseas visitors by 2003 will increase by half as much again. However, recent performance, compounded by 'foot and mouth' contradicts these claims.

TOURISM DEVELOPMENT IN SCOTLAND

As the twentieth century ended, Scottish tourism's turnover was worth £2,476 billion, 6 per cent less than the 1997 peak figure of £2,635 billion, and 3 per cent less than 1995 when it was £2,551 million. It was also reputed to support up to 180,000 jobs, about one in every 15 Scottish jobs (Wood, cited in Peat and Boyle, 1999), with approximately 16,000 businesses registered with their Area Tourist Board (ATB). However, many such businesses were feeling the effects of a downturn in the market. This downturn was easily explained, but not so easily reversed. Although English visitors taking short breaks north of the border spent £1,110 million – a 4 per cent increase on the previous year – and the overseas market continued to grow, the number of Scots taking trips in their own country fell by 38%. Much of the blame for this was given over to the value of the pound, which made Scotland expensive to visit, and mainland Europe inexpensive to Scots wishing to holiday there, global competition, comparatively high interest rates and favourable foreign exchange rates. Other factors were the football World Cup in France, and poor weather. This was in spite of Edinburgh and Glasgow respectively, being the second and third most popular city destinations for overseas tourists after London. However, perhaps the growth of Scottish tourism is best shown through an analysis of tourism expenditure in Scotland from 1990 to 1998, which was featured in a draft tourism strategy consultative document that included the Tables 2.1. 2.2. 2.3. 2.5. 2.6. and 2.7. (A New Strategy for

Scottish Tourism, 1999, draft) but which did not feature in the final document A New Strategy for Scottish Tourism (2000).

As may be determined from these figures (Table 2.1) and despite claims to the contrary, there had been little dramatic movement over the decade in tourism income derived from the UK as opposed to income derived from overseas tourism. For example, in 1990 overseas tourism was 35 per cent of the total spend, and although it had fluctuated between 28 and 44 percent in the nineties, in 1998, despite STB's years of effort to market Scotland overseas, it had only moved 3 points to 38 per cent, which was disappointing in comparison to the potential for growth (A New Strategy for Scottish Tourism, 1999, draft). The implications of this for Scottish tourism was that many businesses changed hands, and in certain sectors there was a lack of investment in both properties and in developing the skills of staff.

Table 2.1: Summary of Tourism Expenditure (£) in Scotland – 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
UK Tourism	1380	1458	1435	1645	1348	1421	1586	1744	1536
Overseas Tourism	736	613	727	764	867	915	965	891	940
All Tourism	2.116	2.071	2.162	2.409	2.215	2.336	2.551	2.635	2.476

Sources: UKTS, IPS. Expenditure in 1998 Prices.

Tourism from England (Table 2.2), which was on average 65 percent of the UK total, had grown over the long term, although over the previous years the market had been steady, rather than growing. For example, the growth market in the nineties was the 4-7-night trip. But, even at that, growth over nine years was only 18 per cent. With the opening of the Channel Tunnel and inexpensive flights abroad out of seven English international airports, Scotland as a destination, even with Glasgow only 400 miles

from London, was becoming more distant to many people in the south (A New Strategy for Scottish Tourism, 1999, draft). This was compounded by the advent of the aforementioned Channel Tunnel and easier accessibility to mainland Europe.

Table 2.2: English Residents' Tourism Spend in Scotland 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Spend (£)	938	956	895	928	795	878	1,033	1,068	1,110

Source: UKTS. Expenditure in 1998 prices.

Scottish residents (Table 2.3) are an important market for Scotland. In 1998, they

Table 2.3: Scottish Residents' Tourism Spend in Scotland 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Spend (£)	368	429	437	620	488	465	413	573	353

Source: UKTS. Expenditure in 1998 prices.

accounted for 23 per cent of all holiday tourism trips from within the UK to Scotland, but this was down by 4 per cent from 1990 and 76 per cent down from the 1993 peak. This was the consequence of a massive change in the market. For example, 1-3 night trips were increasing and the 8+ nights market was decreasing, which was primarily due to the increased affordability and desirability of overseas summer sun holidays. It was also disappointing that the apparent resurgence of the local market in 1997, which had shown growth of 38 per cent over the previous year, declined by a similar figure in 1998 (A New Strategy for Scottish Tourism, 1999, draft).

The balance of UK tourism spend from Ireland and Wales was also significant. However, having almost doubled by 1996, the 1998 income as displayed in Table 2.4. had moved little from 1990.

Table 2.4: Other UK Residents' Tourism Spend in Scotland 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Spend (£)	74	73	103	97	65	79	140	103	73

Source: UKTS. Expenditure in 1998 prices.

Overseas tourism in Scotland as indicated by Table 2.5. had increased steadily over

Table 2.5: Overseas Tourism Spend in Scotland 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Spend (£)	736	613	727	764	867	915	965	891	940

Source: IPS. Expenditure in 1998 prices.

the 1990s and, according to STB, showed every sign of maintaining similar rates of growth in the future (A New Strategy for Scottish Tourism, 1999, draft). The STB expected the same countries would continue to dominate the market (A New Strategy for Scottish Tourism, 1999, draft). The USA with an expenditure of £201m in 1998 was by far the largest single source country for overseas visitors, followed (in order of importance) by Germany £89m, Canada £67m, Ireland £64m, Australia £56m, and France £42m (A New Strategy for Scottish Tourism, 1999, draft). However, despite this growth Scotland had not increased its market share of international expenditure in the UK, at best matching the UK growth (A New Strategy for Scottish Tourism, 1999, draft). This change was caused by a number of contributory factors some already explained such as the exchange rate. But other factors such as insufficient marketing,

lack of product development, a lack of investment both in property and in skills also contributed, as did the high cost of fuel in comparison to many overseas countries. Scotland's was a slightly inferior product, but ultimately more expensive than many of its competitors.

The implications of this for Scotland were clear. It had to set out to find out why countries where Scottish roots were strong were no longer attracted to their ancestral home, or why countries such as Ireland had stolen a march on Scotland in markets such as golf and sailing. The new strategy (2000) set out to do this.

The following table, Table 2.6. reveals the countries whose visitors dominate the

Table 2.6. 1998 Country Spends in Scotland by Overseas Visitors.

Country	Average Bednights	Spend Per Trip	Spend Per Night
America	7.23	£511	£71
Australia	10.1	£386	£38
Austria	11.6	£490	£51
Belg/Lux'bourg	7.8	£344	£48
Canada	13.3	£478	£36
France	8.1	£297	£36
Germany	10.9	£406	£37
Italy	9.9	£473	£47
Japan	5.2	£485	£100
Netherlands	7.6	£340	£46
Spain	12.1	£518	£43
Switzerland	11	£481	£43

Source: scotexchange.net, Dec, 2000.

Scottish tourism economy. The American figures for 1998 were a 10% increase on the previous year and accounted for 21% of the total overseas market, which is coincidentally a similar percentage for American visitors to Wales. However, the Swiss market to Scotland had by then seen a 43% decrease from 1995.

The long-term trend data for overseas tourists showed that most of the growth remained in the summer period, and that Scotland as a destination was still subject to seasonality, if not regionality. For example, Scotland was seeing a relative increase in spend from Europe, which had increased from 33 per cent of all overseas tourism spend in 1986, to an estimated 45 per cent in 1998. Yet, a high percentage of this income was derived from just a few months. A future challenge for Scottish tourism, therefore, is not only to expand the term in which it does business, but also to cascade this out from the cities to the rural areas (A New Strategy for Scottish Tourism, 1999, draft). The implications of being unable to accomplish this will mean closure of businesses, reduction in jobs, less income to the state and more reliance on the state by those unemployed. So it was in Henry McLeish's best interests when he launched the new strategy in February 2000, which to many was perceived as tourism public policy.

The STB (A New Strategy for Scottish Tourism, 1999, draft) claims that business tourism in Scotland in the 1990s had been a great success story that it had grown at a steady rate and the long-term indicators point to continuing growth (Table 2.7). They also claimed that this was because of the long-

Table 2.7: Business Tourism Spend in Scotland 1990 – 1998.

	1990	1991	1992	1993	1994	1995	1996	1997	1998
UK Exp'ture (£m)	238	195	245	226	278	211	242	287	287
Overseas Exp'ture (£m)	84	49	69	112	113	138	127	140	169

Source: UKTS, IPS. Note: Expenditure in 1998 prices.

term investment in the product backed up by a reasonably well-structured and highly targeted marketing effort. For example, business tourism trips in Scotland from within the UK over the period 1990-98 had doubled from 0.9 to 1.8 million. However, as businesses began to control costs in the later part of the nineties their expenditure on business trips decreased, from £265 per trip in 1990 to £160 per trip in 1998, 40 per cent, which in real terms was a dramatic fall on average spends (A New Strategy for Scottish Tourism, 1999, draft).

Within the overseas markets, the opposite could be seen, with growth in business tourism trips and expenditure most years, from a low of £49m in 1991, to a record high in 1998 of £169m, with overseas expenditure increasing from 26 per cent in 1990 to 37 per cent in 1998. Much of this growth was from Scotland's near European partners of France, Germany and the Netherlands (A New Strategy for Scottish Tourism, 1999, draft).

This research has already established the origins, numbers and spend of visitors to Scotland, and how long they wish to stay. Further research revealed that the main attractions cited by visitors for visiting Scotland were the scenery, sites of historical interest, peace and quiet, the natural wildlife and friendly people. Visitors also found certain unattractive features notably the weather. It was, however, encouraging that the percentage of visitors from overseas listing other negative aspects, such as difficulty in travelling around (10 per cent), lack of wet weather facilities (8 per cent), poor quality food (6 per cent), and poor quality accommodation (6 per cent), were low in comparison to the 70-80 per cent that cited the most positive attractions (STB, Prior

Options Study, 1998: 36). However, despite this positive 'spin' by STB, the numbers were not growing fast enough.

Research undertaken for Scottish Enterprise by the Henley Centre (1998) showed that visitors to Scotland were beginning to place more emphasis on the environment, history and culture of the places they visited than on the weather, temperature, and sun, sea and sand. They were also beginning to combine these interests with activity-based, special interest and educational holidays, and in special pursuits. There was also a growing demand for more frequent, short holidays of three and four days. Because of this, ease of access became an increasingly important factor, particularly by air. Due to these and other factors such as the market's growing sophistication, customers' expectations, too, began to rise dramatically. Tourists, for instance, were experiencing an increasing range of tourism destinations and products world-wide. They were making comparisons with what they experienced in Scotland with what they experienced elsewhere in the world, in terms of quality and hospitality, in terms of value for money, in terms of service and availability, also in environmental terms. The implications of this for Scotland were in terms of a more focused approach on product development, marketing and skills. Scottish tourism's answer in dealing with such complex issues was through various initiatives that were public as opposed to private sector led. Among these were Welcome Host, Scotland's Best, Project Ossian, and Investors in People.

The industry in Scotland to which such visitors came was a diverse one. Apart from the small licensed hotels, bars and restaurants, bed and breakfasts, guesthouses, self-catering outlets and caravan parks at the least expensive end of the market, there were

also world-class visitor attractions. For example, the historic castles of Edinburgh, Stirling and Culzean; international conference centres such as the Edinburgh International Conference Centre (EICC) and the Scottish Exhibition and Convention Centre (SECC). There were also areas of natural beauty such as Loch Lomond (recently designated a National Park, as has been the Cairngorms), and remote but seductively magnetic locations such as the Western Isles, and much of the Highlands and the Borders. Also acclaimed Restaurants such as Skye's Three Chimneys or Dalry's Braidwoods, and internationally renowned hotels such as Turnberry and Gleneagles; the epitome of luxury and grandeur, all at the top end of the market. But, there was another less glamorous side to the industry: businesses which delivered a diverse spectrum of standards, some of which left a lot to be desired, leaving the visitor to Scotland confused and disappointed, and it was these businesses that McLeish's strategy failed to address, a topic that will be addressed in subsequent chapters.

Throughout Scotland most tourism hospitality businesses in 1998 were small, typically family owned and run. For example, the average Scottish hotel or guesthouse had 16 bedrooms and 31 bedspaces. The predominance of large (i.e. 100+ bedroom) hotels in Glasgow and relatively few guest houses meant that Glasgow and Clyde Valley had by far the largest size of establishment averaging 65.9 bedspaces, followed by Edinburgh and Lothians, Aberdeen and Grampian, and Perthshire. This pattern reflected areas of high or relatively high population density, which benefited from business as well as holiday tourism. Fife had the smallest average size, representing less than 20 bedspaces and 10 bedrooms, with Scottish Borders and the Scottish Islands around 20 to 22 bedspaces. It is also worth noting at this point that

Scottish hotels tend to be small by international standards. For example, international hotel companies considering investment in Scotland (Sheraton and Marriott are recent examples) will build their smallest hotels here – about 250 rooms – and yet produce hotels that are among the largest in the country (STB, Prior Options Study, 1996: 31).

Despite a disappointing year for tourism businesses in 1998, and the general nature of the economy, the year leading up to elections for the new parliament saw Scottish hotel properties becoming sought after the world over. This was not so much about the desirability of Scotland as a destination, but more about domination of the market by companies with global ambitions fuelled by economies of scale, and the strength of the US economy. For instance, the large American chain Starwood Hotels and Resorts, who already managed the Edinburgh Sheraton, purchased the prestigious Turnberry Hotel and Golf Courses for £35 million then over the next two years invested £17 million in new facilities and upgrading the hotel and golf courses, partly hoping to secure the 2010 Ryder Cup, a bid in which it failed, going to instead to Celtic Manor in Wales, with Gleneagles securing it in 2014. Major new hotels were also being opened in St Andrews, Carnoustie (for the return to the town in 1999 of the ‘Open’ Golf Championship) and Edinburgh (mainly due to the new parliament and the expanding city economy), and Gleneagles, perhaps the jewel in the Scottish Hotel crown, went on the market for £110 million in 1998, but to date no buyer has been found.

In 1998, in spite of the high level of the pound against other currencies, a high interest rate in comparison to its European competitors combined with the onslaught of a global recession and its own people turning their back on it as a holiday destination, not since before the war had Scotland been such a favoured destination for investors

in hospitality properties. For example, other hotels and companies such as Crieff Hydro (who also expanded by purchasing the Montgreenan Mansion House Hotel in Kilwinning and Murrayspark Hotel in Crieff) and Peebles Hotel Hydro (who had already bought the Park Hotel in Peebles) were investing millions of pounds in their infrastructure, and in developing their staff. Granada, Macdonald Hotels, Thistle Hotels, Copthorne Hotels and Scottish Highland Hotels (SHH) were either expanding their market rapidly in Scotland, or investing heavily in refurbishment and extensions to their Scottish properties (and also, it must be said, their UK properties).

But this also made them desirable take-over targets. Of these, SHH and Stakis are particularly interesting examples. In late June, early July 1999, SHH became the subject of a rumour regarding a take-over. In late July, the rumour grew. By August 19th the Herald (1999) newspaper reported that Leeds-based Paramount Hotels, which at the time owned nine four- and five-star provincial hotels throughout the UK, and was 87.5 per cent owned by Alchemy Investment Plan, became the new owners of SHH's seven four- and five-star properties, including the famous Marine Hotel in Troon, which will host the 2004 'Open' Golf Championship. Paramount, who paid £38m, a 51 per cent premium on the company's share price the day before the talks were revealed in June, announced immediately that they would spend £8m on refurbishing SHH's flagship Carlton Highland Hotel in Edinburgh, and £2m to extend the conference facilities at SHH's Redworth Hall Hotel in Newton Aycliff, with the entire chain being re-branded Paramount (Dorsey, 1999: 21).

However, perhaps the most startling event for Scotland in the late nineties was the demise of 200 Stakis jobs. On Sunday 7 February 1999, a tearful Sir Reo Stakis (who

died on 28th August 2001) signed over his company to Ladbroke's for £1.2 billion, bringing a 56-year chapter in Scottish business history to a close. Stakis was re-branded Hilton Hotels. This meant that Ladbroke's was now second to Granada in the number of hotel bedrooms available in the UK. Analysts at the time (Scotsman, 9.2.99: 25), forecast that enlarging his Hotel business would mean that Peter George, the then Chief Executive of Ladbroke's, could also speed up the possibility of a re-unification deal with Hilton in the US, where Ladbroke's did not have the right to the brand. However, within a few months of the Hilton take-over, the ex-Stakis CEO, David Michels replaced George. Further changes took place in November 1999 when Swallow Hotels became part of Whitbread who already operated Marriott Hotels, and, when Queens Moat Houses put the Caledonian Hotel in Edinburgh on sale for £40 million. Eventually, in February 2000 it was sold for £44 million to Hilton Hotels.

Perhaps for Scottish tourism businesses, however, the most important issue was the nature of the rapid change brought about in the tourism market. Among the emerging social trends, for example, was an ageing population in most western societies, combined with the emergence of the cash-rich, time-poor group in society. There was also a move towards smaller households and more single living. Many people were concerned for the environment hence embraced an environmentally conscious purchasing lifestyle. This was compounded by a more active lifestyle, including involvement in extreme and sometimes dangerous sports. There was also a growing desire for cultural, cerebral, self-improvement breaks and a move away from 'destination collecting' holidays to experimental breaks. People also wanted to get away from it all to escape congestion and the frenetic urban pace of life. There were also an increasing number of well-informed customers around the world, partly

through the growth in use of new communication including the Internet (A New Strategy for Scottish Tourism Draft, 1999), and the growth of cities as major tourism destinations. For example, due to European integration, city-states emerged in the late nineties for most countries as the focal point for both economic development and for individual identity. For Scotland they became the primary basis for destination development and promotion, with Glasgow, Edinburgh and Dundee being prime examples, and perhaps others through time – the new city of Inverness, for instance. Such areas are an avowed attraction to those people who truly wish to experience and understand their destination. As a consequence, they spend more time in an area interfacing with the local people in a more meaningful way. However, a visit to any major city in the world demonstrates how information, economic pressures, and the tendency to imitate have left the world “less different” than it was a century, even decades, ago (McIntosh, Goeldner & Ritchie, 1995). For Glasgow, Edinburgh and Dundee, and perhaps the Inverness of the future, the intent should be to be truly different. However, the more the city leaders give planning permission to global replica businesses the less likelihood there will be of this becoming a reality.

For Scotland, though, the conundrum is not only that attracting people to the cities is invariably to the disadvantage of the rural areas, or conversely how it can disperse them proportionally to rural areas without disadvantaging the cities, it is also about access. For example, as revealed in Table 2.8, which incongruously makes no mention of Prestwick, Scotland’s city airports are some of the worst served in the UK for European and transatlantic flights: Edinburgh languishes behind Norwich, East Midlands, and Liverpool in international connections, with just seven direct

international flights. In addition, while Glasgow has 12, the fact that Birmingham and Manchester have 44 and 68 respectively puts into perspective the problems overseas

Table 2.8. UK Overseas Flights

HOW THEY COMPARE		
NUMBER OF OVERSEAS ROUTES		
1	Gatwick	168
2	Heathrow	144
3	Stansted	101
4	Manchester	68
5	Birmingham	44
6	London City	19
7	Luton	17
8	Newcastle	16
9	Glasgow	12
10	Norwich	11
11	Liverpool	9
12	East Midlands	9
13	Edinburgh	7
14	Bristol	6
15	Southampton	5
16	Aberdeen	4
17	Leeds/Bradford	4
18	Cardiff	3

Source: Manson K and Adams L. Sunday Times, 22.4.2001.

tourists have in accessing Scotland direct. This is exemplified by the fact that Dublin has 76 direct international flights, with the Dublin-London flight being the busiest in Europe carrying 4m passengers every year (Manson and Adams, 2001: 5), which may be due to the fact that Ireland is an independent country with its own national airline; a topic outwith the scope of this research, but nevertheless of prime importance to Scottish tourism, and perhaps worthy of further research.

The consequences of all of the foregoing for Scotland as a tourism destination are clear. Growing international competition had a huge impact on Scottish tourism and hospitality in the late nineties, as the industry in a global sense continued to grow faster than any other sector. This meant that there was increasing competition for Scotland's key markets in the UK, USA and Europe, both from existing destinations which were upgrading and repositioning themselves, and from new destinations

combined with others which were emerging all the time, or reinventing themselves. This was compounded by the fact that despite growing world-wide international air traffic, Scotland was becoming even more distant and peripheral, and as all of the foregoing created a tremendous momentum of change within the industry, which will be discussed and developed in subsequent chapters, the implications for Scottish tourism was clear – it had to change fundamentally or it would be on an ever downward spiral, the consequences of which would have a devastating effect on both the economy and on society in general.

SUMMARY

Although not discussed so far, but of prime importance to the future of tourism, the recent events in the United States call into question the immediate future of global tourism which, in turn, poses questions for the future of the Scottish tourism industry. What this shows is not only how fast things can change but also how such changes are outwith even the most powerful of governments' control. In consequence, if the Scottish tourism industry wishes to survive it has to adapt and react to such changes much more expeditiously than in the past. This calls into question Scottish tourism's ability to meet such challenges and what can be done to remedy this, questions that will be addressed as the thesis progresses.

CHAPTER THREE

TOURISM AND PUBLIC POLICY

INTRODUCTION

Due to the complexities of researching this chapter combined with the research finding's application to both tourism public policy and Scottish tourism policy decision-making, it is dealt with in two parts. Part 1 deals with the various models applicable to tourism public policy, while Part 2 deals with these models applicability to Scottish tourism and suggests an approach by which this thesis may progress.

PART 1

TOURISM AND PUBLIC POLICY

There are substantial conceptual problems entailed by policy analysis in tourism. In fact, most tourism policy literature is insufficiently developed, meaning that in researching this thesis it has been necessary to turn to alternative policy literature. There are conflicting but legitimate views as to why this is the case. Sessa (1984: 283-286), for example, claims that the deficiency in the understanding of the connection between tourism theory and policy formulation is undoubtedly connected with the weak state of tourism theory. One could go further and ask whether in a diverse and multi-sectoral activity such as tourism, is it possible to model anything other than the process of policy formulation, and if it is, who should input to policy making? A related issue is what institutional structures are required to support the process and implementation of tourism policy? All of this is further complicated by the fact that even though governments only occasionally enact legislation primarily aimed at tourism development, government will also set through its

more general policy decisions the general economic and regulatory parameters within which the tourism industry operates (Hall, 1994: 6).

Regardless of one's point of view, despite its growing political importance, it is clear that tourism in Scotland has not previously received serious examination from a political or a policy perspective, and is why this research is not only necessary, but in consequence of devolution, timely.

PROCESS OF POLICY FORMULATION

In much of the literature on policy-making there is in fact a tension between the desire to model policy and focus upon how policy is, if at all formulated, i.e. the processes by which policies are made or broken.

What is not in dispute is the fact that public policy is the focal point of government activity. Its analysis seeks to understand how the machinery of the state and political participants interact to produce public actions (John, 1999: 1). Public policy-making is also influenced by the economic, social, environmental and cultural characteristics of society as well as by the formal structures of government and other features of the political system. For example, Heclo claims (1974: 4) policy is not a self evident, independent behavioural fact. By this, he means that policy somehow acquires meaning because an observer perceives and interprets a course of action amid the confusions of a complex and ever changing world. Policy can also be seen in terms of the result of public opinion, particularly as expressed at the time of an election. For example, as part of an

overall strategy to elicit votes, political parties' compile manifestos. These affirmations of proposed political policy, once a party comes to power, are the subject of public scrutiny which results in informing public opinion, one of the outcomes of which is support for a particular party through votes, or in some instances abstention.

Hall (1999: 198) observes that the student of tourism policy is a modern-day Theseus trying to follow the thread of the decision-making process through the policy labyrinth. Stillman (1974: 49-60) further notes that in studying the politics of tourism, the researcher, the student or the analyst is forced to recognise the questions of political theory and political values that underlie explicitly or implicitly, public policy decisions. For example, different analytical frameworks contain different strengths and weaknesses, and a decision has to be taken as to the approaches chosen to attack the issues of policy (Jenkins, 1978: 20). In fact, public policy is an intentional course of action with an explicit end goal its objective and it generally does one or more of:

- reconciles conflicting claims on scarce resources;
- establishes incentives for co-operation and collective action that would be irrational without government influence;
- prohibits morally unacceptable behaviour;
- protects the activity of a group or an individual, promoting activities that are essential or important to government; and,
- provides direct benefits to citizens (Theodoulou, 1995).

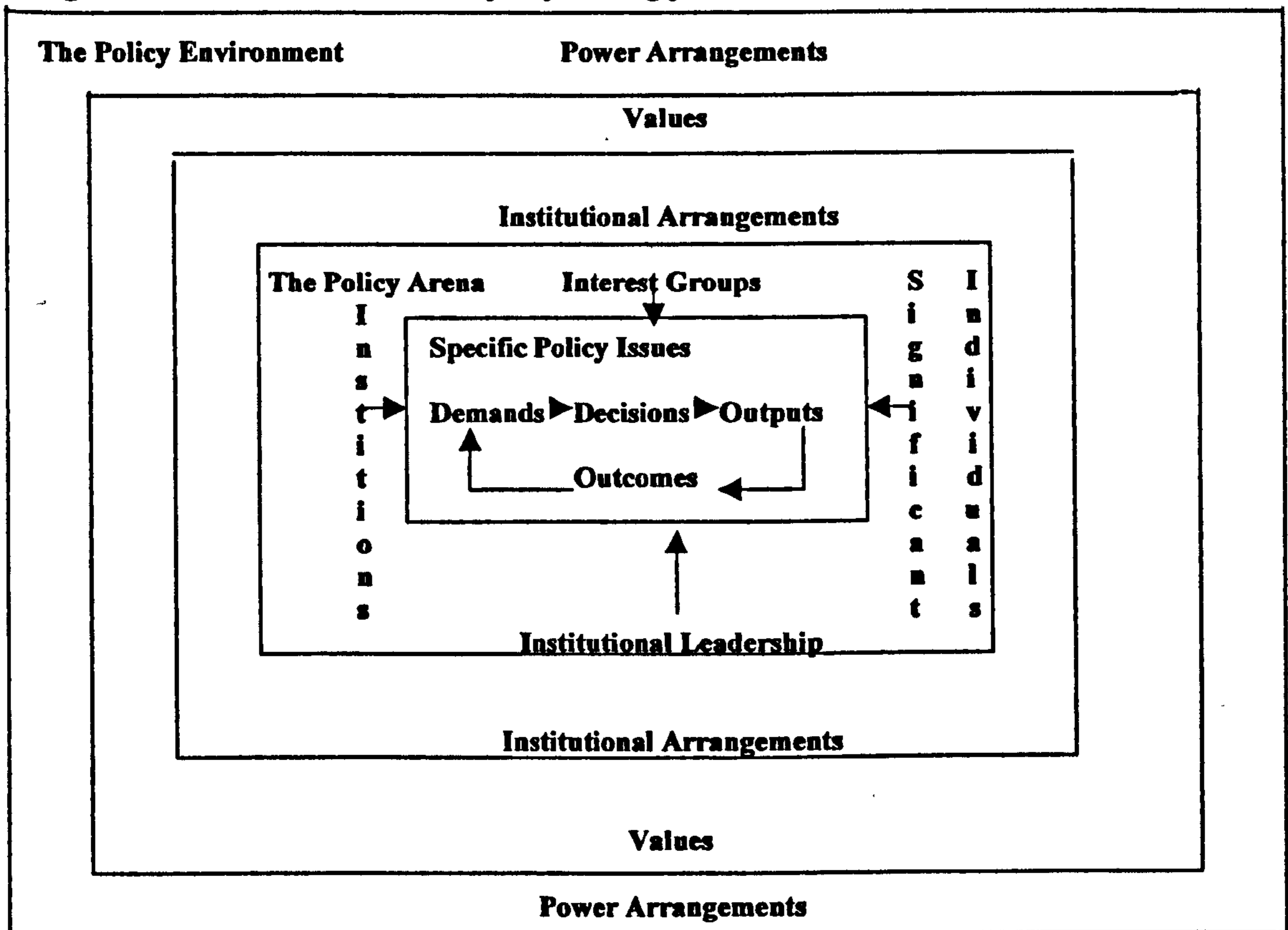
Whatever one's understanding is of public policy, they are undoubtedly statements of governments' vision, goals and objectives. They describe what the government is trying to accomplish and how they want to achieve these.

There have been few attempts to model the relationships between politics and public policy-making in tourism, of which Hall's (1999) is one of the most recent and authoritative (see Figure 3.1). Otherwise, there is a prevalence of prescriptive models of planning and policy-making in tourism literature, which tend to indicate a clear, rational process to tourism development (Hall, 1999: 2). These demonstrate how tourism policy and decision-making should occur relative to pre-established standards. Among these are Sessa Tourism Policy, (1976), Murphy Tourism: A Community Approach, (1985) and Gunn Tourism Planning, (1988) (cited in Hall, 1999:48). Their prescriptive-rational approach assumes that a dichotomy exists between the policy-making process and administration, whereby individuals can identify and rank goals, values and objectives, and can choose consistently among them after having collected all the necessary data and systematically evaluating them (Mitchell, 1979: 296). However, although such models serve as a guide towards specific ideals, such ideals cannot be reached without an understanding of what actually does happen in the formulation and implementation of tourism policy (Hall, 1999: 48).

For many, process is central, if not the central focus to the extent that they argue that a conceptual understanding of the policy process is fundamental to an analysis of public policy (Jenkins W.I. 1978: 16). Developing this theme, Hall (1999: 49) claims that

descriptive models of policy-making through their emphasis on the policy-making process represent a refutation of the rational, policy/administration dichotomy that characterises prescriptive approaches to policy analysis, and devises his own model. Figure 3.1 reveals his four components of the policy-making process relevant to specific tourism policy issues.

Figure 3.1. Elements in the tourism policy-making process.



Source: Hall (1999: 50).

For Hall (1999: 49-50) an important facet of the study of public policy is that each particular policy development area should be set within the context of a policy arena, where interest groups, institutions, significant individuals and institutional leadership

(politicians and civil servants) interact and compete in determining tourism policy choices, an example being how wide-ranging tourism industry contributions were made towards A New Strategy for Scottish Tourism (2000) which is discussed in subsequent chapters, but upon which such contributions had little real impact.

A danger of Hall's (1999) model is, as with many models, that it seeks to generalise. Real world conditions may be different. For example, it claims to recognise the existence of the broader environment within which policy-making occurs, including institutional arrangements, values and power arrangements, but neglects to highlight the rules of engagement, predictability, and so on, which often reflects the fragmented and fractious nature of diverse multi-sectoral activity. Equally, it fails to take into account the opposite extreme that in many developed countries there is no formal tourism planning mechanism and whatever planning is done is usually incorporated into regional rather than national plans (Lickorish and Jenkins, 1997: 175). Nevertheless, it does bring into being the activity surrounding policy-making decisions, the various policies and ideologies, the various choices affecting decision-making, the questions as to who makes the decisions, an individual, an elite or a coterie, the processes by which decisions are made, and how they are implemented and applied to the community (Jaensch, 1992).

SHOULD THERE BE A TOURISM POLICY?

Hall (1999), in the company of many tourism scholars, also assumes that there should be a definite tourism policy as opposed to one that might be captured in a wider economic development or other policy, apparently taking this view from Wanhill (1987: 54).

Equally, at no time does he consider the fact that a tourism policy may be entirely unnecessary. For example, Wanhill, claims that the answer to the question as to why governments should involve themselves with tourism should not lie solely in economic reasons, for rarely in history has any society been a willing host to people from another culture or even another locality, yet in order to generate foreign exchange without having to exhaust assets which cannot be replaced, governments around the world are openly inviting tourists to visit their countries. Furthermore, he claims, every government must have a policy for tourism both at national and local level, and to adopt a laissez-faire philosophy and stand on the sidelines is to court confrontation between hosts and guests leading to poor attitudes, bad manners and an anti-tourism lobby. Similarly, Williams and Shaw (1998b: 230), claim that the very nature of tourism with its heavy spatial and seasonal polarisation usually requires some form of government policy intervention whether it is for distributive or ameliorative purposes. Examples of this at both national and local level would be STB's 'Autumn Gold' campaign designed to lengthen the tourism 'season', or a North Ayrshire Council employment initiative, 'Wintrain', where the local authority supported out of season jobs, the objective being that not only would staff be kept on at the end of the 'season' when in the past they would have been 'let go', but also the skills developed through a corresponding training scheme would impact on the business concerned the following 'season' and in the longer term. Yet, as will be demonstrated in the Scottish context, tourism policy in terms of its appropriateness to economic development policy can clearly be dealt with in economic development frameworks or strategies.

Equally as important, are the relationships of the various organisations and individuals in countries involved in tourism policy formulation, particularly where this is an inclusive process. Crozier, for example (1964: 107), is of the opinion that the behaviour and attitudes of people and groups within an organisation cannot be explained without reference to the power relationships existing among them, which makes modelling such relationships a specific rather than a general task (Lickorish and Jenkins, 1997), a topic that will be addressed more fully in subsequent chapters. Of course, in other countries, such as the developing or third world, it is highly likely that a top-down model rather than an inclusive tourism policy formulation model prevails. Regardless, in most academic accounts of tourism, tourism policy is explicitly linked to tourism planning and development.

How much a government will utilise such planning and the nature of that planning will reflect the political culture of that country. In some political cultures politicians and members of the tourism industry may regard planning as an unacceptable and dangerous government intervention into the affairs of the industry, seeing this as socialistic and going against the free movement of the market. Those who support this position can follow a disjointed incremental or ad hoc policy approach to tourism development, the United States being the best example of this (Elliot, 1997: 116). Furthermore, in countries such as Israel national tourism development plans have been drawn up in which government decides which sectors of the industry will be developed, the appropriate rate of growth and the provision of capital required for expansion (Mill and Morrison, 1985).

It is debatable as to how such a policy could be implemented in Scotland. Lickorish and Jenkins (1997) claim that planning at national level is usually a function of the size of the country, so it would be virtually impossible to plan for tourism development in the USA and even in the UK. This does not mean, of course that at sub national level tourism plans do not exist or that specific considerations of tourism have not been taken into account. Furthermore, they stress the importance of planning not taking the place of policy guidelines, and as a concept policies precede planning. This concept indicates the primacy of policy over planning, suggesting that policies will provide the framework within which planning takes place, ensuring that market forces alone do not dictate tourism development (Lickorish and Jenkins, 1997: 180-181).

POLICY-MAKING APPROACHES/THEORIES

Sabatier (1999: 3) claims that the process of public policymaking includes the manner in which problems are conceptualised and brought to government for solution. For example, in an ideal world governmental institutions formulate alternatives and select policy solutions based on consultation; and those solutions get implemented, evaluated, and revised. A complication here is that there are a number of policy-making approaches or theories and the same policy differs according to the different branches and levels of government where it is being decided (John, 1998: 8-11).

Clearly some understanding of current thinking on public policy is required here yet an exhaustive review of the theory of policy making would be inappropriate for a thesis of this kind. The resolution of this problem is eased because there are a number of

acknowledged and relatively discrete theories that seek to aid understanding of policy formulation and implementation. For example, John (1999) classifies these into five broad categories and Sabatier (1999: 8-12) seven (he disregards a further four), of which John adopts three. Furthermore, there is a degree of maturity among writers in the field that concurs that no single perspective is likely to yield holistically adequate analyses. Hall (1994: 14), therefore, makes a very important point when he claims that studies of the political aspects of tourism should attempt to understand not only the politically imposed limitations on the scope of decision-making, but also the political framework within which the research itself takes place. To achieve this, he argues, will require acceptance of a far wider range of theoretical standpoints and academic traditions than that which has previously been the case in tourism research. Hall's remarks reflect a concern in the policy literature with charting approaches to the study of the subject and then seeking to integrate elements of these. In public policy as elsewhere, such model building is a routine aspect of scholarship in the field (John, 1999; Sabatier, 1999: 8-9).

A similarly pragmatic approach is adopted here. The argument is simply that some perspectives on policy-making are of greater relevance to the material of this thesis than others. For example, in taking John's (1999) more expansive five-fold classification of policy making approaches, as described in Table 3.1. we find that the first two still

Table 3.1. John's Policy Approaches.

	Approaches	Description
1	Institutional	Institutional approaches assume that formal structures and their norms process decisions.
2	Group/Network	Group and Network approaches assume the pattern of political association explains policy stability and variation.
3	Socio-economic	Macro socio-economic approaches try to explain political processes as reflections of changes in society and in the economy.
4	Rational Choice	Rational choice theory posits that individual choice is the foundation of political action and inaction.
5	Ideas based	Ideas-based approaches explore the salience of argumentation, discourse, and advocacy in the policy process.

Source: John (1999: 197)

dominate the policy literature, are essentially micro-focused (though with the potential for macro-applications), and pragmatic in application. In contrast, the socio-economic approach is essentially concerned with the theoretical and practical implications of the Marxist critique of public policy, and rational choice theory and ideas based approaches are, in their turn, preoccupied with finite concepts in policy making and their wider implications for the development of the field. Nevertheless, choices must be made and Table 3.2. explains the differences between the five approaches, in terms of stability and change. Also how they differentiate between sectors and countries.

Table 3.2. The Explanatory Power of Approaches to Public Policy.

	Institutional	Group/Network	Macro Economic	Socio-	Rational Choice	Ideas-based
Stability	Good	Good	Fair		Good	Poor
Change	Poor	Poor	Fair		Fair	Good
Sector	Poor	Good	Poor		Good	Poor
Country	Good	Poor	Poor		Poor	Poor

Source: John (1999: 200).

In this thesis institutions and the role of groups and networks in the policy-making process are chosen in order to facilitate an emphasis on politics and policy-making. Indeed, it is these elements that have been at the centre of debates about the gradual replacement of government as a process by governance (an issue that will be revisited later in the chapter), an emerging integrative approach to public policy making, and to which, along with institutional and group and network approaches, attention now turns.

Institutional approaches

The institutional approach represents the way in which political scientists understood decision-making in the first half of the twentieth century, having the advantage that it corresponded with the formal arrangements of the then political systems. Institutions are

the arena within which policy-making takes place. They possess distinctive characteristics, their structures influence policy battles and they succeed through incrementalism (www.2.titc.ttu.edu/saidman, 1999). They also have cultural rules giving collective meaning to particular entities and activities, integrating them into larger schemes, and include the political organisations, laws and rules that are central to every political system. They also exclude political participants such as interest groups in public decision-making (Schattschneider, 1960). Furthermore, they constrain how decision-makers behave; apportion powers and responsibilities between the organisations of the state; confer rights on individuals and groups; and impose obligations on state officials to consult and deliberate.

Modern-day institutional approaches examine constraints, and take account of the norms and habits of policy-making in different political systems and sub-systems (John, 1999). They stress that rule following within an institutional context is the key feature of political systems and is the main explanation of policy variation, stability and change. In consequence, institutions become all embracing because they carry norms embodied in constitutional rules and conventions (John, 1999). However, because rules and procedures constrain choice, institutional approaches are better at explaining policy stability than change. For example, in times when there is little demand for change, institutions can keep a political system stable, e.g. limiting the influence of new ideas or the impact of influential interest groups (John 1999: 198). It is at this point that institutions constrain the choices open to decision-makers rather than shape their preferences. For example, they are unable to explain the variation in the politics between

sectors, over time and in space, and may in fact be determined as just one-factor constraining public policy choices.

Group and network approaches

Group approaches

Group approaches emerged during the 1950s and early 1960s as a critical response to institutional approaches. In essence, they stress the importance of the nuances and interactions between the participants in the policy-making process. At its most refined, the group approach proffers the idea that networks of relationships between participants determine policy outputs and outcomes. For example, it is not just the legislature that makes decisions: policy emerges as a result of informal patterns of association such as groups influencing the legislative processes and executive decisions. The government in fact needs groups. Although they can be demanding of and frustrate governments, more importantly they can also be a source of policy ideas, provide expertise and by accepting and implementing policy can legitimise it.

John (1999: 198) claims that patterns of interest-group interaction explain how issues are processed by political systems, particularly the way in which they mediate the operation of formal institutional structures. They also analyse alliance building; networking and mobilisation in public decision-making and in doing so assess and exploit strengths and weaknesses. Another facet of their activity is that they focus on the associated relationships that circumvent institutions and define the roles of bureaucrats and other policy participants. Such relationships stem from the fact that the formal office holders

are as much part of interest-based politics as are the groups themselves. For example, political parties are composed of groups; legislatures are constituted by group action: and different branches of public bureaucracies behave as groups in their own right. In its most extreme sense, every action is an expression of group dynamics whether operating within or outside political institutions and bureaucracies (John, 1999). However, in common with the institutional approach due to their being a continuation of the theme they are able to explain policy stability better than policy change.

Network approaches

The network approach, which became popular in the 1980s and 1990s, continues the above themes. Institutionalists in the 1980s, in the form of 'new' institutionalism, reasserted the importance of the state and the salience of routines in politics. These include associations and informal relationships, both within and outside political institutions that shapes policy decisions and outcomes. The existence of a policy network both influences, although it clearly does not determine, policy outcomes and reflects the relative status, or even power, of the particular interests in a broad policy area (Rhodes, 1999: 29).

John (1999: 78-91) claims that networks have largely replaced the group perspective in the study of public policy. In effect, the network approach is used to describe and explain relationships between decision-makers as they operate in various policy sectors. Different and varying types of relationships between group representatives, bureaucrats, politicians and other participants in decision-making also account for the various ways in

which political systems process policy. There is a difference, though, from group politics, in that the relationships between decision-makers matter, as opposed to the effect of the presence of an organisation in the policy process. However, there are still similarities in that it focuses on the informal and associative aspects of decision-making rather than just on formal arrangements.

Policy change and policy stability

The term institution refers to many different types of entities, including both organisations and the rules used to structure patterns of interaction within and across organisations (Sabatier 1999: 36). In consequence, institutional change is both a cause and effect of the development from reliance on formal-legal powers towards different forms of government (Pierre and Peters, 2000: 76). For example, Easton found political institutions weak in two well-defined areas: the analysis of law, and institutions could not ultimately explain policy or power because they did not cover all the relevant variables (1971: Chapter Six). It is whether the best strategy for individuals or groups attempting to improve the governance capacity of their regimes is to build civil society or to construct the institutions of governance (Pierre and Peters, 2000: 44).

The institutionalist answer, of course, is that the more effective course of action is to emphasise building the institutional structures needed for governance. This choice does not necessarily deny that civil society may be important for governance; it only argues that the more effective strategy for producing change in governance is to build institutions first. This strategy is likely to be more effective if for no other reason than that institutions are probably more malleable than society. For example, we know that

institutions do have a number of defences to resist change. However, they can be altered structurally rather easily by political leaders (Pollit, 1984), and furthermore, societies may even have more defences to change being imposed from outside.

According to John (1999: 91), group and network interactions correspond to the fluid and changeable reality of policy-making much more than the institutional approach, and seem to be an explanation of stability in policy-making. However, as with the institutional approach, the main problem is the extent to which groups or networks offer a sufficient explanation of policy variation and change. That said, Rhodes (1999: 56) claims that policy networks changed fundamentally after 1979, when Thatcher came to power in the UK. They expanded to include more actors, most notably from the private and voluntary sectors. Thereafter, the challenge for government was to recognise the constraints on central action imposed by the shift to self-organising networks; and to search for new tools for managing such networks.

The main criticisms of policy networks, however, according to John (1999: 87), are that they do not have an account of institutions and the state e.g. networks invariably circumvent the more formal aspects of politics. It is possible; however, to acknowledge the role of institutions in the network approach (Peterson 1995), as institutional strategies are the basis of the relationship within networks.

In developing this theme, Marsh and Rhodes (1992a: 261) claim that networks exist to routinise relationships. Networks with a dominant economic or professional interest are

the most resistant to change, an example being reputedly the Civil Service. Meanwhile, a network will run its own affairs if the policies are of low salience to the government. In short, change is incremental. The analysis of change, therefore, must explore the relationships between networks and how they affect policy outcomes. In addition, the wellspring of change may lie in a network and in its relations with sub-sectoral networks, depending on the extent to which it can set the policy parameters for sub-sectoral networks (Marsh, 1996 cited in Rhodes 1999: 12).

Although interest group and network approaches are similar to institutionalism in that they generally explain policy stability better than policy change, it is not clear from the way in which networks operate how change comes about. However, in contrast to institutions, group and network approaches are effective in drawing attention to the difference in policy-making across sectors, but have little to say about how policy varies across countries except that there are different styles of interest group activity (John 1999: 199). Despite their obvious flaws, nevertheless, the strengths and weaknesses of these approaches can to a degree be overcome by considering a recent development of integrative theory as alluded to earlier, namely governance.

Towards governance?

Networks evolve more expeditiously than institutions. For example, Rhodes (1999: 4) claims that since 1945 Britain has changed from a unitary state to a differentiated polity. For Scotland, this means that policy networks of resource dependent organisations, such as those in the tourism firmament, are now a defining characteristic of the Scottish public

policy-making process. One of the outcomes of such a scenario and which has been consolidated by devolution is that there has been a shift from a strong (Scottish Office) to a segmented executive (Scottish Executive), characterised by bargaining games within and between networks. This is a consequence of *governance*, which is defined as an unplanned, unheralded governing structure; as characteristic of government policy-making as the more vaunted markets and competition (Rhodes, 1999: 45).

By governance Rhodes refers to a change in the meaning of government, referring to a new process of governing (Rhodes, 1999: 15). He does, however, point out the danger to government. It has to recognise the constraints on central action imposed by the shift to self-organising networks, and the search for new tools for managing such networks. He also points out the dangers in that game playing, joint-action, mutual adjustment, and networking are the new skills of the public manager. They treat networks as a tool of government. This becomes a challenge for democratic accountability.

Equally, according to Marsh and Rhodes (1992a: 265), networks can destroy political responsibility by shutting out the public; by creating privileged oligarchies; and being conservative in their impact, because, for example, the rules of the game and access favour established interests, a theme that will be pursued in subsequent chapters. Rhodes (1999: 59) further claims that governments will have to learn to live with policy networks and that the challenge for governments is to understand these new networks and devise ways of steering them and holding them to account (Rhodes, 1999: 110).

The concept of governance, according to Rhodes (1997: 46) is multi-faceted. While synthesising and analysing the work of others, he identifies six distinct usages of governance as described and analysed in Table 3.3. In simple terms, these systems and

Table 3.3. Distinct Usages of Governance.

Analysis	
The minimal state	A narrow focus whereby certain elements of governance are stressed while others are ignored. This creates an environment in which there are rolling programmes of privatisation and continuous attempts to cut the scale and scope of the public sector
Corporate governance	Emerged as a direct consequence of a series of scandals arising from allegations of sleaze of the Major government, and led to the establishment of the Nolan Committee.
The new public management	Embraces <i>inter alia</i> , the transfer of a range of private sector management systems and techniques to the public sector, the advent of new structures for the delivery of public services, and the introduction of quasi-markets, contractualism, and consumerism.
Good governance	Emphasises the importance of using reforms in order to distribute and disperse power within a state that derives its legitimacy and authority from a democratic mandate.
Socio-cybernetic system	The parts played by a multiplicity of active participants in specific policy areas who have social, political or legal bases, straddle the public, private and voluntary sectors, and ultimately may produce policy outcomes that extend far beyond the initial intentions of central government (Kooiman 1993. Rosenau 1992).
Self-organising networks	A complex set of independent organisations drawn from the public and private sectors charged with the function of providing services. Increasingly, these networks become closely integrated, resistant to government influence with the ability to develop their own policy agendas.

Source: Rhodes (1997: 46), Pyper and Robins (2000: 307)

networks imply that governance is a broader term than government, with services provided by any permutation of government and the private and voluntary sectors.

According to Pyper and Robins (2000: 307), for the Thatcher governments, governance equalled the minimal state plus the new public management. Reform was largely limited to aspects of the economic and financial polity. Under the Blair government, it is possible to discern the emergence of a fuller, more comprehensive concept of governance. In Scotland, under first Dewar and then McLeish these principles appear to not be as widely embraced.

John (1999), however, somewhat incongruously, ignores governance, focusing instead on relationships, and applying labels to describe those relationships. Whether policy

communities, issue networks, whirlpools or triangles, in John's view, the network approach does not account for how those relationships form and why they change; an essential tenet in the understanding of governance. Nevertheless, according to Pierre and Peters (2000: 19), one of the most familiar forms of contemporary governance is a policy network. Rhodes (1999: 15) acknowledges this, claiming governance refers to self-organising, interorganisational networks characterised by interdependence, resource exchange, rules of the game and significant autonomy from the state: a facet of public policy theory apparently disregarded by John.

Pierre and Peters (2000: 114 – 115) develop this theme describing the state as stepping back and allowing subnational and international institutions and actors to gain importance. They suggest that there is a conscious state strategy, which is much more than surrender to local and transnational pressures for greater control and autonomy. Such a strategy has significance for Scottish tourism. For example, due to devolution, for the first time since tourism was recognised as an industry opportune to Scotland, Scotland has the ability to decide its own tourism policy, or ultimately whether it even needs such a policy. This is due to the fact it represents a very different type of regional institutional reform compared to the Scottish Office previously existing in Whitehall and Edinburgh. Whether or not policy networks rather than institutions will influence such a policy (or the need for such a policy), or for that matter, interest groups, networks or elite's is addressed later in this thesis.

This reform is significant in terms of governance. However, John cautions (1999: 40) that institutions embody cultures and past political decisions. For example, formal rules and structures agreed or introduced long ago, influence how political actors exercise their current choices. It is the variety of traditions embodied in institutions that explains the complexity of political behaviour and unlocks the intricacies of the policy process. Furthermore, whereas political movements, parties and interest groups come and go with the cyclical fluctuation of issues, the institutional context that shapes policy agendas change much more slowly. Bringing together the institutions into a coherent whole, each country has a state tradition that is an amalgam of culture's ideas and institutions (Dyson 1980). Dyson expands on this theme claiming that recent developments in Britain (devolution) have played out slightly differently, owing mainly to the extraordinarily strong British *etatiste* tradition and the politicisation of regional autonomy, primarily with respect to Scotland. Pierre and Peters (2000: 208), however, have a salient warning; governance is not so cosy and consensual as it is sometimes made out to be. They claim, instead, it is to a significant degree about defining goals and making political priorities, and there is little reason to expect those decisions to be any less controversial in a governance perspective than it was in the conventional view of government.

Other integrated theories

The governance approach is one example of a theory emerging from a distinct tradition in the theory of public policy that in itself tends to be diverse rather than dogmatic. That is, it seeks to integrate different elements perceived to be of relevance in the formulation and implementation of public policy. For reasons of methodological pragmatism, there is an

attraction to theories that account for continuous change and adaptation and avoid reductionism. On the contrary, a theory that can synthesise a plausible and integrated explanation of policy formulation would seem infinitely more appropriate (John, 1999: 194). For example, integrated approaches have many features in common in that they seek to embrace the nuances and complexities of the modern-day policy process. Three are of particular interest here (Sabatier, 1999: 9).

The Advocacy Coalition Framework

The Advocacy Coalition Framework (Sabatier and Jenkins-Smith, 1991: 147-156) focuses on the interaction of advocacy coalitions. An advocacy coalition consists of constituents who share a set of policy beliefs. It also regards policy-making as a continual service with no strict beginning and end, and from which participants learn over time. Yet, it also encompasses the fact that all have a role to play in the dissemination of ideas (John, 1999).

The Multiple-Streams Framework

The Multiple-Streams Framework is based on the idea of continual interplay of problems, solutions and politics in a garbage-can model of policy choice (see Kingdon, 1984. Cohen, March and Olsen, 1972), which sees policy-making as an outcome of the essentially chaotic and unplanned manner in which organisations process decisions. It views the policy process as made up of three streams of actors and processes: a problem stream consisting of data about various problems, and the proponents of solutions to policy problems; and a politics stream consisting of elections and elected officials. In

Kingdon's view (1984), the streams normally work independently of one and other, except when a window of opportunity permits policy entrepreneurs to couple the various streams (Sabatier, 1999: 9). However, although this approach is highly attractive, it also has a tendency to rely too much on change and fluidity.

The Punctuated-Equilibrium Framework

The Punctuated-Equilibrium Framework (Baumgartner and Jones, 1993) argues that policymaking is characterised by long periods of incremental change punctuated by brief periods of policy change (Sabatier, 1999: 9). It is a model of agenda-setting, which seeks to describe how agendas and policies move from periods of being highly stable to times of rapid change and fluidity. In effect this could describe the process with which Scottish tourism is dealing at present. However, although it neatly contrasts stability and instability in the account of policy-making over time, it is not entirely clear that it explains the transition between stability and change, and back again. If, as we claim it describes the current situation for Scottish tourism, its weakness is its inability to describe the transitional processes. Also, if, as described above, there is a change of government either at Holyrood or Westminster, or both, this model is inadequate in its perception to reflect such changes, or not, as the case may be.

Table 3.4. defines these three frameworks in terms of change and stability. Also how they differentiate between sectors and countries.

Table 3.4. The Explanatory Power of Synthetic Theories of Public Policy.

	Multiple-Streams Framework	Advocacy Framework	Coalition	Punctuated-Equilibrium Framework
Stability	Poor	Good		Good
Change	Good	Fair		Good
Sector	Fair	Fair		Fair
Country	Poor	Poor		Poor

Source: John (1999: 202)

Research on tourism's political impacts needs to connect the substance of policy i.e. the general focus on data with the process of policy-making including the relationship between power, structure and ideology (Hall 1999: 14). For example, if this is neglected, the capacity of the researcher to explain how Scottish tourism is threatened on the one hand by globalisation and on the other by outmoded institutions and structures is severely limited. As is his or her ability to define the opportunities presented by globalisation or by de-institutionalisation. For the researcher, this is compounded by the fact that the politics of Scottish tourism today involves many more complex networks of governance than in the past. This means that in terms of research, policy frameworks are required to cope with the multilevel nature of tourism policy change and variation, and encapsulate them in terms of reference to governance.

As may be seen from Table 3.5. which describes Sabatier's three-fold classification of

Table 3.5. Sabatier's Policy Approaches.

Approaches	Description
1 The Advocacy Coalition Framework	Competing policy advocacy coalitions, each with its own ideas about policy content, compete for policy dominance.
2 The Multiple-Streams Framework	Policy formation is the outcome of a flow of three sets of processes, politics, problems and policies from which result policy windows that allows participants to force through their ideas.
3 The Punctuated-Equilibrium Framework	An agenda-setting model, it deals with the way in which instability overtakes stability.

Source: Sabatier (1999: 9).

policy approaches, comparison of governance to the above three frameworks is complicated by their diversity. One maps changes in the coalitions that are often driven

by external changes, another interacts with policy problems, policy solutions and politics to produce policy change, while another explores agenda expansion and the potential for disequilibrium in policy-making systems (John 1999: 201).

Although these can be related to the tenets of governance their capacity to embrace governance in its entirety are restricted by the fact that since their inception there has been a shift in perspective with regard to state-society relationship and dependencies, including tourism. An example of this would be the Scottish Tourism Forum's increasing prominence, as described in subsequent chapters, and although one could dispute Pierre and Peter's (2000) claim that government is no longer the obvious locus of political power and authority it could be argued that the new devolutionary model given time will be a much more consultative and participative one than the previous Westminster model.

The approaches too, are rather partial and, as John observes (1999: 169), their insights need to be pushed further. Furthermore, as Pierre and Peters recognise (2000: 208), studying governance means essentially observing something that works. However, governance failure is difficult to observe because it can only be studied by observing its consequences, not the phenomenon itself, as is the case with the three aforementioned theories. For example, if someone involved in a project finds that he or she disagrees with the goals and strategies of that project, leaving may often be a smoother way of managing the situation than taking issue; a proposition Sabatier's theories do not take into account. Conflict in governance is therefore often more likely to result in withdrawal than perseverance.

Evolutionary Theory

In devising an Evolutionary Theory (for a fuller discussion on this see John 1999: 182-188), John, in consequence, has heeded Sabatier's advice (1999: 270) that the use of integrated theories provides some guarantee against assuming a particular theory is the logical one. Different theories, too, may have the advantage in different environments, and being aware of other theories should make one much more sensitive to some of the implicit assumptions in one's preferred theory. Nevertheless, although John's Evolutionary Theory is a coalescence of syntheses of all of the aforementioned approaches, it does not wholly account for governance or the tensions intrinsic to policy-decision-making in a newly devolved state. Nor is it in harmony with an amorphously diverse sector where the needs and ambitions of one constituent part appear incompatible with the other, or does it deal with the fact that tourism in Scotland is policy driven from Edinburgh, yet is still integrated with a cross border authority through BTA, and is subject to Westminster macro-economic policy.

It also does not take into account that Scottish tourism policy, in terms of strategy, appears to those it is endeavouring to serve to enhance the disconnect among disparate public sector organisations with contrary objectives, traditions, and cultures. The inherent weakness in the relationship between these bodies and the Scottish tourism industry's intensity of expectation of them appear in policy and decision-making terms contradictory, and raises the question of whether a policy for the tourism sector is realistic or indeed necessary, particularly when (if it is not already half way there) it could be integrated with economic development policy. Nevertheless, sound explorations

of public policy in terms of both governance and of this research have to encapsulate the contrasts between stability and change, and to determine an appropriate theory or framework. The understanding is that some ideas are successful in this context, but that change defines the nature of modern tourism public policy either in its own context or in tandem with other extraneous factors (John 1999).

For example, John's theory's strength is that while synthesising the five approaches already discussed, it also draws the best from the three aforementioned theories while seeking to incorporate the dynamic interplay between factors for change and adaptation and constraints on that action. However, even John (1999) claims that the synthesised approach does not imply beneficent progress or teleology. Instead, the rapid and contingent nature of change, the frequent obstacles to co-operation and the limits to human capability mean that contingency and chance play an important role in explaining policy choices and in accounting for the salience of certain ideas.

In consequence, although a case could be made for any one of the approaches favoured by John or Sabatier and Jenkins-Smith, Kingdon, Baumgartner and Jones none is entirely satisfactory to this thesis, but should not be discounted. For example, it is becoming clear that they can be further integrated in a possibly never-ending series of iterations and that it is possible to posit the characteristics that a satisfactory approach might have in respect of tourism in Scotland. The most suitable theory, framework or approach it has to be advised, has to be one that can be synthesised, and can give a plausible explanation of policy formulation and implementation pertinent to this research, while taking into

account the emergence of governance, the advent of devolution and the polarisation of expectations of the various sectors of the industry. In effect a heterogeneous approach.

A Heterogeneous Approach

The attraction of such an approach is fundamentally its ability to understand and explain the process by which the dominant issues and controversies in Scottish tourism in both the lead up to and for a short time after devolution were resolved. It also takes into account the complex environment in which the Scottish tourism industry operated at that time; and the issues pertinent to Scottish tourism during an era of rapid and uncharted change. Of particular importance, as will be shown, is the interaction between the various private and public sector Scottish tourism organisations and the individuals involved in them in their pursuit of specific agenda.

In consequence, as a framework, a heterogeneous one is synchronous with the complex environment in which Scottish tourism operates that includes self-organised interest groups, institutions, elite's and policy networks. It also addresses the processes of the concept and principles of governance combined with the tensions intrinsic to policy-decision-making in a newly devolved state; to cross border authorities that create confusion in the policy process, and finally that of macro-economic Westminster dominated policies.

In essence, such an approach understands and explains how the issues of complexity of the elements to self-organised groups, institutions, elites and policy networks were processed for resolution as they strove continually to interact and adapt to an environment

of constant change. For tourism this means the various disparate bodies associated with it, the constraints placed upon it, the external influences and so on. Also recognizing the processes by which the participants habitually seek to influence decision-making and to interact with socio-economic processes such as demographics, fiscal policies, Europe etc., which are all also slowly changing and evolving over time (John, 1999). Equally, its strength comes from not being a single perspective but one with an ability to move between many different complex and theoretical perspectives. A heterogeneous approach, therefore, would appear to be the most appropriate means by which this thesis can explain the nuances, complexities and vagaries of Scottish tourism policy.

SUMMARY

Given that the process of policy-making is very complex involving many constituent parts, all with different objectives, perceptions, and policy preferences, this section of the chapter considered a number of approaches relevant to the development of this thesis. In simplifying them and, in order to understand their nuances, a conclusion was reached that that no single perspective was likely to yield holistically adequate analyses, instead synthesising them and applying to this thesis, heterogenically, a fusion of the approaches as described in Table 3.6.

Table 3.6. A Heterogeneous Approach to Tourism Policy-Making – A Synthesis of Multiple Approaches.
 More impact on heterogeneous approach Lesser impact on heterogeneous approach

Approaches		Application to Heterogeneous Approach
1	Institutional	Institutions are the arena within which policy-making takes place. Taking such an approach assumes that decisions are processed through formal structures.
2	Group/Network	Group/network approaches stress the importance of the nuances and interactions between the participants in the policy-making process. At its most refined, the group approach proffers the idea that networks of relationships between participants determine policy outputs and outcomes.
3	Socio-economic	Socio-economic approaches describe differences in policy making between sectors and explain both change and stability.
4	Rational Choice	Rational choice theory explains both policy stability and change through the choices available to the participants.
5	Ideas based	Ideas-based approaches are good at explaining policy change through the process of advocacy and persuasion.
6	The Advocacy Coalition Framework	The Advocacy Coalition Framework focuses on the interaction of advocacy coalitions. An advocacy coalition consists of constituents who share a set of policy beliefs.
7	The Multiple-Streams Framework	The Multiple-Streams Framework is based on the idea of continual interplay of problems, solutions and politics in a garbage-can model of policy, which sees policy-making as an outcome of the essentially chaotic and unplanned manner in which organizations process decisions. Policy formation is the outcome of a flow of three sets of processes, politics, problems and policies from which result policy windows that allows participants to force through their ideas.
8	The Punctuated-Equilibrium Framework	The Punctuated-Equilibrium Framework argues that policymaking is characterised by long periods of incremental change punctuated by brief periods of policy change.
9	Evolutionary	Draws the best from these synthetic theories, while seeking to incorporate the dynamic interplay between factors for change and adaption (ideas and some interests) and constraints on that action.
10	Governance	Governance is a change in the meaning of government, referring to a new process of governing.

Sources: John (1999), Sabatier (1999), Rhodes (1997).

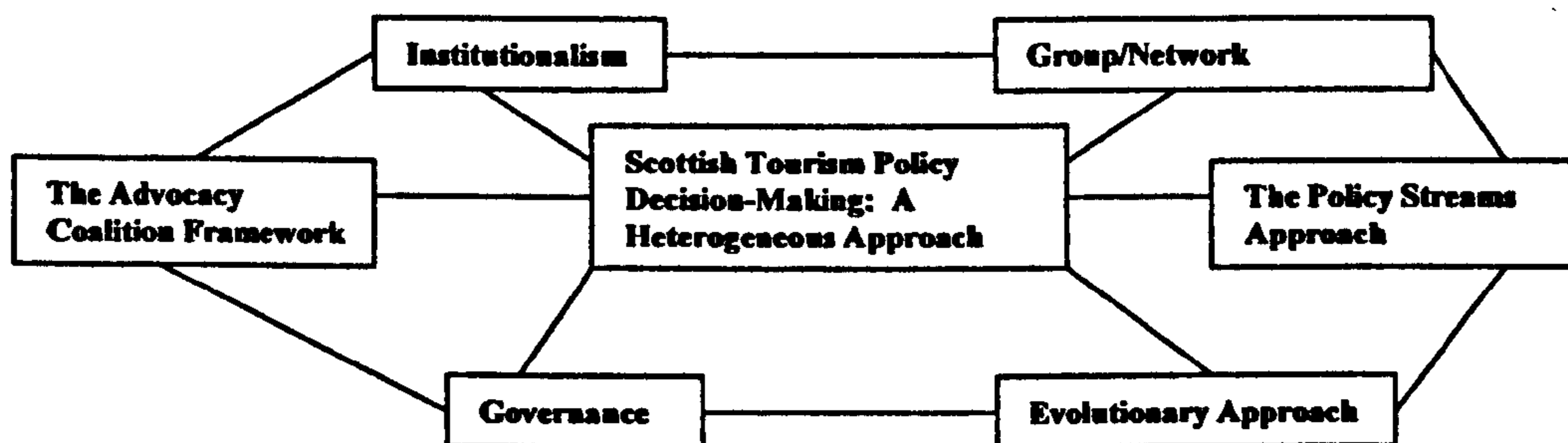
In effect, this is the only coherent approach to explaining Scottish tourism public policy. For example, by integrating the models discussed above, heterogenically, we can explain how the various participants in Scottish tourism policy-making systems interact with and respond to each other to produce forms of political action and inaction: a basic fact which in terms of the exigencies of devolution is extremely important. This is due to the fact that these models synthesize the various elements that cause policy change which, in turn, in terms of resource or ideology, can cause tensions not only between Holyrood and Westminster, but also the various constituent parts of Scottish tourism which have been frustrated by the Scottish Executive's approach to Scottish tourism since devolution. It is how we assimilate these elements, in terms of the model, in order that it can explain Scottish tourism policy that is the real challenge of this thesis.

PART TWO

TOURISM POLICY-MAKING IN SCOTLAND

In adopting a heterogeneous approach we have sought to substantiate its applicability to our understanding better the mechanisms by which tourism public policy-making in Scotland is derived. However, it is also important to substantiate how relevant this approach is to our understanding of the way in which tourism policy decisions are implemented in Scotland and the processes by which they are implemented (see Figure 3.2. for the component parts of the Heterogeneous Approach).

Figure 3.2.A Model of the Component Parts to a Heterogeneous Approach to Scottish Tourism Policy-Making Decisions.



As revealed by Brown et al (1996: 104), a major problem with literature on policy-making is that it makes no distinction between the UK or Britain or Scotland. Much of the analysis is also at the macro level of abstraction, with emphasis on groups that represent employers and workers. Furthermore, the researcher discovered little distinct literature on tourism policy-making in Scotland and this thesis is very much an attempt to rectify this situation. Having, therefore, explored the role of institutions, groups and

networks in Scottish tourism; and theories, approaches and frameworks applicable to tourism policy such as advocacy coalitions, policy streams, governance and evolutionary, we now explore the part they have to play in policy-making concluding with the emergence of a heterogeneous approach as an integrative framework for Scottish tourism public policy-making. All of the foregoing merits further questions, which we now address.

Institutionalism

Institutionalism embodies power relations by privileging certain courses of action over others while expressing patterns of distributional advantage (Knight, 1992. pp. 9. from Stoker, 1999). For example, if institutionalism is inherent to the Scottish tourism infrastructure e.g. the influence of civil servants, or/and of those in privileged positions, could it be one of the contributory factors that renders Scottish tourism too slow to change to the demands placed upon it by the modern day visitor? In reference to this point, John Loudon, Secretary to the BHA in Scotland, the organisation on which the case study in Chapter Nine is based, makes an important observation. In responding to a request by the researcher for information for this thesis regarding the history of the BHA in Scotland, he commented on how past committee papers revealed a similarity between the issues of Scottish tourism today to those of forty to fifty years ago (personal communication, May 2001). Going back to almost the beginning of the last century, research by Bob Bacon (personal communication 24.5.2001) into the history of the BHA in the UK confirmed Loudon's findings: evidence of long-term institutional failure.

What is clear is that an institutional approach is better at explaining policy stability than change, through the way in which choice is constrained. For example, as has already been discussed, if there is not enough push for change, institutions can keep a political system stable by limiting the impact of new interest groups and ideas (John, 1999). This was particularly evident of the relationship between the Scottish tourism industry and the Scottish Office pre-devolution. In particular, where membership of the then Scottish Tourism Co-ordinating Group (STCG) was in the gift of the Minister responsible for tourism, as was (and still is) appointments to the STB/VisitScotland Board and Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) Boards. The outcome of such a process is that aspirant participants' feel excluded from the policy process and few progressive policy initiatives evolve: the likely reason as to why issues identified by the BHA in Scotland half a century ago still remain unresolved e.g. funding, skills, quality, access, structure, all of which will be addressed in subsequent chapters. Furthermore, although the STCG was disbanded after devolution, with the promise that a new Strategy Implementation Group chaired by the Minister would be set up in its place, there is little evidence that such group has met formally or as a result communicated its deliberations, therefore creating an institutional gap, a matter discussed in subsequent chapters.

It is also difficult to uncover any fundamental Scottish tourism policy-making decision made between 1997 when the Labour government came to power and the formation of the new Scottish parliament. For example, the Labour government, as with its fiscal policy, following its 1997 electoral victory, made no effort to alter the previous Conservative government's policy on tourism, instead pursuing an identical route. The

consequences for STB, SE and HIE were far-reaching. Following the Labour victory they were inwardly consumed by their new 'masters', and as time passed, were constrained by the onset of devolution and apprehensive to what this would mean to their survival. To compound matters further, hopeful that a new government would bring its own positive change there was little real pressure put upon the politicians by interest groups such as the STF, BHA and ASVA, or the elite. As a result, Scottish tourism policy between 1997 and 1999 continued to be influenced heavily by Westminster policy on tourism, which in itself was a sedentary one.

Another interesting aspect of the institutional approach to tourism is that it is not particularly good at explaining the differences in policy-making across the various tourism sectors e.g. hospitality, visitor attractions, inward tourism operators, bed and breakfast and so on. This is because most political systems have similar frameworks for making policy in each area of activity, though there are some differences such as the level of government charged with responsibility for providing services (John, 1999). Take Scottish tourism, particularly the present infrastructure that appears to epitomize the institutional approach to tourism. For example, at no time in British history has the position of Tourism Minister in the wider UK or Scotland been anything other than that of the post of Junior Minister, and normally one that combines these duties with others. For example, between 1997 and 1999 Brian Wilson MP and Lord Macdonald were the Scottish Office Ministers for Industry, with tourism being part of their portfolio, which mirrored the previous Conservative government structure. Furthermore, a consequence of the Tourism Ministry in Scotland being part of the Industry Ministry pre-devolution and

the Enterprise and Lifelong Learning Ministry post-devolution has meant it has always been primarily subject to and subjugated by wider economic development policy, a matter that also will be addressed in subsequent chapters.

Since devolution, tourism policy decision-making has exposed the differences between the UK countries' national tourism systems. For example, these differ in terms of structures, quality assurance and grading, funding, marketing and strategy, yet still come together uneasily under the auspices of the British Tourist Authority (BTA), incongruously a cross-border authority though tourism policy is now devolved to the Scottish parliament, and there is still somewhat the impression that regardless of devolution, Westminster is still extremely influential due to the dependence of reserved powers which impact upon the industry.

John (1999: 65) argues that, in effect, it is comparatively easy to overestimate the role of institutions as they tend to neglect the political and social context that affects how formal rules and norms operate. It would appear that he is perhaps making a distinction in wider terms than in Scotland. For example, in Scotland is it the coterie that have grown around the institutions who since the inception of devolution have some influence over the tourism agenda? Furthermore, has this small coterie (60% BHA Committee members) in the lead up to devolution, as outlined in Table 3.7. become analogous to an institution in itself, suppressing change?

Table 3.7. The Tourism Elite in Scotland 1999.

	Lord Gordon	Tom Bunce	Peter Lederer	Paul Murray-Smith	Michael Cantlay	Eddie Brogan /Bob Kass	Peter Taylor	David Clarke	Willie Wood	Laurence Young
STCG	Member	Member		Member		Member				
STB Board	Chair	Chief Exec	Board Member		Board Member					
SE Board					Board Member					
BTA Board	Board Member									
STF Council				Chair		Member	Member	Member		
ATB Board					Board Member					Vice Chair HOST
LEC Board					Chair			LEC Board Member		Board Member -- Lochaber Enterprise
TYS			Chair			Member		Member		Member
BHA Comm			Member	Member		Attends	Member	Member	Chair	Member
HCIMA			Fellow	Fellow			Fellow	Fellow		Fellow
HtF /Scottish Chapter				Chair			Member	Member	Member	Member HtF UK Committee
Spring-Board Board								Chair		
BHA Council				Member			Member		Member	
Master Innholder			MI	MI			MI	MI		

NB. Attending means in their capacity as SE/HIE Executives.
Tables do not include Ministers or Scottish Executive Civil Servants

Their influence is investigated in later chapters, but Table 3.8 reveals how between 1999 and 2001 this small coterie changed little over that time (increased to 62.5% being BHA Committee or past Scotland Committee members), and raises the question as to how such people achieve these positions which has already been addressed to some extent, but is elaborated upon in subsequent chapters.

Table 3.8. The Tourism Elite in Scotland 2001.

	Peter Lederer	Philip Riddle	Paul Murray-Smith	Michael Cantlay	Eddie Brogan/ Bob Kass	Peter Taylor	David Clarke	Laurence Young
Strategy Implementation Group	Member	Member	Member		Member	Member		
STB/ VisitScotland Board	Chair	Chief Executive	Advisory Board Member	Vice-Chair				
SE Board				Advisory Board Member. Chair LEC Chairs				
BTA Board	Member							
STF Council			Chair		Member	Member	Member	
ATB Board				Member				Vice Chair HOST
LEC Board				Chair				Board Member Lochaber Enterprise
People Group	Chair		Member					
BHA Committee			Member		Attends	Member	Member	Chair
HCIMA	Fellow		Fellow			Fellow	Fellow	Fellow
Member								
HtF Scottish Chapter			Chair			Member	Member	Member HtF UK Committee
Springboard Board								
Master Innholder	MI		MI			MI	MI	
BHA UK Council			Member			Member		Member

NB. Attending means in their capacity as SE/HIE Executives.

Tables do not include Ministers or Scottish Executive Civil Servants

Interest-group and Network Approaches

Apart from being analogous to institutionalism, interest-group and network approaches generally explain policy stability better than policy change while being synonymous with pluralist and corporatist theories (John, 1999). Patterns of interest-group interaction such as STF, BHA and ASVA's experience of first the Scottish Office and then the Scottish Executive explain how issues are processed by political systems, particularly the way in which they negotiate the operation of formal institutional structures. For groups such as the STF, BHA, ASVA and others, the policies and structures set in place by the

aforementioned Conservative government and which remained unchanged after it lost power obfuscated matters in the lead up to the election. They had little idea who they should be dealing with in terms of priorities, both at certain levels and in certain circumstances, particularly as invariably as is evidenced by research derived from the interviews in Chapter Seven, one participant may be less enthusiastic than the others on both the inputs (sometimes financial) and the outcomes (sometimes to their disadvantage), meaning there is not always a cohesive approach. This is compounded by the fact that not only, as is evidenced in the STB Management Review and Recommendations (2000) that the STB was confused as to who was their customer, but also that tourism and economic development policies and structures were the remnants of the previous administration. This meant that until a fundamental change was made the Ministry responsible for them or the parliament felt no real ownership of them. This makes it clearer, from the way in which networks operate, how change manifests, and the manner in which the Enterprise and Lifelong Learning Minister, Henry McLeish MSP was influenced to initiate a tourism strategy a few months following the opening of the new parliament in 1999 is one example of network effectiveness.

In contrast to institutions, group and network approaches are also effective in drawing attention to the differences in policy-making across sectors. Compare the influence on government of the British Medical Association (BMA), or the National Farmers' Union (NFU), to tourism interest groups, for example, or most recently the Road Haulage Association (RHA). Or, within the tourism sector, BHA's influence to less strategically-orientated groups. For example, the Bed and Breakfast sector's influence in sheer

numbers on the local Area Tourist Board network, and the impact this has on policy decision-making, which will be explored later in this thesis.

Advocacy Coalition Framework

In this model, policy-making depends on change and stability in the wider political system, in society and in the economy. One extremely interesting example of this model is that of the ideologically opposites' Scottish tourism policy being one and the same thing during 1997 – 1999.

It is an amalgam of ideas and networks in public policy that focus on the interaction of advocacy coalitions. The policy subsystems are driven and sometimes fractured by large socio-economic or external events, while the advocacy coalition consists of constituents who share a set of policy beliefs. As with the Multiple-Streams Framework and the Punctuated-Equilibrium Framework, the Advocacy Coalition Framework is contemporary because it places ideas firmly at the centre of its analysis. It also regards policy-making as a continual service with no strict beginning and end, and from which participants learn over time. From a Scottish tourism perspective, it makes the case for more strategically-orientated bodies that hold the same ideals for the purpose of arguing against their less strategically-gifted opponents. Yet, it also encompasses the fact that all of them have a role to play in the dissemination of ideas (John, 1999). As a consequence, it ensues a dominance of such ideas over competing policy advocacy coalition that can produce short term interests (Hann 1995: 19-26).

Multiple Streams Framework

This framework throws up some interesting political foresights. For example, policy outcomes arise from a continual interplay of participants which, based on what has already been discussed in regard to the Scottish tourism coterie, is limited to those invited to participate, and in consequence excludes others. In fact, it could be claimed that the model encourages this form of clique. It is therefore a less than all embracing model, almost elitist, some might claim, and justifies the claims of those that already feel excluded from policy decision-making in relation to tourism in Scotland.

Another aspect of the model is that it has no starting-point. Policy solutions instead appear unexpectedly and disappear as rapidly. As such, this is reminiscent of Scottish tourism. Ideas are manifest, but many in the main unworkable, reflecting perhaps a limited area of interest, a small geographical area or a combination of both. This leads to parochiality, or people being ill-informed. For example, the common myth is that everyone is an 'expert' on tourism, the result being as we discover in subsequent chapters that there is no consensus of opinion in Scottish tourism. Yet, such ideas, when they do materialise, are not uniquely associated with one person or organisation, instead materialising from shared agendas between decision-makers.

It is, however, an interesting concept in that it introduces a set of processes consisting of problems, policies and politics, all 'echoes' of the above scenarios. It argues that each of these processes acts as an impetus or a constraint on public policy by putting a proposal on or off the agenda. Applying this to tourism in Scotland, for example, and to current

problems suffered by tourism operators and tourists alike, among others, the model would be a compelling one with which to analyse the various nuances and sensitivities associated with what may be assumed as highly contentious issues.

Governance

A quarter of a century ago most West European countries were governed by governments powerful enough to intervene in the economy to pursue goals of redistribution and social justice. Today, many of these countries pursue a much more modest agenda, instead governing by coordinating and facilitating other powerful actors in society. For example, governance quite simply covers the whole range of institutions and relationships involved in the process of governing, as opposed to the narrower term 'government' (Pierre and Peters 2000). During this time government has been transformed from a system of local government into a system of local governance involving complex sets of organisations drawn from the public and private sectors (Rhodes 1999: 51), including tourism interest groups, ATBs, and forums. This use sees governance in broader terms than government. For example, the new Local Economic Forums (LEFs) set up to resolve duplication and overlap of business services, and on which tourism is represented, or the growing importance with which the Scottish Executive holds the Scottish Tourism Forum. For example, following a meeting with Bob Cotton (Chief Executive) and Martin Couchman (Deputy Chief Executive) of BHA, Wendy Alexander MSP instructed Alastair Morrison MSP to set up thrice yearly meetings with STF, and STF's CEO Ivan Brousinne has established regular contact with and briefings from the Ministry.

Policy networks are one of the most familiar forms of contemporary governance. Such networks comprise a wide variety of actors – state institutions, organised interests and so on – in a given policy sector. These networks vary considerably with regard to their degree of cohesion, ranging from coherent policy communities to single issue, or issue specific coalitions (Rhodes, 1997). Policy networks facilitate coordination of public and private interests and resources, and in that respect, enhance efficiency in the implementation of public policy (Pierre and Peters, 2000). Indeed the discussion surrounding such networks is pursued in Chapter Nine. It concerns a group of individuals in the late nineties comprising the BHA Scottish Committee who, as a group working within a wider network, found themselves in a unique opportunistic position, particularly in relation to influencing policy, in an unparalleled period in Scottish tourism history. They were operating in an environment in which there had been a long period of stability, and it was not until 1999 that a long period of tourism public policy inaction ended, which was due to tourism policy being transferred to the Scottish parliament. Equally the interviews as discussed in Chapter Seven and the survey featured in Chapter Eight were also carried out as a means of capturing the essence of governance as applicable to Scottish Tourism.

A Heterogeneous Approach

To develop this theme further, we are proposing an integrated approach, a heterogeneous one.

A heterogeneous approach is one that has the ability to move among many different, complex and theoretical perspectives that recognise that the constituent parts of Scottish tourism policy systems are irrevocably interrelated with economic development policy, and with policies that are influenced heavily by devolution, Westminster's reserved powers, Europe and globalisation.

SUMMARY

The locus for a heterogeneous approach to this thesis is that Scottish tourism policy either in its own context or in tandem with other extraneous factors interacts with socio-economic processes which are slowly changing and evolving over time, at different rates of acceleration, reflecting tourism as being in a world of constant turmoil. It also draws on the aforementioned theories, seeking to incorporate their dynamic interplay, factors for change and adaptation, and constraints on such actions (John 1999: 182). For example, in Scottish tourism there is a continual debate and struggle for the success of ideas and their attendant interests across the multiple sectors that comprise tourism, all hoping to influence the policy process. It is what causes policy variations and change and the way in which certain ideas are selected, and how they are selected that is of interest here, and these are among the things that we have to find out, ascertain, and reflect on in the following chapters.

CHAPTER FOUR - THE DEVELOPMENT OF THE SCOTTISH TOURISM INFRASTRUCTURE

This chapter charts the development of Scotland as a tourism destination, and explores the progress of the structure of tourism in Scotland from the 19th century to the present focusing on organisations such as the Scottish Tourist Board (STB) (now VisitScotland), the Area Tourist Boards (ATBs), and the economic drivers such as Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), the Local Enterprise Companies (LECs), and the local authorities.

THE DEVELOPMENT OF THE SCOTTISH TOURISM INFRASTRUCTURE FROM THE NINETEENTH CENTURY TO THE 1960's

In Chapter Two we discussed the state of world tourism and Scotland's place in its firmament. There were, however, other events that led to the development of the Scottish tourism industry, organisations that influenced it, and policies that steered it, which are described chronologically in Table 4.1.

Table 4.1. Scottish Tourism through the Centuries.

Some Influences on Tourism	(up to 1965)
AD 80	The Romans come to Scotland
9th to 11th Century	The Vikings travel back and forth to Scotland
1595	Mercator's atlas depicts Scotland in detail
1603	The Union of the Crowns
1654	Pont's maps of Scotland become widely available
1700s	The Grand Tour of Europe becomes fashionable
1707	The Union of the Parliaments
1720	General Wade builds Scottish roads and bridges
1746	Culloden
1759	Robert Burns born on 25 January, in Alloway
1769 – 1772	Pennant travels throughout Scotland
1775 – 1786	Bothwell and Johnson travel in Scotland
1796 – 1815	Robert Burns dies in 1796 in Dumfries/The Napoleonic wars
Circa 1800	The word tourist becomes a widely-used term
1803 – 1828	Thomas Telford opens up Scotland's roads/bridges
1809	Sir James Carr travels Scotland on horseback
1810	Sir Walter Scott's <i>Lady of the Lake</i> published. The result is a demand from people to visit Scotland
1820	Steamer services open between Scotland and England
1822	George IV visits Edinburgh
1829	The first railway line opens in Darlington
1841	James Cook commences package tours

1842	Queen Victoria discovers Balmoral/Scottish railway system begins
1863	Scottish railway network reaches Dingwall
1870	Railway to Strome built, which makes the Isle of Skye more accessible
1879	Railway companies begin to open up large hotels
1885	Groome's geographical dictionaries published
1887	Tay Road Bridge built
1890	Forth Road Bridge built
1903	Henry Ford forms a motor company/The Wrights fly the first plane
1906	Incorporated Hotel Keepers Association formed, which was the forerunner to the BHA
1906	Employers' Liability Act
1908	Ford's Model T produced for first time
1910	Incorporated Association of Hotels and Restaurants formed, replacing the Hotel Keepers Association
1913	The Building of Gleneagles commences
1914 – 1918	The Great War
1922	Come to Britain movement formed as a Limited Company
1926	Hotels and Restaurants Association formed, replacing the Association of Hotels and Restaurants
1929	Hotels and Restaurants Association of Great Britain formed, including two Scottish divisions, and replacing the Hotels and Restaurants Association
1929	The Travel Association of Great Britain and Ireland formed
1938	The Holiday with Pay Act means that the seaside becomes accessible
1939	The Come to Scotland Association formed
1939 – 1945	The Second World War
1943	Hydro-Electric Board created
1945	The Come to Scotland Association becomes the Scottish Tourist Board
1946	Reo Stakis opens first Glasgow restaurant
1948	British Hotels and Restaurants Association formed, replacing the Hotels and Restaurants Association of Great Britain
1948	The Railway Act closes down many rail networks
1960s	Foreign travel becomes more widely available

With the number of visitors increasing dramatically year on year, the economic development of tourism in the early nineteenth century took on a new importance. A higher percentage of the Highland and Islands population, for example, were more dependent upon tourism for their livelihood than the Lowlanders and the resultant benefits to the Highland economy, because of its relative size, could be measured in more distinct terms. Furthermore, inspired by the works of Sir Walter Scott, whom Seaton (1998: 6) claims 'disseminated Scottish romanticism through his fiction and verse'; Scotland began to see many more tourists especially to the Trossachs, to

Edinburgh and to Perthshire. Further north, Queen Victoria's love of the Highlands, fuelled the desire for people to take the high road. This brought with it the rise of the middle class visitors, and relatively inexpensive transportation (Theobald, 1998), such as the extensive nineteenth century railway network.

These railway networks were first created in Scotland in 1842, when the groundbreaking Edinburgh and Glasgow Railway opened. Other equally revolutionary routes opened Scotland to the south of England without travellers undertaking long, arduous sometimes dangerous coach journeys to the point that soon there was an influx of rich southern English people to Scotland. The wealthiest built huge opulently baronial mansions in the Highlands ostensibly to further their obsession with the great outdoors where they hunted, fished and shot. They also held regular house parties, and when Charles Parker invented the breech-loading shotgun in 1860, shooting game became much more accessible. For example, those who could not afford to own an estate were accommodated in Highland Inns. The owners of these Inns more often than not owned the rights to fishing and shooting locally, and for a modest sum, visitors could lead the life of a country gentleman or lady (Steel, 1984). Others came to climb the mountains and traipse the hills and glens or journey to the distant Isles, where there was still a different way of life altogether from the mainland. The combined result of this was that tourism not only became an important source of income, it also became a major employer. While the women found work as cooks, chambermaids, cleaners and washerwomen, the men, some of them previously tenants, became gamekeepers, gardeners, ghillies, deerstalkers, foresters and even, in some instances, butlers. Children, too, found gainful employment, preparing them for adult life.

Meanwhile, advances in transport opened up Scotland. For example, from the late 1820s onwards, there was a regular steamer service between Glasgow and Liverpool and from London to Leith, Dundee and Aberdeen, also between Ardrossan and Arran. Towards the end of the century, too, David MacBrayne had established dominance in the transport market, linking his steamer trips with the railways and with coaches, and offering tour packages which encompassed the previously distant Western Isles, the Hebrides, Shetland and Orkney (MacLellan and Smith, 1998).

By the turn of the century people could plan holidays in Scotland, combining them with steamer trips to the outlying islands. The result was that finally Scotland had a composite transport system that reduced journeys and journey time significantly. However, with no co-ordinated strategy for marketing the product, for improving quality, for training staff, Scotland developed inconsistently and erratically as a tourist destination (MacLennan and Smith 1998). For example, from 1879 onwards, the railway companies built large luxurious hotels situated in the main railway cities and towns. They were grand institutions with French Chefs, ballrooms and a plethora of liveried staff, but the remainder of the industry left a lot to be desired, and for many years the gaps in standards and service between the disparate parts of the industry grew alarmingly, and such gaps still exist.

Meanwhile, in London, by 1906 a number of hoteliers had formed the first recognised UK tourism interest group of any consequence. The Incorporated Hotel Keepers Association was the forerunner to the British Hospitality Association (BHA), which is featured in the case study in Chapter Nine, and had been formed as a reaction to the outcome of the 1906 election (see Chapter Nine). In 1910 it became the Incorporated

Association of Hotels and Restaurants, in 1926 the Hotels and Restaurants Association, and in 1929 the Hotels and Restaurants Association of Great Britain that included two Scottish divisions (see Figure 9.1). In that same year, 1929, the Travel Association of Great Britain and Ireland was created (formed in 1922 as the Come to Britain movement) (www.visitbritain.com, 2001) – a forebear of the British Tourist Authority (BTA), formed forty years later (Goymour, 1999: 17), whose function will be explained more fully later in this chapter (Bacon, personal communication, 24.5.2001).

By the early nineteen thirties the Come to Scotland Association, which was to become the Scottish Tourist Development Association in 1938, and STB's forerunner (it became the Scottish Tourist Board in 1945 at the insistence of the then Secretary of State for Scotland, Tom Johnston), had been formed (Devine, 2000). Within that same decade Scotland became a holiday destination for its own people. For example, in 1930 the Scottish Youth Hostels Association had been founded as a provider of hostels for hikers and walkers, and with the introduction in 1938 of the Holiday with Pay Act, Scots flocked to the seaside resorts (McLennan and Smith 1998). By then the Second World War had broken out and within two years of the commencement of the war in 1939 there were many fewer available hotel bedrooms. For example, in London there were 5,000 fewer available hotel bedrooms than before the outbreak of war. This situation deteriorated as the war progressed, and was mirrored throughout UK cities and many rural areas where there were large hotels e.g. Turnberry which housed trainee Spitfire pilots, and Gleneagles a military hospital. For the London hotels, this was the result of bomb damage combined with the Ministry of War requisitioning eight major hotels with between 100 and 400 bedrooms and some, such

as the Great Central and the Langham, were never to open again. This situation was compounded by the fact that it was 12 years after the war, in 1955 when the first post war hotel of any consequence, the Westbury in London opened, six months after rationing ended (Bacon, personal communication, 24.5.2001).

During the war, the creation of an Act in 1943 brought forward to Westminster by Johnston, which legislated for the provision of hydro-electricity in Scotland, had a vast impact on tourism in Scotland, particularly in the Highlands and Islands. An investment of £30 million, a colossal sum in those days brought a domestic electrical supply to the most northern parts of Britain. As Devine (1999: 554) argues, over the next couple of decades, this legislation was the necessary pre-condition for the development of a mass tourist industry and the ubiquitous bed-and-breakfast establishment of modern times. However, such establishments opened without any adherence to recognised consistent standards, and for many years visitors to these areas experienced a wide array of standards of service, quality, hospitality and food.

By 1948 the British Hotels and Restaurants Association had superseded the Hotels and Restaurants Association of Great Britain (Bacon, personal communication, 2001), and by the sixties the world was opening up dramatically. For example, the fading charms of Scottish seaside holiday towns paled into insignificance in comparison to growing overseas competition, less expensive airfares were commonplace; transporting Scots to a variety of easily accessible destinations, and people also were in general better off. This enabled primarily, a company who could be determined as Scotland's first mass travel company, AT Mays, founded in Saltcoats by the late Jim Moffat, (Webster, 1989), to provide the Scots with less expensive holidays mainly to

the continent of Europe. Consequently, those who previously went 'doon the watter for the fair' now holidayed in resorts such as Majorca, Tenerife and Rimini. Since then, whole new destinations have opened up that Scots could only dream of previously, such as Goa, Florida, and the Far East. The implications of this for Scotland were clear. Its seaside towns and city destinations were not only competing with each other, they were also now competing with destinations world-wide, and were failing miserably.

TOURISM IN SCOTLAND: FROM THE 1960s TO THE 1990s

Modern tourism development in Scotland started in the 1960's with the creation in 1965 of the Highlands and Islands Development Board (HIDB) and the passing in 1969 of the Development of Tourism Act. However, from the late sixties onwards the history of the structure of tourism in Scotland from a public and private partnership perspective, particularly the way tourism developed and was marketed, changed dramatically. It is this important period that is explored in this section of this chapter, and is chronologically encapsulated in Table 4.2.

Table 4.2. The Development of Tourism in Scotland from 1965 to 2001.

DATE	POLITICAL	INSTITUTIONAL	TOURISM
1965		Formation of Highlands and Islands Development Board (HIDB).	Local Tourist Associations established in the Highlands.
1966	Harold Wilson's-elected with Labour Government re increased majority.		
1969	Development of Tourism Act.	STB set up. BTA set up.	
1970	Conservatives come to power.		
1971	Decimal Currency introduced.		
1972	UK signed the EEC Treaty.		The British Hotels Restaurants and Caterers Association formed, replacing the British Hotels and Restaurants Association.

1973	UK enters European Economic Community. Local Government (Scotland) Act.		
1974	Labour comes to power in March, then goes to the polls again in October, and wins with a tiny majority.	Two-tiered local (53) and regional (9) councils were established including the massive Strathclyde Regional Council (SRC). In tandem, the three island groupings of Orkney, Shetland, and the Western Isles, became single-tier, multi-purpose authorities.	
1975	Margaret Thatcher becomes Tory leader. Positive outcome for referendum on continued membership of European Common Market.	Scottish Development Agency established.	
1979	Conservatives win election, Thatcher becomes first woman Prime Minister.		Taste of Scotland established.
1982	Local Government (Scotland) Act gives lower tier District Councils a discretionary tourism function, leading to Lowland Scotland setting up Area Tourist Boards in conjunction with STB.		
1983	Conservatives re-elected.		
1984	Amendment to 1969 Tourism Act means STB can market Scotland abroad.		
1985	BTA becomes responsible to the Department of Employment (It had previously been responsible to the Board of Trade).	Seven regional SDA offices opened, and the inward investment function passed to a joint SDA-Scottish Office bureau, Locate in Scotland (LiS).	
1987	Tories elected for a third term.		Scottish Tourism Co-ordinating Group (STCG) set up.
1988		Scottish Enterprise: a New Approach to Training and Enterprise Creation (1988) published.	
1990	Mrs Thatcher resigns. John Major comes to power. Enterprise and New Towns (Scotland) Act outlines plans for Scottish Enterprise Network.		
1991		Scottish Enterprise (SE), Highlands and Islands Enterprise (HIE), Local Enterprise Companies (LECs) set up. HIDB, SDA and Training Agency disbanded.	

1992	Conservatives retain power.	BTA becomes the responsibility of the Department of Natural Heritage. Investors in People introduced. Also SVQs. Tourism Training Scotland (TTS) set up.	Scottish Tourism Coordinating Group publishes "Tourism and the Scottish Environment." British Hospitality Association formed, replacing the British Hotels Restaurants and Caterers Association.
1993	Scottish Secretary of State, Ian Lang, orders review of STB.	SE / HIE assume responsibility for tourism development funds from STB. STB becomes responsible for the Highlands and Islands Tourism network.	STCG strengthened to ensure a more cohesive approach to the direction of policy.
1994	Local Government (Scotland) Act empowers the Secretary of State to set up new independent ATBs.	A review of Scotland's place in the Union ('taking stock') transfers control of training from the Employment Department to the Scottish Office thus reinforcing the distinctiveness of policy in Scotland (Brown et al, 1996: 114).	Strategic Plan for Scottish Tourism published. Scottish Tourism Forum (STF) established.
1996		Single-tier authorities re-established. Area Tourist Board (ATB) network reduced from 32 to 14. Tourism Training Associates established.	Scottish Enterprise Network (SEN) Action Plan, HIE Tourism Action Framework launched. Welcome Host launched.
1997	Labour takes power from the Conservatives. Devolution, a manifesto promise, begins to gain momentum.	BTA becomes the responsibility of the Department of Culture, Media and Sport.	Scotland's Best launched. Scottish Tourism Strategic Plan, Progress Report published.
1998	Positive outcome on referendum for Scottish devolution.	STB Classification & Grading Scheme changed in order that no organisation can become a member of their ATB unless Classified and Graded. New Deal launched.	Project Ossian planned. STB Policy and Financial Management Review, Prior Options Study. Green Tourism Business Scheme launched.
1999	Labour / Liberal Democrat coalition comes to power in the new Scottish parliament.	Henry McLeish launches a review of the Scottish Enterprise Network.	Scottish Tourism Strategic Plan Interim Review launched. Scottish Affairs Committee Report. Enterprise and Lifelong Learning Industry Minister, Henry McLeish launches a new consultation document – A New Strategy for Scottish Tourism. BHA Scottish Divisional Committee renamed BHA Scotland Committee.
2000	New Enterprise and Lifelong Learning Minister and new Tourism Minister, Wendy Alexander, appointed, due to Donald Dewar's death, and the fact that Henry McLeish becomes First Minister.	Launch of the Framework for Economic Development Scotland (FEDS). ELL Committee Review of Local Economic Development Delivery Mechanisms. McLeish reviews the Scottish Enterprise Network.	A New Strategy for Scottish Tourism. Skills Group set up Chaired by Peter Lederer. STCG disbanded. Strategy Implementation Group set up to replace STCG.

2000 cont'd		<p>A review of STB undertaken by Lord Gordon/Price Waterhouse Coopers, Mary Galbraith.</p> <p>Outcome of review is 10 recommendations.</p> <p>STB CEO resigns Peter McKinlay, former Scottish Prisons and Scottish Homes CEO takes over temporarily from Tom Buncle.</p> <p>Chairman, Lord Gordon signals intention to step down in March 2001.</p> <p>All senior STB directors have to apply for own positions.</p> <p>Peter Lederer becomes STB Vice-Chairman.</p>	<p>Area Tourist Boards to become members of the Local Economic Forums.</p>
2001	<p>Foot and mouth blights the industry.</p> <p>Terrorist assaults on America lead to calls for an all out war against the perpetrators, which meant a 'fortress' America environment, and thousands of cancellations of trips across the Atlantic in Autumn 2001 and a collapse in forward reservations for 2002.</p>	<p>A Smart, Successful, Scotland, Ambitions for the Enterprise Network launched.</p> <p>Peter Lederer becomes Chair of VisitScotland, formerly STB.</p> <p>Michael Cantlay, Chairman of Scottish Enterprise Forth Valley, becomes his deputy.</p> <p>Rod Lynch appointed STB/VisitScotland CEO, then offer withdrawn a few days later when it was discovered that he held another post.</p> <p>Six senior STB Directors step down. Three new Directors recruited.</p> <p>Philip Riddle, an ex-Shell Senior Executive becomes the new VisitScotland CEO.</p>	<p>Wendy Alexander launches a new consultation 'Time to look again at the new strategy for tourism in Scotland, 2001'.</p> <p>Scotland's bid for the 2010 Ryder Cup fails. It had been put back one year from 2009 due to the cancellation of the 2001 tournament as a result of the terrorist bombs in the USA which had a dramatic impact on air travel, stopping the USA team from flying. As a consolation prize it was awarded to Gleneagles for 2014.</p> <p>The airline industry lays off tens of thousands of staff and cancels masses of schedules.</p>

1965 – 1969

From Gladstone's Crofters Act of 1886, which gave security of tenure and the right to compensation for improvements made by the crofter, (www.scu.co.uk, 1999), to the establishment of the Highlands and Islands Development Board (HIDB) in 1965, there have been many efforts to reverse the decline in the Highlands and Islands economy. For instance, Crichton (1992: 219) claims that no aspect of life in the Highlands and Islands, with the possible exception of religious affairs, has been unaffected by the work of HIDB. The HIDB, which had set out to assist the people of the Highlands and Islands to improve their economic and social conditions had, according to Devine (1999: 580), for 25 years executive authority over Highlands and

Islands industry, transport and tourism. Its founding legislation was in the first Queen's Speech of Harold Wilson's Labour Government in 1964. Though it was initially opposed by the Conservatives, by the time the Board came into being on 1st November 1965, it had the benefit of a broad and largely enduring political support; a recognition that something had to be done to prevent cultural, social and economic decline in the Highlands and Islands (Linklater and Denniston, 1992: 316).

HIDB's first Chairman was Professor Robert Grieve, a planner, who had done much to bring about the regeneration of Glasgow housing after the war. Under Grieve, HIDB awarded grants to help stimulate industry. Among these was support for the ailing fishing industry, the establishment of eleven new boat-building yards, twenty-four fish-processing plants, a paper mill and an aluminium smelter at Invergordon, which was intended to be part of a large industrial complex. HIDB also awarded capital grants to enable mobile bookshops to visit the furthestmost parts of the region, and underwrote many other projects involving forestry, agriculture and, of course, tourism. There was little in which HIDB was not involved. This included planning procedure, providing schools, fostering a sense of community spirit through funding facilities for local initiatives and events, improving transport links, and resuscitating a dying culture, particularly though promoting Gaelic. It was also responsible for marketing tourism outwith Scotland. How the outside world perceived the area was, therefore, another of Grieve's and HIDB's priorities (Devine 1999: 607).

Grieve, however, had broader objectives, which he shared with his successors Sir Kenneth Alexander and Sir Robert Calderwood. Apart from the decline in both cultural tradition and economic performance, the population of the Highlands and

Islands too was decreasing rapidly. This had been in process for generations and was mostly caused by both the lack of previous government activity to stimulate the economy and the young, disillusioned at the lack of opportunity, leaving to find work elsewhere. Therefore, apart from initiatives such as those mentioned above, HIDB also took the lead role in not only stimulating the Highlands and Islands economy as a whole, but also in instigating a sense of community, and bringing back long-held but declining traditions.

Through time, as it gained the confidence of the population, the Board began to view Highlanders' problems through the eyes of the inhabitants rather than impose the ideas of southern civil servants, as had been the case previously (Steel, 1984: 327). Nevertheless, despite huge grants to industry, the Fraser of Allander Institute's Economic Commentary (1991) noted that over the years of HIDB's existence, the economic well being of the area had barely changed (Crichton, 1992: 219).

By the time of its demise in 1991 (see below, for further discussion on this point) the population of HIDB's 3.5 million-hectare area – almost a sixth of Britain's land mass and nearly half of Scotland's – had stabilised at around 370,000, some 7 per cent of the Scottish total and back to the level of the years between the wars. As Aitken claims (1992: 316), the HIDB could not and did not claim sole credit for that, but few would deny it had a significant effect.

1969 – 1984

As has already been explained earlier in this chapter, government had begun to recognise, albeit in a limited way, the importance of tourism to the economy just prior

to the Second World War. However, it was thirty years before this was formalised. Up until then tourism promotion, marketing and product development had been an uncoordinated effort with the various UK geographical areas following their own disparate strategies. This all changed in 1969 due to two related events:

- 1) the introduction of the aforementioned Development of Tourism Act; and,
- 2) the creation of the Scottish Tourist Board as a result of the Act (similar name to the aforementioned Board, which had been independent of the government, set up in 1945 by Johnston, but resolutely different in character).

Even now, after devolution, Scotland is still part of the United Kingdom's national tourist organisational structure, the legislative basis of which is the above Act, modified in 1984 in order that the STB could market Scottish tourism overseas.

The 1969 Act had three parts (MacLellan and Smith, 1998: 46). First, it provided a statutory basis for a British Tourist Authority (BTA) and national tourist boards for England, Wales and Scotland (but not Northern Ireland, which already had its own tourist board). Secondly, until 1973, when Part Two of the Act expired, it provided grants for hotel development and upgrading en-suite facilities. Of the additional 70,000 hotel bedrooms, and upgrading en-suite facilities completed, MacLellan (1998: 46) claims the majority of these were developed in London and the Southeast. Finally, the Act provided for a system of compulsory registration of tourist accommodation, a topic that will be discussed more fully in subsequent chapters.

However, the various systems of classification and grading subsequently introduced into the UK remained voluntary. That was excepting that in 1998 a means was introduced in Scotland where a business could not become a member of an Area Tourist Board (ATB) unless it agreed to be classified and graded, an initiative that has since caused much controversy.

Following the 1969 Act the present day Scottish Tourist Board (STB) had responsibility for UK marketing of Scotland, a system of compulsory registration (through classification and grading) and grants. It was also a focus for tourism as an industry, bringing to the public's attention the fact that this was an industry that, in comparison to other hard-pressed and in some cases declining industries had huge potential for growth. However, as will be discussed throughout this chapter there were a number of anomalies associated with its creation such as its inability until 1984 to market Scotland abroad or, as to the present, fund its network statutorily. The implications of both, particularly the latter, have had a long-lasting detrimental effect on the success or otherwise of Scottish tourism.

Various other changes took place during this period that were ultimately significant to UK tourism. These included in 1972 the UK signing the EEC Treaty which paved the way for significant investment in tourism than would have otherwise been the case had the UK stayed out of Europe. In that same year there was also the formation of the British Hotels Restaurants and Caterers Association, replacing the British Hotels and Restaurants Association (Bacon, personal communication, 2001); while a review of Scottish local authorities took place. The result of this was that in 1974 two-tiered local (53) and regional (9) councils were established including the massive

Strathclyde Regional Council (SRC). In tandem, the three island groupings of Orkney, Shetland, and the Western Isles, became single-tier, multi-purpose authorities. This meant the demise of the old county councils, many of which, particularly in the Highlands and Islands, had supported local tourist associations. These Associations had been haphazard and uncoordinated enterprises, dependent on both the largesse of their council and of those operators locally who participated actively in promoting their area's product. Such associations had evolved from a model established in the 1960s by the Highlands and Islands Development Board whereby HIDB, local authorities and local trade interests made financial contributions to support local tourist associations (Grassie, 1983). Even with the formation of such bodies, for almost 150 years after its development as a tourism destination, Scotland was still marketed (before the word existed in its modern sense) through private sector initiatives by railways, coach and ferry companies, regional trade associations and Chambers of Commerce, and later through public sector initiatives by local councils (MacLellan and Smith, 1998). Ayrshire, for instance, had been one whole county council until the restructure, and was reliant on the various town tourist associations who were assisted by Burghs. By 1974, Ayrshire was administered by four separate councils with different views on the importance of tourism to their area. Kyle and Carrick, for example, as befitted reputedly the largest pay-for-play golf course operator in the world, contributed a comparative substantial resource to the operation of its tourist infrastructure. Its three sister councils - Cunninghame, in which the seaside towns of Largs and Saltcoats were situated, and also the port of Ardrossan, from which the ferry for Arran operated, Cumnock and Doone Valley and Kilmarnock and Loudon, through which wound two important Ayrshire gateway roads, the A70 and A71 - gave a lesser priority in their budgets to tourism. In essence, the four

reconstructed councils, part-funded their own tourist associations: associations that did not necessarily work together for Ayrshire's common good, and in many instances competed with one another. The implications of this for Ayrshire, at a time when its seaside towns were competing on a world-wide basis and failing miserably, have had a long-lasting, and it might be said irreversible affect.

In 1975, soon after the restructuring of the local authorities, Willie Ross, coincidentally the MP for Kilmarnock, and the then Secretary of State for Scotland, fuelled by a desire to emulate HIDB in Lowland Scotland, established the Scottish Development Agency (SDA). With a budget of £200 million and a remit which innovatively combined economic and environmental development, it absorbed three existing bodies (Aitken, 1992: 317):

- 1) the Scottish Industrial Estates Corporation which administered a portfolio of land prescribed for factory space, believed to be 25 million square metres;
- 2) the Small Industries Council for the Rural Areas of Scotland, which was the regional policy unit for smaller outlying towns; and,
- 3) a section of the Scottish Development Department, responsible for derelict land clearance.

It also took over the Scottish Council Development Industry's (SCDI) lead role in inward investment. To these were added some newly prescribed functions:

- 1) industrial investment, particularly through equity and longer-term risk capital;
- 2) business advice and consultancy; and,
- 3) urban renewal.

The SDA was, from the outset, charged with securing the maximum private sector input to what it did and, at its best, achieved leverage ratios of 7:1. However, Keith Aitken (1992: 317), former industrial editor of the Scotsman newspaper claims that level of leverage was usually possible only in times of relative prosperity, when investment optimism was high. He also argues that Scottish Enterprise and Highland and Islands Enterprise the SDA's successors have inherited the paradox common to many remedial agencies. This is that the need for their work is highest when the resources to underpin it are at their lowest.

As it matured, the SDA focused increasingly on a small group of potential growth sectors such as electronics, biotechnology, advanced engineering and, assistance for academics to market their innovations. Tourism was not among these. In fact, although tourism was high on the list of priorities for HIDB, SDA never really grasped the potential of the industry and appeared content to leave the sector to the STB, who until 1993 were responsible for tourism grants, and to the various councils. For industries it did prioritise, such as those listed above, it meant that it often supported enterprises that would have had difficulty in obtaining alternative support. Even so, as Aitken (1992: 267) claims its real impact on Scotland's entrepreneurial performance was still disappointing. Among the reasons for this was a low level of personal wealth, as measured by characteristics such as home ownership and average

incomes; a social structure in which education, managerial and professional skills were poorly represented; and an industrial plant structure which militated against Scots gaining ready experience of small firms. The implication was that Scotland lacked entrepreneurial opportunity rather than will, a situation that resonates with the present e.g. the disappointing outcomes of SE's nineties Business Birth-rate Strategy.

During its 16-year existence, the SDA underwent various changes, including one change of political master, which almost saw its demise. When the Conservatives came to power in 1979 they considered scrapping the SDA, but George Younger, the then Secretary of State was aware of the furore this would cause, particularly as his was fast becoming an extremely unpopular government in Scotland. Still wishing to see SDA operate more along commercial lines, he devised a strategy to reduce its employment-protection role, become a facilitator as opposed to an investor while being a catalyst for the forces of the market rather than a defence against them (Linklater and Denniston, 1992: 318)

SDA was also very active world-wide in endeavouring to attract inward investment, but despite its undoubted success in this field, the inward investment function was passed on to a joint SDA-Scottish Office bureau, Locate in Scotland (LiS), of which during the early nineties, the present SE CEO Dr. Robert Crawford was CEO. In addition, by 1985 plans had been made to dispose of its property portfolio and its investment portfolio. A devolved structure of seven regional offices was also introduced. It was hoped this would bring it closer to outlying businesses, but regardless of its efforts, politically it was under constant review and, as Aitken (1992: 318) claims, it was persistently saddled with the burden of having to justify itself

constantly and to adapt to the nomadic whims of politicians. Current evidence is that things have little changed and that SE is experiencing the same pressures as its predecessor organisation.

SDA's eventual demise was of little surprise to anyone. The Thatcherites had been suspicious of it for all of Margaret Thatcher's time as Prime Minister, as it had, after all, been a creation of the Labour administration. Also, undiplomatically, it had made little attempt to ingratiate itself with the Scottish Office when the Conservatives took power, and valued its capacity to operate at arms length, and for Malcolm Rifkind, the then Secretary of State for Scotland, the SDA became a serious embarrassment. Despite the millions of pounds of public money being invested in Glasgow by the government through the SDA, the government received no credit and, worse still, no votes, and Rifkind, Kemp (1993: 188-190) alleges, found himself being treated with increasing distance by Mrs Thatcher. That it took so long for the Conservatives to deal with the SDA said much about its resilience, and even more about the Conservative's lack of 'real' authority in Scotland.

1984 - 1991

That it was fully 15 years before any alterations were made to the 1969 Development of Tourism Act says much about successive government's priorities in relation to tourism. For instance, the anomaly of the British Tourist Authority (BTA) being empowered to have the sole responsibility for promoting UK tourism overseas had long been a cause of dissatisfaction to the Scottish tourism industry. Until the modification to the Act in 1984, which at last permitted the STB to market Scotland abroad, this had meant, somewhat perversely, that while a regional council or the old

HIDB could promote tourism overseas, the STB could not (Linklater and Denniston, 1992: 256).

During this period, the STB was responsible to the Secretary of State for Scotland. He delegated the task to a Junior Minister who had other ministerial responsibilities. Meanwhile, the BTA was in the first instance responsible to the Board of Trade, which also delegated the responsibility to a Junior Minister. In Scotland, the Minister for Tourism since the Development of Tourism Act (until the Scottish parliamentary elections) had been a Scottish Office Industry Minister, equivalent to a UK Junior Minister at Westminster. However, successive Ministers had been responsible for a variety of portfolios, with tourism; it could be argued forcibly, not among their priorities.

One of the Tourism Minister's responsibilities, however, was to chair the Scottish Tourism Co-ordinating Group (STCG) established in 1987 and abolished in 2000. STCG was established as an umbrella for the component parts of the Scottish tourism infrastructure to meet regularly with the Minister responsible for tourism in Scotland. But it was not until much later (1994, when the Scottish Tourism Forum was established) that the industry had direct representation on the STCG, and the STCG had any real influence. Nevertheless, it was very much top-down in terms of delivery and strategy.

1991 - 1993

Scotland's development agencies Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) also have a crucial role to play in present-day Scottish tourism.

According to Aitken (1992: 272), Scottish Enterprise was the brainchild of Bill Hughes Chairman of Grampian Holdings, who was close to the Conservatives. As legend has it, Hughes, the then Chairman of the CBI in Scotland, thought up the Scottish Enterprise concept in 1988 while whiling away time during a car journey. He apparently convinced the then Secretary of State, Malcolm Rifkind, and then Mrs Thatcher of its merits. She is supposed to have said that 'this is a Scottish solution to Scottish needs', at the September 1988 CBI Scotland Dinner (Aitken 1992: 272). The consequence of Hughes' action was that a White Paper, Scottish Enterprise: a New Approach to Training and Enterprise Creation (1988), was published, with the Secretary of State for Scotland publishing his response to submissions in July 1989 (Brown, McCrone and Paterson, 1996: 113). As a result, two agencies were created in 1991 under the terms of the Enterprise and New Towns (Scotland) Act of 1990 by merging:

- 1) the Scottish Development Agency (SDA),
- 2) Highlands and Islands Development Board (HIDB); and,
- 3) The Training Agency (TA).

The new organisations were established as:

- 1) Scottish Enterprise (SE); and,
- 2) Highlands and Islands Enterprise (HIE) (Linklater and Denniston, 1992: 320).

In tourism terms, SE and HIE's tourism roles have very much been strategic. They have devised and supported initiatives in conjunction with the Local Enterprise Companies (LECs), the role of which will be discussed in Chapter Five, and which although not created by statute became the means by which Scottish Enterprise and Highlands and Islands Enterprise contracted their local delivery services in each area of Scotland. In fact, Tourism Training Scotland (TTS), which will also be discussed in Chapter Five, would in all probability not have emerged as it did in 1992 but for the Enterprise Network, which was anxious to improve and develop the industry's skills. TTS was seen as the perfect vehicle to drive such new initiatives, but was superseded in 2000 by the new Skills Group (Tourism People). Another at the time significant change took place in 1992: the British Hospitality Association was formed, replacing the British Hotels Restaurants and Caterers Association (Bacon, personal communication, May 2001), creating the Scottish Divisional Committee of which Ann Russell, the Rufflets Country House Hotel (St. Andrews) proprietor was Chair (Loudon, personal communication, May 2001).

1993 - 1996

In 1993, as part of a further review of the local authority structure, it became obvious to government that the global market instead of a vast opportunity for Scottish tourism was fast becoming a new vibrant and very real threat. The review led to the publication of the Scottish Tourism, Strategic Plan (STCG, 1994), which revealed Scotland was failing to realise its full potential; the skills base was sadly shallow; and, the perception of the industry was that it was low on skills, short on pay and long on hours.

A review of the Scottish Tourist Board (STB) also took place. Ordered by the then Secretary of State for Scotland, Ian Lang, it was a by-product of a sweeping re-organisation of Scottish local government, which as will be recalled, was at that time two tiered; local and regional councils replacing the original single tiered authorities in 1974, the new change being 32 unitary authorities. This review produced some reallocation of responsibilities among the various public bodies involved in Scottish tourism. The most severe blow to STB, but perhaps the most needed, was that the development powers set out in Section Four of the 1969 Act were transferred to the SE and HIE network (MacLellan and Smith, 1998: 216). The implications for the tourism industry were clear. It was becoming mainstream of economic development, with the ability to learn from the experiences of other industries, not as it had been up until then, operating in isolation.

At the same time, perhaps as a form of compensation for the loss of its development powers, STB became accountable for the HIDB's successor HIE's responsibility for marketing and co-ordinating the Highland ATB's activities. This meant STB took on essentially a marketing role within Scottish tourism which encompassed nine divisions:

- 1) The UK Marketing Division,
- 2) The International Marketing Division,
- 3) The Scottish Convention Bureau – Exhibitions and Events,
- 4) Visitor Services – Information Services,
- 5) Visitor Services – Quality Assurance,
- 6) Planning and Development – Industry, Monitoring,

- 7) Press and PR – Press Trips, Press and PR, Corporate Events,
- 8) Finance and Administration – Financial Control and Management,
- 9) Human Resources (established 1998).

However, during the review, SE/HIE conspired unsuccessfully to take over the full responsibilities of the STB, which has had a long-lasting impression on their inter-organisational relationships (Kerr and Wood, 1999). This was compounded by the fact that the industry was under-represented at a national strategic level. Despite the BHA being formed in 1992, at this time there were a number of disparate organisations representing their own views, but no one organisation representing the views of the private sector in Scotland. Therefore, in 1994 the Scottish Tourism Forum (STF) was formed. Including the BHA, it represented the industry on the STCG and consisted of all major industry organisations in Scotland, plus representation from the public sector, culture and transport. As already alluded to, another outcome of the review was the Scottish Tourism Strategic Plan (STCG, 1994), which had been produced by STCG, in conjunction with SE, STB and HIE, and which in an analysis exposed Scotland's relatively poor tourism performance, particularly the domestic market.

In 1994 another review took place. This was of Scotland's place in the Union ('taking stock'), with one of the outcomes being the transfer control of training from the Employment Department to the Scottish Office thus reinforcing the distinctiveness of policy in Scotland, ensuring that when Lang issued the Scottish Office's first consultative document on the future of training policy, he was able to claim he had formal responsibility for the Government's policy and resources for training (Brown et al, 1996: 114).

1996 - 1998

By 1996, SE had published a Tourism Action Plan (SE, 1996) that outlined various initiatives designed to deliver tourism strategies over the next three years. This plan concentrated on strategy development, projects, supporting industry associations and network development and support. HIE's equivalent, its Network Tourism Action Framework (HIE, 1996), which also included issues such as seasonality and full-time equivalent jobs, was intended to be a bridge between the HIE strategy and the earlier strategy, the Scottish Tourism Strategic Plan (STCG, 1994), which was reviewed in 1997 - Scottish Tourism Strategic Plan, Progress Report (STCG, 1997). The Tourism Action Plan (SEN, 1996) was seen by the industry as a demonstration of the more integrated approach that the public sector agencies would take towards future tourism support activities. It also laid down a number of targets for the industry for the year 2000. Fifteen working groups were set up to implement the strategy and regional applications of the plan were to be elaborated with the Enterprise networks, Area Tourist Boards and local authorities (McLellan and Smith 1998: 50-51). In effect this had little impact on the industry, and caused further frustration that politicians were tinkering around the edges as opposed to making fundamental changes e.g. funding, structure, STB personnel.

The year 1996 was also a watershed in another sense. Due to the then Secretary of State Ian Lang's 1993 review, not only did the local authorities revert to single-tiered authorities, meaning the demise of the vast Strathclyde Regional Council, but also due to statute the Area Tourist Boards (ATBs) were reduced from 32 to 14, the former oddly enough being the number of the newly-formed local authorities'. Unfortunately,

statutory powers did not extend to funding the ATB network, and although debatable, for many operators this has been at the root of the network's financial problems.

Another SE/HIE initiative during 1996 was to provide funds to the LECs of up to 50% of salaries for the LECs to employ Tourism Training Associates (TTAs). The TTA's remit was to work closely with the industry locally on initiatives, encourage ownership of major issues, and to forge strategic partnerships with the industry, with local government and with education. The TTA's had limited success. This was in the main due to their two-year fixed contracts. This condition caused many difficulties, particularly in recruiting appropriately experienced personnel or when halfway through a contract, a TTA left to take up another opportunity and a one-year, or in some instances, a nine-month contract was advertised. With no assurances of another role at the end of the contract, few people were enticed to become TTAs, less so talented ones. Therefore, in 1998 due to the contracts ending and no further funding being available, many LECs either let their TTAs go while others found roles that were much more cross-functional, a situation that left tourism for some time with less LEC focus than previously.

1999 - 2000

In March 1999 the Scottish Tourism Strategic Plan Interim Review (STCG/SE/HIE/STB, 1999) reported on progress to date on the 1996 plans and promised that the STCG would publish a revised strategy later in the year. Although this encompassed all aspects of Scottish tourism, it recognised that different parts of Scotland had different needs. For instance, the priorities for HIE is on community developments reflecting the economic fragility and unique cultural and social

traditions of the region. Although relevant this plan was superseded by devolution, and a new strategy that is reviewed later.

However, after the Scottish elections, there was widespread condemnation of the Government by members of the Scottish Tourism Forum (STF), the British Hospitality Association (BHA) and the Area Tourist Boards (ATBs) when on 18 May, 1999; the 22 strong Scottish ministerial team was announced. The STF, BHA and ATB members were disappointed that no-one appeared to have been given responsibility for tourism. The Scotsman (19 May, 1999) of the following day led on the story in its business section and following enquiries made by its reporters, civil servants revealed that tourism was to be part of Henry McLeish's Enterprise and Lifelong Learning Ministry remit. As with Lord Macdonald's appointment to the Scottish Office, the previous year, when again tourism had not been mentioned as part of his responsibilities, the industry felt it had been sleighted in that it appeared to be less significant to the government than other industries. As the BHA had been at the forefront during the election in endeavouring to bring tourism to the politicians' attention, this was evidence that despite all its efforts it had failed miserably.

Interestingly enough, when the new Scottish parliament eventually appointed the new Minister for Tourism, he was a former BBC journalist, 31 year-old Alasdair Morrison, a Western Isles MSP whose overall title was Deputy Minister for Highlands and Islands and Gaelic. In effect, Morrison's main responsibility was Deputy to the Minister for Enterprise and Lifelong Learning, Henry McLeish MSP. From that point on, however, McLeish appeared to take the lead role in tourism, as did his successor

Wendy Alexander MSP, who was very different in her approach from her predecessor.

Soon after, at a meeting on 21st July, three months after the election, attended by Henry McLeish MSP, Paul Murray-Smith, Managing Director of Scottish Highland Hotels (SHH), the Scottish Tourism Forum (STF) Chairman spoke about ambivalence in the industry over the integration of tourism with Enterprise and Lifelong Learning in a larger Ministry. Murray-Smith expressed the view that the Minister should demonstrate his commitment to the industry through action, such as the Minister's commitment to chair the STCG, which had not been well publicised and would demonstrate his commitment (personal communication, August, 1999). In response, McLeish highlighted both his enthusiasm for the industry and the advantage of integrating tourism within the Enterprise and Lifelong Learning portfolio, together with other key industries – oil and gas, electronics, for instance – and providing access to all the Enterprise and Higher and Further Education functions and funding (STF, August, 1999).

Following the above meeting, McLeish, who had been having similar meetings with other interested parties, among them the highly-influential Enterprise and Lifelong Learning Committee chaired by John Swinney MSP, and who had been influenced heavily by criticism of Scottish tourism by the Scottish Affairs Committee Report on Scottish Tourism (Scottish Affairs Committee, 1999), launched a new consultation document. This document, A New Strategy for Scottish Tourism (Scottish Executive, 1999), urged anyone with an interest in the future of Scottish tourism to send in their views in writing to the STB's Assistant Director, Tourism Futures, Jim Allison.

A flurry of activity followed. This included, among others, a survey by the British Hospitality Association (BHA) in Scotland, seeking its membership's views. But there were those in the industry critical of the time in which to make a response, less than six weeks - during the height of the tourism season - the process by which the consultation was carried out, and that fact that the STB appeared to be the catalyst.

Regardless of such criticism, the industry was anxious about the outcomes of the consultation process, particularly as it became clear that these might not be made in isolation. For example, further change was envisaged when McLeish during various speeches during the week beginning 6th December 1999, about improving the efficiency of the Scottish Enterprise Network, said that any changes may even be part of a more strategic change to the whole economic delivery mechanism in Scotland. In the same week, a decade after putting forward the idea of SE/HIE, its creator, Bill Hughes was among the first to call for its demise. In the Herald (6 December 1999), it was claimed that Hughes was demanding an overhaul of the Enterprise Network to reflect the need for more enterprise initiatives and investment in order that the Scottish economy could compete globally. Hughes wanted local organisations to remain but to be more orientated towards risk, through both government and private sector grants, with capital of upwards of £100m. That same week Henry McLeish (The Herald, 9 December, 1999) appeared to add credibility to Hughes stance, when it was reported that in a speech the previous day he had declared that there would be a full review of the workings of the Enterprise Network. There was even some suggestion that tourism might be subsumed by whatever it was that would replace SE and HIE. Then, in the Scotland on Sunday (12 December, 1999) Hughes set out his vision. This added to the speculation over Henry McLeish's tourism consultation that

perhaps following all the doubts there might after all be a radical shift to the delivery of tourism in Scotland.

The response to the consultation was a draft of A New Strategy for Scottish Tourism (Scottish Executive, November, 1999) which was issued the week commencing 10th January 2000, but incongruously dated 25th November 1999. Unfortunately it did not address major issues identified in the research for this thesis – particularly funding, structure and the imbalanced influence of sectors of the industry not creating wealth or jobs – with which the industry was concerned. As Table 4.3., demonstrates, there was one overall aim and sub-categories of five objectives:

Table 4.3. Objectives for Scottish Tourism.

AIM	To maximise the benefits for tourism for the Scottish people by developing a competitive industry that is economically, socially and environmentally sustainable.
Objective 1	Scotland is a first choice destination for our target markets
Objective 2	Products and infrastructure that meets the needs of our visitors
Objective 3	All of Scotland benefits from tourism throughout the year
Objective 4	A skilled and enterprising industry
Objective 5	Effective collaboration among businesses, industry groups and the public sector

Source: Draft, A New Strategy for Scottish Tourism (1999).

All of the above and the explanations as to how they would be achieved made a great deal of sense, but in analysing the document and dissecting the various component parts it appeared that there was little that had not been discussed previously, and even acted upon, and that rather than an aspirational approach, what was really needed was a more fundamental one.

Although the eventual outcome was far from radical the actual strategy when published in February 2000 (Scottish Executive, A New Strategy for Scottish Tourism, 2000) bore little resemblance to the draft, and in fact someone had put a bit

more 'meat on the bone'. However, the structures that underpinned the industry remained unchanged, and furthermore, as with the draft, as Reid claims (2001) it was more aspirational in tone than anything else.

In the final version McLeish called for the industry to match high technology with clever marketing and first class service, claiming this was the key to putting tourism in its rightful place at the heart of the Scottish economy and at the forefront of the electronic revolution. Announcing a £11 million boost for the industry, of which £6 million was later found to be 'old' money, McLeish also challenged new targets. Among these were to be the creation of quality advisers to raise standards. He also initiated a multi-million pounds investment in skills training through Modern Apprenticeships (MAs – vocational based apprenticeships. The objective being a Level III SVQ aligned to a job) and Individual Learning Accounts (ILAs – employees were encouraged to access up to £175 of training for a £25 investment).

In the new strategy (Scottish Executive, A New Strategy for Scottish Tourism, 2000), the minister claimed that Scotland has achieved major growth in the number of visits from overseas (from 620,000 trips in 1970 and £230 million spend in 1998 prices, to over 2 million trips in 1998 and £940 million spend). But, visits from within the UK, arguably Scotland's most important market, had remained static; both in number of visits and spend. This was while international tourism arrivals were forecast to rise to 673 million in 2000 and to top one billion by 2010, with the World Tourism Organisation (WTO) forecasting world growth of 4% a year: the strongest growth expected to be in Asia and other fast growing regions. Meanwhile, the forecast for annual growth of tourism into Europe was 3.1% (WTO, 1999). He also pointed out

that two hundred million people in the year 2000 had access to the Internet. This, he said, is projected to increase to six hundred million (10% of the world's population) within five years, and that Scotland must compete globally for the business that will emanate from this new technology.

Speaking at the launch of the strategy at the highly successful and newly-opened Dynamic Earth visitor centre on Wednesday 16th February 2000 (Scottish Executive Press Release: SE0362/2000 16 Feb 2000), to an invited audience representing the various tourism Scottish organisations, McLeish said: "The Scottish Executive is determined to ensure that tourism becomes and remains part of the economic mainstream in Scotland. This strategy identifies new policies, new solutions and new responsibilities. It also sets a target for the industry to generate £3 billion in revenue by 2005, half a billion more than at present, a 17% increase. The strategy was prepared after the largest and most inclusive consultation on tourism ever conducted in Scotland. This included a welcome contribution from the Scottish Parliament's Enterprise and Lifelong Learning Committee.

Other measures highlighted by McLeish are demonstrated in Table 4.4.

Table 4.4. Highlights from A New Strategy for Scottish Tourism.

<ul style="list-style-type: none">• the establishment of a direct e-commerce booking system with a target of 30 per cent of all accommodation businesses to be trading by e-commerce by 2002 and 90 per cent by 2005
<ul style="list-style-type: none">• e-commerce expected to generate up to £360 million in revenue and create up to 2,600 jobs in the Scottish tourism industry
<ul style="list-style-type: none">• tourism information and booking to be available through a single international telephone number for the 2001 season
<ul style="list-style-type: none">• a new multi-lingual call centre for tourist information and bookings
<ul style="list-style-type: none">• a new marketing campaign to increase the number of Scots holidaying in Scotland
<ul style="list-style-type: none">• a new strategy to target niche markets focussing initially on golf, culture, genealogy and activity holidays
<ul style="list-style-type: none">• doubling the number of quality advisers to improve standards and encourage managers to take advantage of training opportunities
<ul style="list-style-type: none">• the creation of a National Transport Timetable by the end of 2000 to be incorporated in Scottish Tourist Board's website so that customers can plan visits using all modes of public transport
<ul style="list-style-type: none">• set up, by April 2000, a major new industry-led Tourism Skills body to focus on meeting the needs of visitors through investing in the people who provide the service

Source: Scottish Executive (A New Strategy for Scottish Tourism, 2000).

Outlining the Scottish Executive's vision for the tourism industry, McLeish (Scottish Executive, A New Strategy for Scottish Tourism, 2000) said he wanted "a modern, focused, skilled and enterprising industry that embraced the culture of lifelong learning." (Scottish Executive Press Release: SE0362/2000 16 Feb 2000). However, this was by no means the end of the activity surrounding tourism in 2000. Through his various initiatives e.g. Framework for Economic Development Scotland (FEDS), and reviews e.g. the Enterprise Network combined with the Enterprise and Lifelong Learning Committee's review of local economic delivery services, McLeish sought to bring tourism out of the periphery of the Scottish economy. In doing so he gave tourism a much higher role in the economic development firmament, particularly through ATB membership of the Local Economic Forums (LEFs). LEFs had been one of the outcomes of FEDS, and were designed to get all local partners around the one table to sort out the confusion and duplication of economic development and business services, and other local economic problems. Yet, disappointingly, and although the STB underwent a review, neither he nor his successor, Wendy Alexander MSP, the

former Communities Minister who replaced McLeish, when McLeish succeeded Donald Dewar as First Minister, did nothing to alter the structure or funding. Also, incongruously there appears to be little activity or communication to the industry from the Strategy Implementation Group that replaced the STCG. However, superseding it, anyway, could be regular meetings between the Scottish Executive and STF. As has already been ascertained, a meeting with Alexander and Morrison, Bob Cotton, Chief Executive of BHA, was advised by the Minister that Morrison would arrange three meetings a year with STF (Cotton, personal communication, September, 2001). Furthermore, Laurence Young, Chairman of the BHA in Scotland, in another coup d'état, had managed to get the new Chief Executive of VisitScotland, Philip Riddle, to agree to attend BHA Committee meetings (BHA meeting, September, 2001).

Alexander's appointment coincided with the publication of the outcomes of the STB Review - Scottish Tourist Board Management Review, Report and Recommendations, (STB/PriceWaterhouseCoopers, 2000). Within hours of its release, the STB CEO, Tom Buncle, stepped down. A week later, Lord Gordon signalled his intention to leave his post at the end of his term, and within days of this Peter Lederer was appointed Vice-Chairman. In the resulting turmoil, it was clear that Alexander, as opposed to her predecessor who was more reactionary than proactive, was going to challenge the industry. The overriding question, however, was whether she would make the fundamental change the industry was demanding of her.

Summary

The particular significance of this chapter to the thesis is that having reviewed all of this material and the development of the Scottish tourism infrastructure it sets out the environment in which the various tourism organisations had to operate, particularly since the 1969 Development of Tourism Act, the establishment of HIDB in 1965, SDA in 1975 and SE/HIE in 1991, combined with the constraints placed on such organisations by politicians in terms of particular policies, structures and funding. Furthermore, this is significant in that it such information, particularly in regard to pre and post-devolution has previously gone unrecorded.

It also clarifies the fact that change in the industry invariably came about not because of the industry's demand for change, but because successive Ministers, first in the Scottish Office and then in the Scottish Executive instigated change: change that would never satisfy an industry that is so divided that as we have already claimed, it can never know what it wants other than public subvention.

CHAPTER FIVE - THE SCOTTISH TOURISM INFRASTRUCTURE

Having explained the significance of the development of tourism in Scotland since the 19th century to the present in the previous chapters, this chapter sets out to explain and investigate the various component parts of the Scottish tourism infrastructure (see Table 5.1 which describes the various public/private sector bodies associated with tourism in Scotland). It also explores their complex relationships, the support they provide, some of the important initiatives launched, also the various reviews initiated by the new Scottish Executive, all of which relate to Scottish tourism public policy.

Table 5.1. Scottish Tourism Organisations and what they do.

WHO DOES WHAT	IN SCOTTISH TOURISM
Scottish Executive	Responsible for administering non-reserved (devolved) aspects of UK Government policy in Scotland including tourism. However, the British Tourism Authority (BTA) is still responsible to the Westminster Government for substantial UK overseas marketing.
Scottish Tourist Board (STB)/VisitScotland	Established subsequent to the Development of Tourism Act (1969), STB is the lead agency in Scotland for promoting tourism; overseas marketing functions are shared with the BTA. STB's development powers were transferred to the Enterprise Networks in 1993. From April 1 st , 2001, STB was re-named visitScotland, and in July 2001 VisitScotland. It also operates the Classification and Grading scheme.
Scottish Enterprise (SE)	Formed from a merger of the Training Agency and Scottish Development Agency in 1991, originally established in 1975, SE is charged with supporting economic development in Scotland outside of Highlands and Islands Enterprise (HIE), with whom it co-operates on a number of issues. Both SE and HIE are responsible for co-ordinating the activities of the Local Enterprise Companies (LECs). In 2000, they underwent a radical review, and LECs became SE subsidiaries.
Highlands and Islands Enterprise (HIE)	Formed in 1991 from a merger of the Training Agency and with the predecessor organisation Highlands and Islands Development Board (HIDB) originally established in 1965. HIE supports economic development initiatives, including tourism, in the Highlands and Islands region of Scotland. The aforementioned review, apart from its LECs becoming subsidiaries, left HIE virtually untouched.
Area Tourist Boards (ATBs)	Regional organisations with strong trade membership, responsible for local marketing and visitor services. The ATB Network is part of STB/VisitScotland. Along with the LECs and the LAs and other bodies they participate in the new LEFs. A fundamental problem, however, is funding. The 1969 Tourism Act neglected to fund them by statute, leaving this instead to the discretion of local authorities and membership fees.

Local Enterprise Companies (LECs)	Established at the same time as SE and HIE, these were, until April 2001, when they became subsidiaries of SE and HIE, private companies limited by guarantee. Frequently compared with the Training and Enterprise Councils (TECs) in England and Wales, which are in the process of being superseded by Regional Development Agencies (RDAs), LECs, however, have more emphasis on economic development and are contracted by SE and HIE to deliver local economic initiatives and support, government training programmes and so on.
Scottish Enterprise Network (SEN)	Name for Scottish Enterprise and the Local Enterprise Companies it co-ordinates (see Scottish Enterprise) as a network.
Local Authorities	Single tier authorities since 1996 that support the ATBs through funding and other assistance in their areas in promoting tourism. They also have a significant accountability in that they are also responsible for many of the services that impact on tourism.
Scottish Tourism Co-ordinating Group (STCG)	Disbanded following McLeish's 2000/2001 tourism strategy, STCG was established in 1987 and strengthened in 1993. Chaired by the Scottish Executive's Tourism Minister (the Enterprise and Lifelong Learning Minister), STCG met two to three times a year and had representation from twelve organisations involved in tourism in Scotland. Its role was to devise, monitor and revise a national strategic plan for tourism for Scotland. A new body described below has superseded it.
Tourism Training Scotland (TTS)	Also now disbanded, TTS was launched in 1992. Its remit was to encourage improvements in service delivery in tourism organisations. In 1996 Tourism Training Associates (TTAs) were established in each LEC area, but within two years the funding for the TTAs evaporated and those that were left took one more general responsibilities. A new body described below has also superseded it.
Scottish Tourism Forum (STF)	Established in 1994, by mid-2000, STF had almost thirty member organisations representing all sectors of the industry, and by 2001 claimed 6000 members. It represents the private sector view on strategic issues to national policy makers and its Chair sat on the STCG, also sits on the body that supersedes it, and along with its CEO is set to meet the Tourism Minister formally thrice annually. Meanwhile, one of its component parts has managed to obtain the new VisitScotland CEO's agreement to attend its future Committee meetings.
Strategy Implementation Group	This group, comprising industry, STB, SE, HIE and the Chair of the new training group monitors the implementation of the new strategy, and replaces the STCG. To date it has failed to communicate satisfactorily with the industry.
Skills Development Group (Tourism People)	Superseding TTS, this group brings together the industry and the organisations that have key supporting roles to play in this area – the Enterprise Networks, the NTOs and Springboard Scotland. It reports directly to the Minister for Enterprise and Lifelong Learning.
New Scottish Tourism Research Liaison Group	Established to co-ordinate tourism research in Scotland. As with the Strategy Group there has been little communication of this group's progress.
Local Economic Forums (LEFs)	A recommendation by the document FEDS that all organisations interested in economic development work together for the common good – the first occasion that Area Tourist Boards have had a seat at the top table.

Careers Scotland	The distillation of over 80 careers guidance organisations to 22 organisations coterminous with the LECs. Incongruously part of SE at national level, but with separate Advisory Boards at local level, and charged with improving dramatically careers advice including tourism and hospitality.
Taste of Scotland	A scheme that endeavours to exemplify everything good about Scottish food and hospitality. In autumn 2001 it will implement VisitScotland's new Food Quality Assurance Scheme.

SCOTTISH TOURIST BOARD (STB)/ (visitscotland from April 2001, VisitScotland from July 2001)

Established as a result of the Development of Tourism Act (1969), the STB/VisitScotland is the lead agency in Scotland in promoting tourism. It is a quango (a *quasi-autonomous non-governmental organisation*), to which the Enterprise and

Table 5.2. STB BOARD 2000.

NAME	COMPANY	OTHER APPOINTMENTS
Lord Gordon of Strathblane (Chair)	Former Chairman, Scottish Radio Holdings, superseded by Peter Lederer in April 2001	Board Member, BTA. Resigned 31 March 2001
Peter Lederer (Vice Chair from November 2000, Chair from 1 April 2001)	Managing Director, Glencagles plc	Board Member BTA, from 1 April 2000. Former Committee Member BHA. Chairman TTS. Chairman New Skills Group. Chairman HIT Scotland
Michael Cantlay (Vice-Chair from 1 April 2001)	Managing Director, Hector Russell Ltd, Whisky Shops	Chairman, SEFV (LEC). Chair LEC Chairs. Board Member AILLSTTB. Board Member Loch Lomond and National Parks Interim Committee
Sheena Kitchen	Destination Scotland Ltd	
Cllr. David Anderson	City of Edinburgh Council	COSLA
Madeleine McPhail	(former B&B owner) Resigned September 2000	
David Michels	Chief Executive, Hilton Hotels Resigned September 2000	
Patricia Buchanan	Proprietor, Dunbeath Hotel, Caithness, appointed September 2000	Vice-Chair of Caithness and Sutherland Enterprise. Director of Highlands of Scotland Tourist Board (HOST)
Donal Dowds	Managing Director BAA Scottish Airports, appointed September 2000	Vice-Chair of Lothians Tourist Board. Board Member Scottish Enterprise Renfrewshire (SER). Council Member Scottish Tourism Forum (STF)
Tom Buncl (Chief Executive)	STB, Resigned November 2000	
Peter McKinlay (Interim Chief Executive)	STB, appointed November 2000, resigned June 2001 when Philip Riddle superseded him	Formerly Interim CEO of Tayside Health Board. Formerly Director of Scottish Prison Service. Formerly CEO Scottish Homes
Philip Riddle	VisitScotland. Appointed June 2001.	Shell

Source: STB Information Unit May 2000/ Allan Tanner, STB Industry Website Co-ordinator, scotexchange.net, 12.12.2000.

Lifelong Learning Minister in Scotland (prior to devolution it was the Minister for Tourism in the Scottish Office, normally the Industry Minister) appoints both the Chair, who also serves on the BTA Board, and, on the recommendation of senior civil servants, the other Board members. The Board, as of July 2000, plus updated changes, is described in Table 5.2.

The STB non-executive directors are directly chosen, after interview, by the party in power on the recommendations of senior Scottish Executive civil servants, one of which has carried out the interview, but who also takes into account ministerial largesse. Take, for example, the experience brought to the board by Michael Cantlay MD of Hector Russell and the Whisky Shops, who eventually became VisitScotland Vice-Chair under Lederer. Although not a BHA member (see Chapter Nine), as an STB/VisitScotland Director, as Chairman of Forth Valley Enterprise/Scottish Enterprise Forth Valley, Director of AILLSSTB and Chairman of the LEC Chairs, he was, the BHA elite apart, the most highly influential individual in Scottish tourism: the only one of those discussed in this thesis who has the experience of serving on both the SE and STB/VisitScotland Boards, and one with whom the researcher regularly came into contact at LEC Chairs and SE Board meetings: an important point.

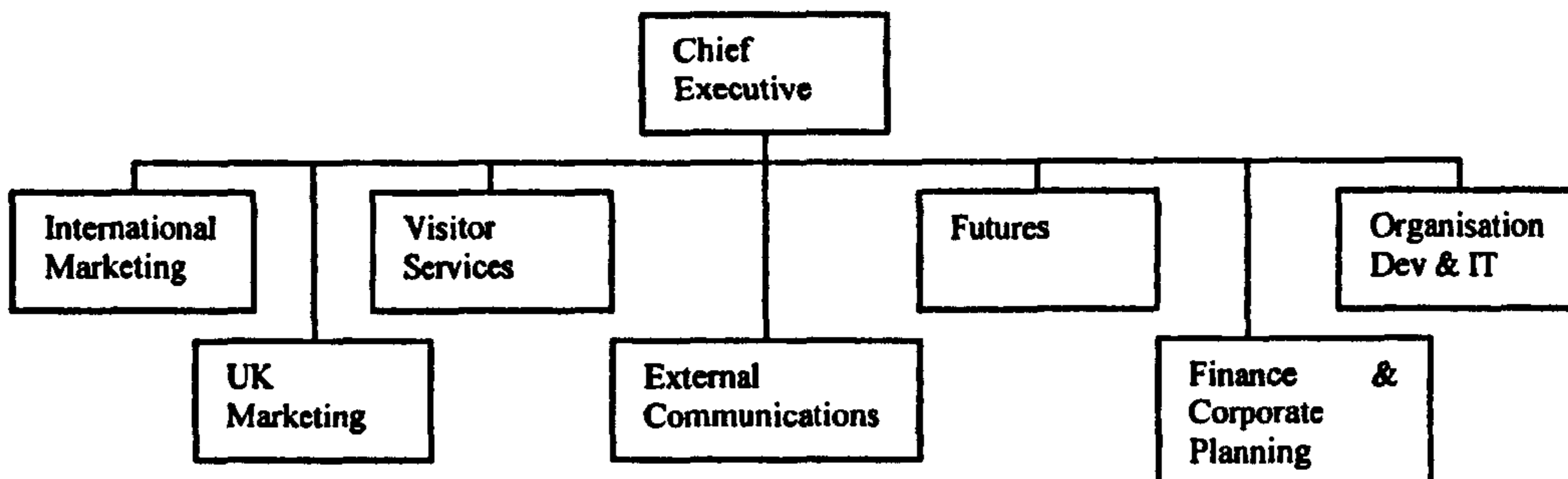
Directors apart, the Chief Executive is appointed by a Committee of Board members/advisers and a Civil Servant from the Enterprise and Lifelong Learning Department. Following the debacle over the short-lived appointment of VisitScotland's Chief Executive, Rod Lynch, in 2001, the Civil Servant was moved on.

Expectations of the STB Board are that it:

- 1) Designs and approves strategy;
- 2) provides policy direction to the Board's executive;
- 3) allocates resources;
- 4) sets targets; and,
- 5) guarantees that arrangements are in place to ensure the Board's effective financial management.

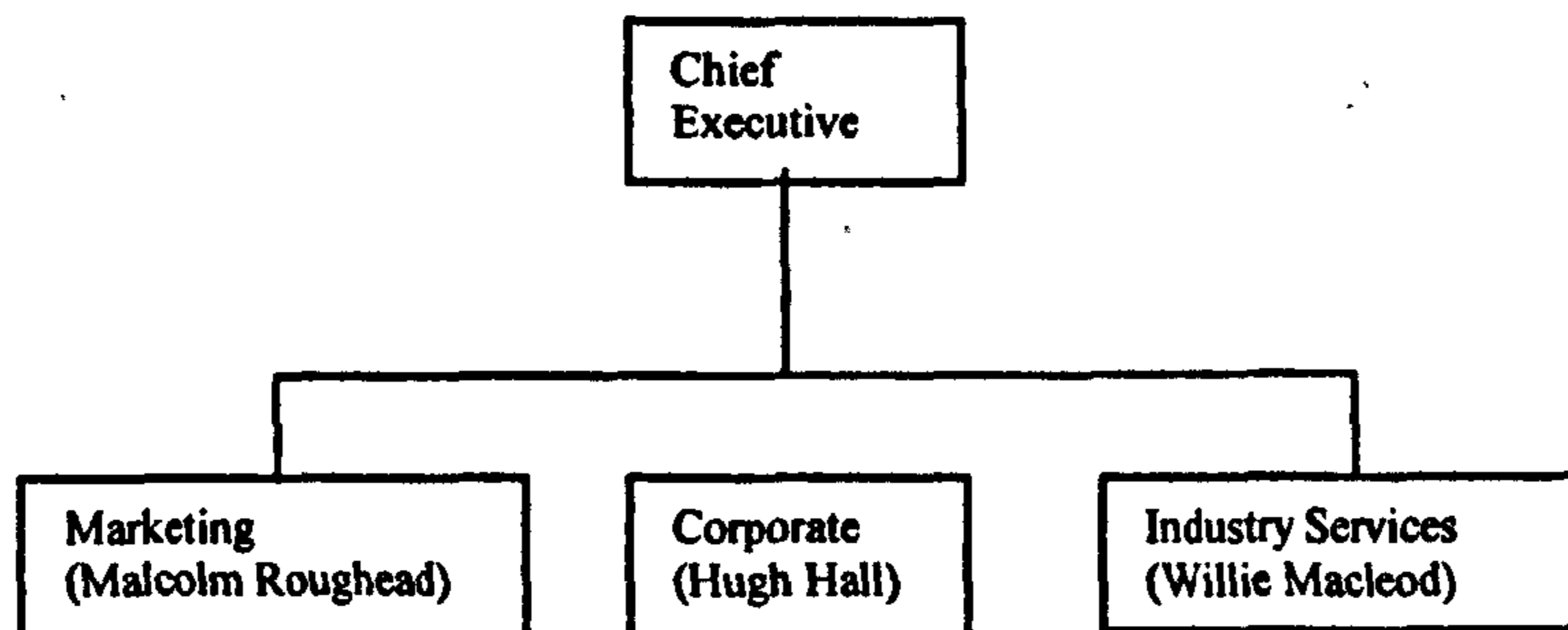
It's Management Structure, prior to the re-organisation that took place in 2001, which meant the loss of its Chairman, Chief Executive and six divisional directors was as in Figure 5.1. and its structure thereafter in Figure 5.2.

Figure 5.1. STB Structure prior to Scottish Tourist Board Management Review. 31.10.2000



Source: STB Policy and Financial Management Review, Prior Options Study, 1998.

Figure 5.2. VisitScotland Structure following Management Review.



Source: VisitScotland, 22.9.2001.

Under Section Four of the 1969 Development of Tourism Act, and until 1993, STB provided financial assistance for tourism projects, from special funding provided by central government, which is now a function of the Enterprise Network. In effect, the present-day STB Board is expected to devise and pursue policy objectives and to make the case to government for the development and promotion of tourism, both at home and abroad. The fact that it lost its development powers in 1993 to Scottish Enterprise and gained marketing responsibilities from Highland and Island Enterprise around the same time has, unfortunately, had a detrimental affect to their relationship, with both organisations, from that time, that has been hard to overcome.

Although the STB receives at present circa £23 million annually from government, tourism in Scotland did not receive public funding until STB's forerunner the Scottish Tourist Development Association (STDA) was formed in 1938, in which guise it received from the Treasury £250. In 1945 under pressure from the Scottish Secretary, Tom Johnston, it became known as the Scottish Tourist Board, autonomous from London, but still resolutely amateur in character. (Aitken 1992: 256). However, only in 1969, when the legislative basis of the United Kingdom's national tourist organisational structure provided a statutory basis for national tourist boards did the STB have a real national focus. For example, it became directly responsible to the Secretary of State. This meant that for the first time it was able to promote or undertake publicity in any form, provide advisory and information services and to promote or undertake research. For a time too, until 1993, as has already been mentioned, it was empowered to provide financial assistance for tourism projects, for which central government funding was made available. Provision was also made for its Chairman to serve on the Board of the British Tourism Authority (BTA), an

organisation that concentrates mainly on promoting Great Britain overseas, but also advises government and the industry on public policy issues affecting the industry's competitiveness, and on the European Union. In effect, the government had opted for national tourism organisations (NTOs) in Britain purporting to operate at arms length from government which, in effect, they never did. For example, despite government's apparent lack of interest in them, they were never able to make strategic decisions without first whatever Ministerial consultation or approval.

From the outset, STB was disadvantaged in that the Act that created it failed to articulate a clear policy for tourism, while omitting to set out clearly its roles and responsibilities (Lickorish, 1988: 270-278). It was, in effect, always looking over its shoulder to the Minister. The Act also omitted any mention of local structures. Nor did it make provision for the involvement of local authorities or tourism associations in national policy making (Smith, 1998). Relationships, too, between the Area Tourist Boards (ATBs) became conflictive because of duplication, rivalry and overlap. There was also difficulty in articulating links with other agencies responsible for related activities such as leisure, recreation and heritage (Heeley, 1989). This was compounded by HIDB's extensive tourism activities particularly in relation to marketing, visitor services and development support. As Smith (1998) claims, matters were further complicated by the establishment in 1975 of the Scottish Development Agency (SDA), which had an economic development role for non-Highland Scotland and which could also give financial assistance to tourism-related projects. Tourism, however, was the least of its priorities. Later, the establishment of Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) in 1991, replacing both SDA and

HIDB appeared to take little account of the role of the STB in economic development terms, a situation that rendered Scottish tourism at times moribund.

In consequence, STB had a very difficult time throughout the nineties. Whenever there was a downturn in the Scottish market the blame, inevitably, in terms of the failure of its marketing strategy, was laid firmly at its doorstep. Marketing apart, there were a number of pressing issues facing it as it approached the Millennium that are worthy of further exploration. Among these were:

- funding;
- its relationship with the Enterprise Networks;
- the impact of the new parliament;
- its relationship with its sister NTOs/BTA;
- the growing influence of ICT/Ossian; and,
- classification and grading (quality assurance)/compulsory registration.

Funding

Funding is a perennial Scottish tourism issue. However, as can be seen from the

Table 5.3. UK NTO Funding.

	BTA £ million	ETB £ million	STB £ million	WTB £ million	NITB £ million
1990-91	34.5	21.6	15.5	13.3	9.4
1991-92	34.5	17.9	15.1	13.5	8.4
1992-93	35.0	18.4	15.4	15.5	13.1
1993-94	35.5	16.4	15.2	15.2	13.3
1994-95	36.0	12.3	18.9	15.6	13.6
1995-96	36.4	10.6	17.8	15.5	14.5
1996-97	36.5	10.3	18.7	15.1	15.1
1997-98	35.0	9.9	19.3	14.7	14.0

Source: Scottish Liberal Democrats, 1999.

above table (Table 5.3), STB receives significantly more per head of population than the ETB (English Tourist Board, now the ETC, English Tourism Council), but rather less than WTB (Wales Tourist Board) or the NITB (Northern Ireland Tourist Board). For example, 1997-98 prices, converted using the GDP deflator, and using a forecast of a 2.8% increase in 1997/98, revealed the following spend per NTO. When converted per head of population, the result (Table 5.4.) was as follows:

Table 5.4. UK NTO Spend per Head of Population (Based on population over 16).

	BTA £ per head *	ETB £ per head *	STB £ per head *	WTB £ per head *	NITB £ per head *
1990 -91	0.78	0.58	3.84	5.90	8.25
1991-92	0.78	0.48	3.76	5.95	7.23
1992-93	0.79	0.49	3.83	6.84	11.17
1993-94	0.80	0.43	3.78	6.68	11.20
1994-95	0.81	0.33	4.68	6.88	11.32
1995-96	0.81	0.27	4.42	6.82	11.9
1996-97	0.81	0.27	4.65	6.63	12.45
1997-98	0.77	0.26	5.10	6.40	11.80

Source: Scottish Liberal Democrats, 1999.

The Conservative government of the nineties had expressed a view that the tourist industry in England was well developed and did not need the same assistance as in Scotland, where until devolution the STB budget was derived from the Scottish Block grant as determined by the Scottish Office (SLD, 1999). However, with devolution, tourism-spending allocations have come under increasing pressure, which affects greatly STB's ability to deliver. One outcome of this is that businesses have to ultimately take more responsibility for their own marketing and promotion, and the rationale appears to be that the larger the enterprise the less reliance it has on its ATB.

To explain more fully the environment in which the STB operates, all of which are affected funding-wise in some way, the following section of the thesis addresses some of STB's relationships, initiatives, challenges, and problems.

Relationships with the Enterprise Networks

Having already explained the origins of the history of the STB/SE/HIE relationship in Chapter Four, it is important to understand the tensions that exist between the organisations in terms of the very fine line between organisational responsibilities for certain functions in relation to tourism in each of the organisations in the wider Scottish tourism networks. For example, during 1999/2000 there was continuing speculation as to whether the Enterprise Network would subsume STB or whether *all* tourism functions would become the responsibility of STB. The outcome of various reviews, one being the Scottish Tourist Board Management Review, Report and Recommendations (31.10.2000), clarified this to a certain extent, decreeing that the status quo would remain, with no question of tourism being subsumed by either organisation. Yet, the functions of SE/HIE in relation to tourism, as per the recommendations of the review, were rather inexplicable. For example, the review recommended that the STB should request that the Enterprise and Lifelong Learning Department clarify that responsibility for tourism strategy and policy lies with STB, and reallocates the existing costs incurred in the Enterprise Network to STB. Somewhat contradictorily, it also recommended that the STB should adopt a more sophisticated approach to its conduct of external relations built on the distinctive roles of the parties with whom relations were conducted. It also stressed that along with the bodies, with which it interacts, the STB should develop precise, unambiguous protocols that will guide and strengthen the relationships between the parties. The implications of this would be a change in the various public sector responsibilities, relationships and funding, but the question remains to what extent, issues that are addressed in later chapters of the thesis.

The impact of the new parliament

Devolution has seen new government priorities, the strategies of which are encapsulated within the above A New Strategy for Scottish Tourism (Scottish Executive, 2000), published in February 2000, and which is interpreted by the industry as Scottish tourism policy. The advent of the new parliament has also meant a freshly articulated requirement for the public sector tourism bodies to play a full role in economic development arrangements. This includes new Local Economic Fora (LEFs) that reflect a shift for tourism to nearer centre stage of government actions and priorities, as the LEFs, for their first task as laid down by the Enterprise and Lifelong Learning Minister, seek to eliminate duplication and overlap in public sector business support services. There are also political influences such as increased levels of political scrutiny, heightened expectations of value for money and delivery of programmes from Non-Departmental Public Bodies (NDPBs). All of this is compounded by the development of a partnership approach to conducting business, an initiative increasingly deployed in both public and private sectors (STB/PriceWaterhouseCoopers, Scottish Tourist Board Management Review, Report and Recommendations, 31.10.2000: 9- 10).

Since the inception of the new parliament, the Scottish Tourist Board Management Review, Report and Recommendations (STB/PriceWaterhouseCoopers, 2000) apart, three particular policy and political initiatives have had significance for the STB. The first is A New Strategy for Scottish Tourism (Scottish Executive, 2000) launched in February 2000 following an extensive period of consultation with the industry. It set out five themes around which the tourism businesses and public sector bodies should concentrate efforts. These themes were:

- quality enhancement;
- use of new technology;
- skills development;
- marketing improvements; and,
- strengthening public sector support mechanisms.

Of these, the principal actions for the STB related to the further development of e-commerce through Ossian (a computerised destination marketing reservations system discussed elsewhere in this chapter), targeted marketing and producing strategies for agreed niches, plus the enhancement of the Quality Assurance processes. Although these may not represent a radical departure for the STB, there can be no underestimation of the magnitude of delivering these successfully particularly the creation of a fully integrated computerised destination management system, integrated call centre and associated partnering arrangements (STB/PriceWaterhouseCoopers, Scottish Tourist Board Management Review, Report and Recommendations, 31.10.2000: 5).

The second of these is the Enterprise and Lifelong Learning Committee's Inquiry into the Delivery of Local Economic Development Services in Scotland (Scottish Parliament, Enterprise and Lifelong Learning Committee, 2000) reported in May 2000. In February 2000 the Minister invited the very influential Committee to consider the issue of tourism structures in the economic development process, as part of its continuing inquiries. While this Committee focussed on enhanced co-ordination of efforts at local level, it hinted that future structural changes with regard to tourism development functions was an option it would choose to revisit. There was a fresh

imperative for the STB to support these more collaborative arrangements, since the Minister for Enterprise and Lifelong Learning had already endorsed the concept of the LEFs. However, although draft guidelines were issued in December 2000, decisions on the practical implementation of this vehicle for local economic development did not materialise until March 2001.

The third policy and political initiative to impact on STB occurred in July 2000, when the Minister issued The Interim Conclusions of the Scottish Enterprise Network Review (Enterprise and Lifelong Learning Department, Scottish Executive, 2000) produced by the Enterprise and Lifelong Learning Department. It recognised the role of the STB within the extensive network of economic development bodies in one of the five key themes of this review “mainstreaming tourism support”. Towards this end, the Minister announced the aforementioned STB management review process to assess “the fit between the organisation’s capabilities, its relationships with other organisations and the tasks which it requires to perform, taking into account any relevant information from abroad.”

Following the publication of The Interim Conclusions of the Scottish Enterprise Network Review (Enterprise and Lifelong Learning Department, Scottish Executive, 2000) it was inevitable that the STB in its present form would not survive. Following the aforementioned management review of STB the Scottish Tourist Board Management Review, Report and Recommendations (STB/PriceWaterhouseCoopers, 31.10.2000), compiled by Mary Galbraith of PriceWaterhouseCoopers, implied not only significant change, but also triggered the demise of STB’s Chief Executive Tom Buncle, and was instrumental in the Chairman, Lord Gordon’s, decision, to step down,

and the eventual removal of six divisional directors. From all of this it was clear that this was an Executive that meant business. It would not only hold organisations such as STB more accountable; it would challenge them as never before.

STB's relationship with BTA and other NTOs.

The Westminster government's tourism strategy document Tomorrow's Tourism (Department of Culture Media and Sport, 1999), somewhat confuses the issue for STB concerning tourism promotion overseas, and perhaps for those reading it as particularly in the preface, the Prime Minister refers to Britain, a tone that is evident throughout e.g. tourism statistics relating to the UK. A previous Westminster government comprehensive spending review had suggested the abolition of the English Tourist Board (ETB), speculating that a combination of the new regional boards and BTA would make the ETB surplus to requirements. Nevertheless, the fact that England, after devolution, would have been the only country in the United Kingdom without an NTO combined with an industry lobby to retain it made the Westminster government uneasy. Eventually, it altered its mind. The ETB has since survived (see below), albeit without its' marketing function, which is ironically, in effect, the prime objective of the STB (at least it was prior to the above review).

Throughout the UK tourism organisations are finding it difficult to stay abreast of the changes brought on by the phenomenon of globalisation, and are re-positioning themselves to be able to compete for their share of the global market. For example, Ireland's tourism bodies were also in disarray at the end of the 1990s, and the WTB rather than align itself with the newly proposed English classification and grading system opted to emulate the Scottish system, which was quality based as opposed to

facility based. Ireland, on the other hand, delayed indefinitely the creation of a single tourism scheme because politicians on both sides of the border could not agree how it should operate (Caterer and Hotelkeeper, May, 1999). Nevertheless, by September 1999 adverts promoting Ireland, as opposed to Eire or Northern Ireland were commonplace, frustrating Unionist politicians and cementing cross-border functions. At this time DCMS named the new English NTO the English Tourism Council (ETC).

The ETC, which took over from the ETB in July 1999, was established to oversee the government's new tourism strategy for England. The outcome of this is that more government spending on tourism has gone to the English regions than to the centre. In 2000, they received £6m against 1999's £3.8m, from total funding of £20m with ETC's role altered in order to support the domestic tourism industry in essential areas including conducting research and improving quality in hotels and seaside resorts (Caterer and Hotelkeeper, May, 1999). The latter, for example, by encouraging businesses to participate in the ETC's Quality Assurance Classification and Grading scheme (see further on in this chapter). To be recognisably quality assured the majority of businesses have had to upgrade their properties and develop the skills of their staff. With only 30 per cent of English tourism and hospitality businesses classified and graded (by 2001 this had increased to 50% (Mercer, personal communication, 2001)), the Westminster government's expectations of the ETC is that this number will improve dramatically, otherwise there is an implicit threat that a form of compulsory registration may be considered. In Scotland almost three times as many businesses participate in the STB's Classification and Grading scheme, and diminishes the threat of compulsory registration.

The various NTO relationships are relevant to Scotland. With tourism being wholly devolved, it was thought that the new Scottish parliament would be responsible for tourism: both in the United Kingdom and overseas. However, before the Scottish parliament had met, DCMS had decreed that the BTA would still be the lead tourism body responsible for UK overseas marketing (Thurso, 1999). At the present time it is still unclear as to whether BTA is a cross-border authority. Regardless, the Scottish Executive appears unwilling to address what could be construed as a constitutional anomaly.

Information Communication Technology/Project Ossian

Another major issue for the Board was that the industry had been slow to take advantage of the new technologies (ICT) in comparison to other industries. But, with support from SE and HIE, the STB had developed Project Ossian a nation-wide computerised destination marketing reservations system, which superseded its forerunner – Integra (see below). Named after a third century Irish warrior poet whose poems were translated in 1760 by James Macpherson, the validity of Ossian as with Macpherson's work, was called into question when the launch planned first for October 1999 then March 2000 was delayed. It was eventually launched in July 2000 under the web site visitscotland.com, which coincidentally became the new name for STB, as of April 1st 2001, an outcome of the October 2000 STB Management Review, Report and Recommendations: a name that appears to be derived from BTA's [visitbritain](http://visitbritain.com) web site concept, which came into being the year previously. But criticism of Ossian continued to mount, and it appeared to the industry, particularly from its dismal performance, that it would never realise its promise, or fulfil its potential.

As with a number of other initiatives, part of the problem associated with Ossian, particularly at the outset, concerned funding. Already STB had lost considerable face with the disappointing outcome of the aforementioned Integra, the antecedent system, on which £900,000 had been invested. Although certain tourist boards such as the pre-1996 Edinburgh and Lothian's Tourist Board used Integra to great advantage for a while (Carter, personal communication, December, 1999), it soon became apparent that it would not meet the more demanding needs of the twenty-first century, particularly in a network sense. The various delays also meant reluctance on the part of other funders such as the councils and the LECs to provide further resource until the system was proven. This was compounded by the fact that few ATBs were as prepared to administer the system as might have been expected of them, meaning that the time delay has been to their advantage. Also, one ATB, Greater Glasgow and Clyde Valley, delayed handing over the information it had gathered as it was of the opinion that by doing so it was handing over its birthright: a situation that is still unresolved. Meanwhile, although a reputed £4 million had been spent on the development of Ossian, to expedite the launch – A New Strategy for Scottish Tourism (STB/PriceWaterhouseCoopers, 2000) committed an additional £4 million to its further development. In the same month scotexchange.net was also launched by STB. This site was designed to help the industry improve its profitability and competitiveness through enhanced access to and exchange of key industry information (Signpost, Summer, 2000). It had in no way been as trumpeted as Ossian, yet it could be claimed that, in terms of market information and intelligence it was much more meaningful than Ossian.

Ossian had taken much longer to develop and introduce to the network than was originally thought, and its lack of impact on Scottish tourism left Scotland in terms of ITC infrastructure, which is compounded by the general lack of and cost of broadband width outside the major cities, meant that Scotland was still some way behind many of its world-wide competitors. For example, in the Netherlands, Austria and Ireland, those systems are already reaping significant benefit for tourism, particularly as their business environment and technological infrastructure makes it so much easier for them to trade on-line. To compound matters, so many Scottish tourism businesses had been reliant on Ossian's development, including many of the BHA membership, that for a time, many lost sight of developing their own on-line technology. To compound matters further of all the web-based on-line reservations systems Ossian/VisitScotland was the most difficult for operators to access and alter their accommodation status (McCutcheon K. & McFadyen A-M. personal communication, May, 2001). Ossian's development was, in effect, a prime example of the private sector being disadvantaged by its over-reliance on the public sector.

In one last desperate effort to ensure that the investment potential is realised STB or perhaps more realistically the Scottish Executive has decided that the future operation of Ossian should be through a public private partnership (PPP). As a result, in November 2000, the project management was handed over by STB, who had already allegedly spent over £4 million on it, to an interim company while tenders from the private sector to operate it were sought. Significantly, the appellation Ossian is no longer operational being superseded by the brand VisitScotland, and there is less focus on it with private sector operators relying more on their own systems or those of

other providers. Also, to date, various proposed partners for the PPP have turned down the opportunity of involvement.

Classification and Grading (Quality Assurance)

Until the mid-nineties, hotels in Britain could approach either the AA or the RAC for their Star Grading Classification or one of the National Tourist Boards of England, Scotland or Wales for a Crown Classification. Each organisation inspected to its own standards, therefore the requirements for each were slightly different, even between the AA and RAC, where hotels could end up displaying, potentially, for example, a 3 Star sign from the AA, a 4 Star sign from the RAC and a 5 Crown sign from one of the Tourist Boards. This was obviously quite confusing for hotel guests, especially those from overseas, but also for hotel proprietors, who could never be quite sure where they stood or why there were differing requirements for each of the schemes. Therefore, in 1997 the inspecting organisations, (AA, RAC and the three National Tourist Boards – England (ETB), Scotland (STB), Wales (WTB)), encouraged by the Department of Trade and Industry (evidence that Scottish tourism policy was still mainly at the behest of Westminster), began talks on harmonising standards and agreeing on a common symbol to be used for hotels and guest accommodation throughout Britain. Every aspect of the requirements at the five levels for accommodation, service, quality and facilities was examined in exhaustive detail by the Chief Inspectors of the organisations concerned, and agreements were worked out for new quality standards. Eventually a consultation document explaining the agreed quality standards was sent out to hoteliers, and their views were taken into account before the final agreement was reached. The inspectors working for each organisation all went through the same training programme and then tested the new standards

thoroughly in practice. Stars were adopted as the hotel classification symbol and diamonds for Guest Accommodation (B&B). However, at a late stage in the proceedings, the Scottish and Wales Tourist Boards decided that they wished to act independently and to instigate their own criteria for a classification scheme, although they said they would still use stars as their symbol (www.theaa.co.uk 22.12.2000).

The originally agreed scheme was eventually launched in September 1999, and Hotels and their guests in England appear to now know where they stand and confusion no longer reigns. All are inspected to the agreed new quality standards, and have just one Star Classification, whichever of the three organisations carries out the inspection. STB and WTB, however, believed they could justify their decision as they placed more emphasis on quality as opposed to the ETB, AA and RAC's emphasis on a combination of facilities and quality. Nevertheless, this means there is still much confusion for the visitor to Scotland from overseas and even the home market, particularly when confronted with an STB symbol heralding an hotel as four stars and a contrary AA or RAC one recognising the same hotel as three stars. Alternatively, when they cross the border to find that the English criterion is different. For example, two similar establishments on either side of the border could be categorised a star apart. This is because the one south of the border may have some leisure facilities that the one north of the border is, due to lack of investment or otherwise, deprived of, although the quality of food and service is inferior and in the Scottish hotel is superior.

In addition, under consideration by the ETC was a proposal drawn up by Janet Anderson, the then England Tourism Minister. She proposed a complaints telephone

line whereby hoteliers would be forced to display the number on their premises. Any hotel that received regular or serious complaints would face an automatic re-inspection and possible downgrading. The “Fawltly freephone”, as it was known, was also recommended to Scotland, Wales and Northern Ireland (Sunday Times, 8.8.99). Nevertheless, as yet, this proposal has been implemented.

Regardless of the differences with south of the border, and despite its anomalies, the STB’s Quality and Grading Scheme, introduced in 1998, had a significant impact on the increase in the number of tourism businesses being subject to Classification and Grading and consequently membership of the ATBs. For example, from then it became compulsory for tourism businesses to be Classified and Graded to become an ATB member: an apparent anathema to the SNP whose policy, according to Mercer (personal communication, September, 2001), would prefer Quality Assurance either to be voluntary, or a statutory requirement delivered by local government. Despite this, as long as the current situation remains, this means that non-VAT registered businesses or ‘lifestyle’ businesses still have the same ATB voting rights as larger businesses therefore creating an inequitable local tourist board voting structure that favours businesses that are neither wealth nor job creating. Although such a structure is frustrating to the more strategically-orientated businesses, and the diffusion of quality grading confusing at times, it is accepted that the classification and grading scheme is to the advantage of the consumer in that businesses have been quality tested and graded according to a quality criterion. Yet, for those businesses that did not participate in the scheme there was little penalty other than they could not market themselves through the ATBs and STB, and many such businesses, in spite of the supposed drawbacks of non-participation, although still operating reasonably

successfully were delivering a very poor service. This called into question the issue of compulsory registration. How could such businesses be brought into the fold, a question that is addressed below.

In advance of this discussion it is, however, worth noting that in 1998 the serviced sector in Scotland, which had always been used to being graded, had increased from 6900 to 9258 businesses registered. Of the hotels the largest number were still at 2 star, which was 500, and only 13 achieving five star, but there were a growing number of four star properties – 254, where a high standard indeed was in evidence. Since then the numbers registered have increased steadily, and the Enterprise and Lifelong Learning Minister, at the time of the consultation, Henry McLeish, intended that by 2005 the average Quality Assurance scheme score will be 3 stars instead of the current average 2.8. Furthermore, after a long delay VisitScotland has announced plans to implement its new Food Quality Assurance Scheme, due to be launched in the autumn of 2001. The new scheme which will be administered by Taste of Scotland and will be open to any business that serves food with an award from 1 to 5 stars chosen to reflect the establishment's quality of ingredients, food preparation and final presentation. It is hoped that the new Quality Assurance Scheme will complement the Natural Cooking of Scotland Initiative, launched 5 years ago, which encourages businesses to use and promote local ingredients such as cheeses, meats and vegetables. The award will be an additional guide for visitors and will be complementary to the existing grading scheme, which indicates establishment quality.

It is also worth noting that A New Strategy for Scottish Tourism (STB/PriceWaterhouseCoopers, 2000) stresses that harmonisation of UK

classification and grading is still an ultimate objective of the Scottish tourism industry, as does Tony Mercer, Head of Quality Assurance, and Deputy Director, Visitor Services, VisitScotland. Mercer claims that he is continuing to work very closely with the ETC to identify ways of achieving a harmonised approach for schemes across the United Kingdom (personal communication, September, 2001).

However, membership of their ATB, even if they are more than capable of achieving the standards expected of them, is not within the strategy or desire of every business. For example, properties such as Altnaharra by Lairg, Ullapool's Ceilidh Palace, The Cape Wrath Hotel, Skibo Castle, or Braidwood's by Dalry. This prompts the question why highly reputable Scottish tourism businesses such as Braidwoods and Ceilidh Palace would prefer AA recognition as opposed to STB, or that Altnaharra, another prestigious property, is registered with neither? A question which Mercer (personal communication, 2001) is endeavouring to resolve.

As has already been discussed, there is an implicit threat south of the border that if the ETC cannot encourage its businesses to become members, which in turn means that they will not be classified and graded, then consideration will be given to registering them on a compulsory basis. Both STB and the Scottish Executive have given similar thought to this issue. It has also been discussed widely by organisations such as the Scottish Tourism Forum (STF) and the British Hospitality Association (BHA). But with a high number of businesses participating in the classification and grading scheme north of the border, the Executive would appear to prefer to encourage voluntary participation rather than introduce a compulsory scheme. They also envisage the difficulties that compulsory registration would bring. For example, if an

organisation that refused to participate was a large employer, or if the Executive were taken to the European Court by organisations refusing to participate, the implications would be counter-productive and court action time consuming. There is also the implicit threat from MSPs/MPs who would be compelled to oppose compulsory registration if it meant businesses being closed or jobs being lost in their constituencies, in particular rural ones, which in turn might cost them votes. Instead, the Executive appears encouraged by the large numbers north of the border participating in the current scheme, and hopes to build on these.

Questions, however, remain. For example, why some of the more reputable Scottish tourism organisations, such as those above, refuse to join their ATB, which Mercer (personal communication, September, 2001) claims is due to the policy of the rather inflexible STB Chief Grading Officer in the 1980s, who alienated such businesses, or the aforementioned imbalance of influence of small businesses on local tourist board structure? The latter is, in effect, in conflict with the Scottish Executive's local economic development strategy, and brings into question what to do about those of *inferior* quality who choose to remain unclassified and graded: something which STB is addressing, but as yet unable to find an answer. Alternatively, there are those quality businesses that refuse to participate. For example, what if an overseas visitor contacts STB to make an enquiry about Altnaharra, Ceilidh Palace Cape Wrath, Skibo or Braidwoods? Apparently, due to the non-participation of these businesses in the C&G scheme, STB is compelled to not answer the query, which does not reflect positively on Scottish tourism.

AREA TOURIST BOARDS (ATBs)

Scotland, as it developed as a tourism destination, was promoted through private sector initiatives as opposed to through public sector initiatives as is evident now. The early promotions were by railways, coach and ferry companies, regional trade associations and Chambers of Commerce. It was only after the Second World War that local councils led public sector tourism initiatives, and these were mainly in the Highlands and Islands. Other local tourist associations evolved haphazardly throughout the rest of Scotland in the sixties. However, the 1972 review of local authorities that in 1974 saw two-tiered local and regional councils being established brought about the dissolution of the old county councils. Many of these had underwritten the aforementioned local tourist associations, which, although capricious and unstructured, had participated actively in establishing and promoting tourism in their areas. Then, in 1982, following the Local Government (Scotland) Act, lower tier District Councils were given a discretionary tourism function that led to the setting up with STB of ATBs in Lowland Scotland (MacLellan and Smith, 1998: 61).

At present, as per Table 5.5., there are 14 ATBs in Scotland, (reduced from 32 in 1996 after the 1994 Act reorganising local government that empowered the Secretary of State to set up new independent ATBs), with around 16,000 members, which generate and spend £26 million annually. This figure is in excess of the STB's own gross budget which is circa £23 million, the equivalent of the grant made by SE to a medium-sized LEC annually such as Scottish Enterprise Ayrshire (SEA). Whether or not these ATBs will be renamed VisitAyrshire, VisitGlasgow, VisitFife, in line with the STB name change remains to be seen, but it is worth noting that research for this thesis has revealed these domains were registered as websites/email addresses in

January 2000, ten months prior to the STB review recommending the VisitScotland name replace STB.

Table 5.5. Area Tourist Boards in Scotland 1996 – 2001.

Greater Glasgow and Clyde Valley (GGCVTB)
Edinburgh and Lothians (ELTB)
Aberdeen and Grampian (AGTB)
Highlands of Scotland (HOST) – includes Northern Highlands, Inverness, Loch Ness and Nairn, Badenoch and Strathspey, Fort William and Lochaber and Skye and Lochalsh
Perthshire (PTB)
Argyll, the Isles, Loch Lomond, Stirling and Trossachs (AILLSTTB)
Ayrshire and Arran (AATB)
Dumfries and Galloway (DGTB)
Shetland (STB)
Angus and Dundee (ADTB)
Western Isles (WITB)
Orkney (OTB)
Scottish Borders (SBTB)
Kingdom of Fife (KFTB)

Source: www.visitscotland.co.uk 12.8.2000.

The ATBs are responsible to their members for marketing their areas, and are funded by a complicated mechanism of STB, local authority, sponsorship and membership fees, with project funding coming mainly from the LECs, and in some instances Europe. In the majority of cases, an elected Board comprised of a partnership of the public and private sector sets the membership fees. However, despite moves to the contrary the public sector provides the bulk of the funding. All too often, it is assumed that ATBs are also part-funded by the LECs, but under SE/HIE guidelines; LECs are unauthorised to directly fund ATBs. Instead, as with other sectors, and on the premise of improving local economic development activity, LECs support ATBs by means of grants. Such monies are for research, projects and initiatives such as resourcing the IT capabilities of individual ATB's Ossian hardware, E.commerce and associated training, or for more basic needs such as Welcome Host or Scotland's Best courses.

Friel (1995) argues that to establish the Area Tourist Boards as statutory organisations, yet not statutorily provide for their funding was highly unusual and that that anomaly has since been exposed as local authorities, who are the prime ATB funders, faced more and more government budget cuts, and in some instances, capping. This meant that it was likely that there could only be one outcome if local councillors had to choose between saving Local Authority jobs and services or giving discretionary funds to tourism.

A previous review, STB's Policy and Financial Management Review, Prior Options Study (PFMR POS, 1998) recognised that the issue of funding was one of the major concerns of those it consulted on the relationship between the ATBs and STB. The overwhelming view was that the current system was inadequate and that the ATBs were being placed in financial jeopardy, as a result. Having considered this issue the PFMR POS (1998) found that funding was a distinct and separate issue, which could not be regarded as central to the study. The PFMR POS (1998) did accept, however, that problems were emerging and that these centred on the level of grants provided by local authorities. They also accepted that the STB should play a major role by helping to identify ways in which the problem might be eased and by taking such action as may be appropriate to help alleviate the situation. But, the antecedent funding mechanisms meant it was difficult to prescribe alternative means that would be acceptable to all parties.

There was also the question of the 'begging bowl' approach of the ATBs, which meant their relying for funds on the whim of councils, LECs, and other public sector bodies. For example, Professor Eddie Friel, Chief Executive of Greater Glasgow and

Clyde Valley Area Tourist Board (Wilson 1998: 10) argued that the ATB network spends more time negotiating with the funding agencies than getting on with its prime function of attracting tourists. Also, many funding decisions are made too late anyway to allow the ATBs to plan properly for the following financial year. Friel's ATB GGCVTB, has to deal with seven local authorities, four LECs and four LEFs. Others have similar problems and this means that among other difficulties, Friel (Wilson 1998: 10) argued, Scotland has a poor delivery mechanism for the industry and that the question of under funding could be addressed by the introduction of a tourism tax a proposition which found little sympathy from the remainder of the industry.

Although the draft of the Scottish Executive's recent tourism consultation document, disappointingly, did little to address the issue of funding, the eventual document, following some effective lobbying by STF and BHA, A New Strategy for Scottish Tourism (STB/PriceWaterhouseCoopers, 2000), took a different stance. It recommended that local authorities gave guidelines to the ATBs as to their expected budgets on a three year-rolling programme, combined with the implicit threat that failure to do so would mean that funding would be centralised with the local authorities' grants being reduced accordingly to compensate. However, this objective was an imperfect one in that it did not guarantee ATBs adequate levels of funding, nor did it set a date for the inception of the three-year rolling programme. Consequently, in the eyes of the tourism industry, the Scottish Executive's evasion of this issue only served to weaken further its perception of the ATBs.

However, there are other issues for the ATBs that remain unresolved and which we have already alluded to. For example, the less strategically inclined businesses have

differing expectations of the ATBs from the majority of hotels and visitor attractions. Their expectations of their ATBs, and the reason why they are members is that the ATB will maximise their accommodation on a regular basis through their Tourist Information Centre's (TIC's) reservation service.

TICs are situated in many towns or close by visitor attractions and are a point of contact for the tourist seeking out accommodation or information. That the TICs should fill every bed space is, of course, wholly unrealistic. However, the fact that the ATBs are failing to deliver maximum occupancy 100 per cent of the time is one of the reasons that has led to dissatisfaction with the ATB network. The other is a widespread dissatisfaction that investment in improving standards of furnishings suggested by STB Quality Assurance Inspectors during classification and grading visits does not always improve a business's grading rating. Hence, the antipathy towards classification and grading by such businesses, but for the present the industry or the Scottish Executive appear to have no alternatives to ATBs.

These are among some of the prime reasons that are causing a schism between those businesses that are trading as 'lifestyle' businesses (which the researcher describes as those who view their business as a 'way of life' or a means by which they supplement other income) and those that are creating employment and wealth. Although both recognise the role of the local tourist boards as being catalysts for tourism in their areas by marketing the area, and representing them to STB, both have different expectations that the ATBs are unable to reconcile.

Scotland's ATB network is also far from a perfect geographical fit with the LECs (whose function will be described later), with local authorities, Chambers of Commerce and ultimately with the newly-created Local Economic Forums (LEFs). This goes some way to explain the problems associated with the efficiency or otherwise of the ATB network. It also has implications for the delivery of tourism in local areas, particularly because of the funding implications. For example, it is abstruse to make sense of the geographical spread of Argyll, the Isles, Loch Lomond, Stirling and Trossachs Tourist Board (AILLSTTB), which covers various Councils, LECs and LEFs. Or Arran, which is part of the Argyll and the Islands LEC (AIE) and LEF while being part of Ayrshire and Arran Tourist Board (AATB), with the whole of Ayrshire within the Scottish Enterprise Ayrshire (SEA) LEC and LEF, and Arran in Argyll and the Islands Enterprise and LEF. To complicate matters further, in an Ayrshire sense, an AIE Director was also Chair of AATB during 1999/2000, and Ayrshire had three local councils with three separate and distinct economic development units, one of which was responsible for Arran. There were also three LDOs (local delivery organisations – the former enterprise trusts, delivering the Small Business Gateway, grants etc., which were superseded in October by one LDO, Alba Smart Thinking) in Ayrshire, so funding initiatives concerning skills development etc., both within the tourist board and for its members was complex and sometimes fraught with difficulty, and was among the reasons Henry McLeish established LEFs. However, it is the funding of the ATBs that receives most negative exposure or publicity, and is perhaps one of the issues that the LEFs will eventually address, perhaps giving consideration to alternative means of funding ATBs e.g. a tourism tax.

SCOTTISH ENTERPRISE (SE)/HIGHLANDS AND ISLANDS ENTERPRISE (HIE)

The 1990 Enterprise and New Towns Act (1990) established Scottish Enterprise (SE), and Highlands and Island Enterprise (HIE), along with their LECs in 1991. SE/HIE was an amalgamation of the Scottish Development Agency (SDA), Highlands and Islands Development Board (HIDB) and The Training Agency.

Both SE and HIE are agencies of the Scottish Executive, with Boards comprised of the public, private and voluntary sectors, the latter now becoming more commonly known as the third sector. Their combined annual budget is circa £500 million. SE operates from Dumfries and Galloway to Aberdeenshire. HIE covers the remainder of Scotland including Orkney and Shetland, Argyll and the Isles and the Western Isles. Both exist to assist the people of Scotland generate and sustain jobs, prosper and create a high quality of life. They deploy a wide range of powers, resources and skills in pursuit of their mission – financial instruments, advisory services, marketing, training, property, new ideas, and networks. These resources are used as flexibly as possible to support customers and partners and to meet the needs of particular opportunities and challenges. Alongside local capability, SE and HIE has nation-wide planning and operational capability. This allows plans to be made and action taken to support key Scottish industries and to address issues that have a Scotland-wide dimension. Until winter 2001 SE also operated internationally on Scotland's behalf, through Locate in Scotland (LiS), for example in attracting inward investment and promoting Scottish products and services overseas (Connolly, 1999). Under the banner of Global Connection, one of the Smart, Successful Scotland organising themes (see later in chapter), this function changed in September 2001, when it became the responsibility of Scottish Development International (SDI), and reflects

SE's change of emphasis on inward investment e.g. instead of inward investment in and exports out, Global Connections stresses knowledge in and knowledge out: a seismic shift in inward investment strategy.

In 1999 SE/HIE introduced new strategies such as those surrounding the emergence of the knowledge economy, lifelong learning, clusters, and the rural agenda. It had also, of course, to deal with the outcome of its reviews - Interim Conclusions of the Scottish Enterprise Network Review (Scottish Parliament, Enterprise and Lifelong Learning Committee, 6 July, 2000), and Modernising the Enterprise Networks, the Interim Conclusions of the Enterprise Networks Review (Scottish Executive, 6 November, 2000), both of which led to a complete business transformation of SE.

The main points from its new strategies were as follows:

The Knowledge Economy

The 'knowledge economy' meant that the processes of globalisation and deregulation combined with the aforementioned developments in Information Communications Technology (ICT) would create a world where change in the business environment would be increasingly rapid and ever changing.

Lifelong Learning

The creation of a culture of 'Lifelong Learning', a concept introduced by the Labour government to the UK, was gradually gaining credence in other industries, but was slow to take-off in tourism. This new ethos meant individuals were empowered to

regularly update their skills and knowledge in order to maintain and enhance their performance and career prospects.

Clusters

SE studies in the mid-1990s revealed that the main drivers of economic advance, wealth creation and job opportunities rarely existed in isolation. More often than not, they existed in 'clusters' of mutually supportive industries and institutions. It was in these clusters – where there are strong links between customers, suppliers, academic institutions, and even competitors – that economic growth was most concentrated.

Rural Affairs

A further change to SE/HIE's strategy began to surface in November 1999 at a time when many of the LECs were in the process of discussing their 2000/2001 operating plans with the SE/HIE Boards. At these meetings a message was clearly being conveyed to the LECs that the Scottish Executive were impressing upon SE/HIE the need for more emphasis to be placed on the rural agenda. For example, farmers diversifying into tourism-related activities, which became even more of a reality for many farmers following the onset of Foot and Mouth in 2001:

Connectivity/Broadband

The SE Board spent much of 2001 discussing schemes that would address Scotland's dismal connectivity in terms of broadband and telephony. Scotland was reputed to be eight times more expensive to connect to in broadband terms than in London and the South-East. All Scotland's transatlantic telephony traffic also had to be re-routed through London, and the combination of these factors, including physical

connectivity, in that Scotland was expensive and difficult to access, was disadvantaging Scottish industry.

SE/HIE/LEC Reviews/Business Transformation

Perhaps the biggest challenge to the SE/HIE network was its own future. It had been set up under a Conservative administration and in late December 1999, as has already been referred to in the previous section; there were calls for the network to undergo a review. As a result, Henry McLeish as Minister of Enterprise and Lifelong Learning, began a structural review of SE/HIE, while the Enterprise and Lifelong Learning Committee, under the stewardship of the SNP MSP John Swinney, began to review the Local Delivery Organisation (LDO) network. The LDOs contracted with SE/HIE to deliver the Small Business Gateway, and also the local authorities for whom many of them delivered other services such as inclusion based activities. Meantime, SE's Chief Executive, Crawford Beveridge resigned, his post being taken by the former LiS Director, Dr. Robert Crawford. Crawford's appointment coincided with SE's own review that produced a strategy that would make the network a more cohesive unit. Consequently, not only did the Network undergo a business transformation process, it also reduced its workforce by 25%, recruited new skills, introduced 'shared services', part of the LDO's operations were branded 'Gateways' and the LECs' area of operation was pre-fixed with the word 'Scottish'. The latter change meant that from 1 April 2000, the SE LECs apart from Moray, Baddenoch and Strathspey Enterprise Company, who also had a Highland remit, and which would become a subsidiary of HIE, would be known as Scottish Enterprise companies. For example, Lanarkshire Development Agency (LDA), Glasgow Development Agency (GDA), and Lothian and Edinburgh Enterprise Ltd (LEEL) were to be known as Scottish Enterprise

Lanarkshire (SEL), Scottish Enterprise Glasgow (SEG) and Scottish Enterprise Edinburgh and Lothians (SEEL) respectively. They also became subsidiaries of SE, and were to become major participants in the newly proposed Local Economic Forums (LEFs).

The eventual outcomes of the above reviews informed A Smart, Successful Scotland. Ambitions for the Enterprise Networks, (Enterprise and Lifelong Learning Department, Scottish Executive, 30 January, 2001), the strategy for enterprise which proposed three key organising themes for the activities of the Enterprise Networks replacing the four existing ones of Innovative and Far-Sighted Organisations, Competitive Place, Inclusion, and Positive Attitudes to Learning and Enterprise, with Growing Businesses, Global Connections and Learning and Skills. Wendy Alexander's vision was a Scotland where creating, learning and connecting faster is the basis for sustained productivity growth, competitiveness, and prosperity (2001), and the Enterprise Networks were to be key partners in delivering her vision.

LOCAL ENTERPRISE COMPANIES (LECs)

There are 22 LECs in total: 13 Lowland LECs and 9 Highland and Islands LECs (see Table 5.6.) (Moray, Baddenoch and Strathspey Enterprise Company became a subsidiary of HIE from 1 April 2001. At one and the same time all LECs became subsidiaries of SE/HIE instead of Companies Limited by Guarantee). Although tourism has a higher dependency priority in the HIE area, recent years, particularly due to the demise of many manufacturing and textile jobs and the importance to the city economies, has also seen the importance of tourism to the Lowland economy emerge.

Table 5.6. Scottish Enterprise/Highlands and Islands Enterprise Local Enterprise Companies 2001.

Scottish Enterprise Ayrshire (SEA)
Scottish Enterprise Borders (SEB)
Scottish Enterprise Dumfries and Galloway (SEDG)
Scottish Enterprise Dunbartonshire (SED)
Scottish Enterprise Edinburgh and Lothians (SEEL)
Scottish Enterprise Fife (SEF)
Scottish Enterprise Forth Valley (SEFV)
Scottish Enterprise Glasgow (SEG)
Scottish Enterprise Grampian (SEG)
Scottish Enterprise Lanarkshire (SEL)
Scottish Enterprise Renfrew (SER)
Scottish Enterprise Tayside (SET)
Argyll and Islands Enterprise (AIE)
Caithness and Sutherland Enterprise (CSE)
Inverness and Nairn Enterprise (INE)
Moray, Badenoch and Strathspey Enterprise (MBSE)
Lochaber Enterprise (LE)
Orkney Enterprise (OE)
Ross and Cromarty Enterprise (RCE)
Shetlands Enterprise (SE)
Skye and Lochalsh Enterprise (SLE)
Western Isles Enterprise (WIE)

Source: SE/HIE Web Portals 2001

SE LECS are prefixed by SE, HIE are not.

To achieve their objectives SE and HIE operate on a local, national and international stage. Although SE and HIE are national networks operating on Scotland's behalf, they have a decentralised organisational structure which allows them to be sensitive to local needs and opportunities, get close to companies and individuals across Scotland and to engage with partners at a local level through Local Enterprise Companies (LECS). In consequence, LEC Boards have an essential role. They are drawn from the local public, private and voluntary sectors (third sector). While they do not formally represent these sectors in any way, they can offer a perspective from each sector, and are an important and vital part of the LEFs. Most LECs have a tourism operator on their Boards. In effect, SE and HIE's experience, ideas and advice of non-executive members, alongside the professional skills and experience of the executive, is the essence of what makes the LECs what they are (Connolly 1999).

LOCAL ECONOMIC FORUMS (LEFs)

There were numerous examples of such Fora throughout Scotland. Ayrshire, for example, had had one since the early nineties among whose achievements was the forthcoming extension to the M77, the survival of Prestwick Airport and the investment of £5 million pounds in its job strategy. Henry McLeish, John Swinney, and the ELL Committee were impressed by the achievements of not only Ayrshire's Forum, but also its sister Fora such as Grampian, Fife and the Borders. His Network Review set in motion a consultation on guidelines for such Fora throughout Scotland, (see Table 5.7.) coterminous with LEC boundaries, to include tourism and eradicate duplication.

Table 5.7. Scottish Executive Local Economic Fora 2001.

Aberdeen and Aberdeenshire Economic Forum
Ayrshire Economic Forum
Borders Economic Forum
Dumfries and Galloway Economic Forum
Dunbartonshire Economic Forum
Edinburgh and Lothian's Economic Forum
Fife Economic Forum
Forth Valley Economic Forum
Glasgow Economic Forum
Lanarkshire Economic Forum
Renfrewshire Economic Forum
Tayside Economic Forum
Argyll and the Islands Economic Forum
Caithness and Sutherland Economic Forum
Inverness and Nairn Economic Forum
Lochaber Economic Forum
Moray, Badenoch and Strathspey Economic Forum
Orkney Islands Economic Forum
Ross and Cromarty Economic Forum
Shetlands Islands Economic Forum
Skye and Lochalsh Economic Forum
Western Isles Economic Forum

Source: Scottish Executive, 2001.

Participants, apart from the LECs, local authorities, Chambers of Commerce and ATBs, were left to the discretion of the LEFs but in the main also included education, employment services, small businesses, health and the third sector. Ayrshire's Economic Forum (AEF), until April 2001, rather incongruously, also included MSPs and MPs, whose attendance tended to over politicise proceedings.

There were other problems associated with setting up such Fora. In some areas, Renfrewshire, for example, councils who operated alongside other councils within coterminous LEC borders refused at first to co-operate. Others argued over leadership, the secretariat function, the resources, who should participate etc. The outcome was that there was an inconsistency to the purpose of LEFs throughout Scotland, and while on the surface a sound idea the very thing they set out to eradicate, duplication, meant for many areas another layer of bureaucracy. Tensions were also evident in some LEFs, e.g. Ayrshire, where MPs who no longer had responsibility for economic development, and who had previously been members of the Fora, were openly critical and uncooperative. The question that also came to the minds of many of those participating, particularly when unemployment and exclusion was still high in many areas, was the duplication of businesses services the most appropriate subject for LEFs to tackle, and why were such subjects imposed and the LEFs not left to confront priorities for their areas?

THE SCOTTISH TOURISM CO-ORDINATING GROUP (STCG)

The STCG was set up in 1987 by the then Conservative administration in Scotland as a means by which the government could interface with the tourism industry. Coincidentally, Henry McLeish disbanded it in February 2000 at the same time the new strategy for Scottish tourism (2000) was published. The Minister claimed that in order to drive the implementation of the tourism strategy a smaller group meeting more frequently was required. He also undertook to chair it, and to ensure it comprised STF, ATB, STB, SE, HIE representatives and the chair of the new training group; the latter being an industry led Tourism Skills body whose focus is on meeting

the needs of Scotland's customers through investing in the people who provide the service.

It is worth, however, noting the wider membership of the STCG, when it was in operation. It met three times a year and was, until the new parliament, chaired by the Scottish Office Industry Minister who was also Minister for Tourism, the last under the Westminster parliament being Lord Macdonald of Tradeston (formerly Gus Macdonald, Chairman of Scottish Media Group), now a Westminster Minister.

Among the STCG's members were (Table 5.8.):

Table 5.8. Scottish Tourism Co-ordinating Group.

Scottish Tourist Board
Highlands and Islands Enterprise
Scottish Enterprise
Scottish Tourism Forum
Scottish Office Education and Industry Department
Convention of Scottish Local Authorities
Historic Scotland
Scottish Natural Heritage
Scottish Arts Council
Scottish Museums Council
Scottish Sports Council
British Tourist Authority

Source: MacLellan and Smith (1998: 50).

All had a role to play in Scottish tourism both inside and outside the STCG and together they worked within the then current remit. The result of this remit was to prepare, monitor, and revise the Scottish national strategic plan for tourism (A New Strategy for Scottish Tourism (Scottish Executive, 2000), to identify and undertake strategic initiatives that set out to improve Scotland's tourism product, to act as a forum for discussion of tourism-related issues and, if necessary, commission appropriate action.

THE SCOTTISH TOURISM FORUM (STF)

The Scottish Tourism Forum (STF), whose remit is to influence national policy, was established in 1994 as an amalgam of members who represented the broad spectrum of tourism business in Scotland (see Table 5.9.) (in 1999 there were circa 30 members, by 2001 STF claimed 6000 members).

The Forum reflects the view of the private sector, and its Chair, Paul Murray-Smith, represented STF on the Scottish Tourism Co-ordinating Group (STCG), and is their representative on the aforementioned body that will replace the STCG, the Strategy Implementation Group. Murray-Smith also participated in The Scottish Tourist Board Management Review, Report and Recommendations (31.10.20000), and has since become an advisory member of the STB/VisitScotland Board; his progress being an outcome of the policy network approach taken in the case study in Chapter Nine.

Table 5.9. Scottish Tourism Forum Membership 1999.

Association of Directors of Recreation, Leisure and Tourism
Association of Scotland's Self Caterers (ASSC)
Association of Scottish Bed And Breakfast Operators (ASBB0)
Association of Scottish Visitor Attractions (ASVA)
Association of Transport Co-ordinating Officers
Automobile Association (AA)
British Airways (BA)
British Holidays and Home Parks Associations
British Hospitality Association (BHA)
British Incoming Tour Operators Association (BITOA)
British Universities Accommodation Consortium (BUAC)
Confederation of British Industry, Scotland (CBI)
Confederation of Passenger Transport, Scotland (CPT)
Forestry Commission
National Caravan Council (NCC)
Scotrail
Scottish Airports
Scottish Chambers Of Commerce
Scottish Conference Association
Scottish Destination Management Association (SDMA)
Scottish Federation of Small Businesses
Scottish Licensed Trade Association (SLTA)
Scottish Youth Hostels Association (SYHA)

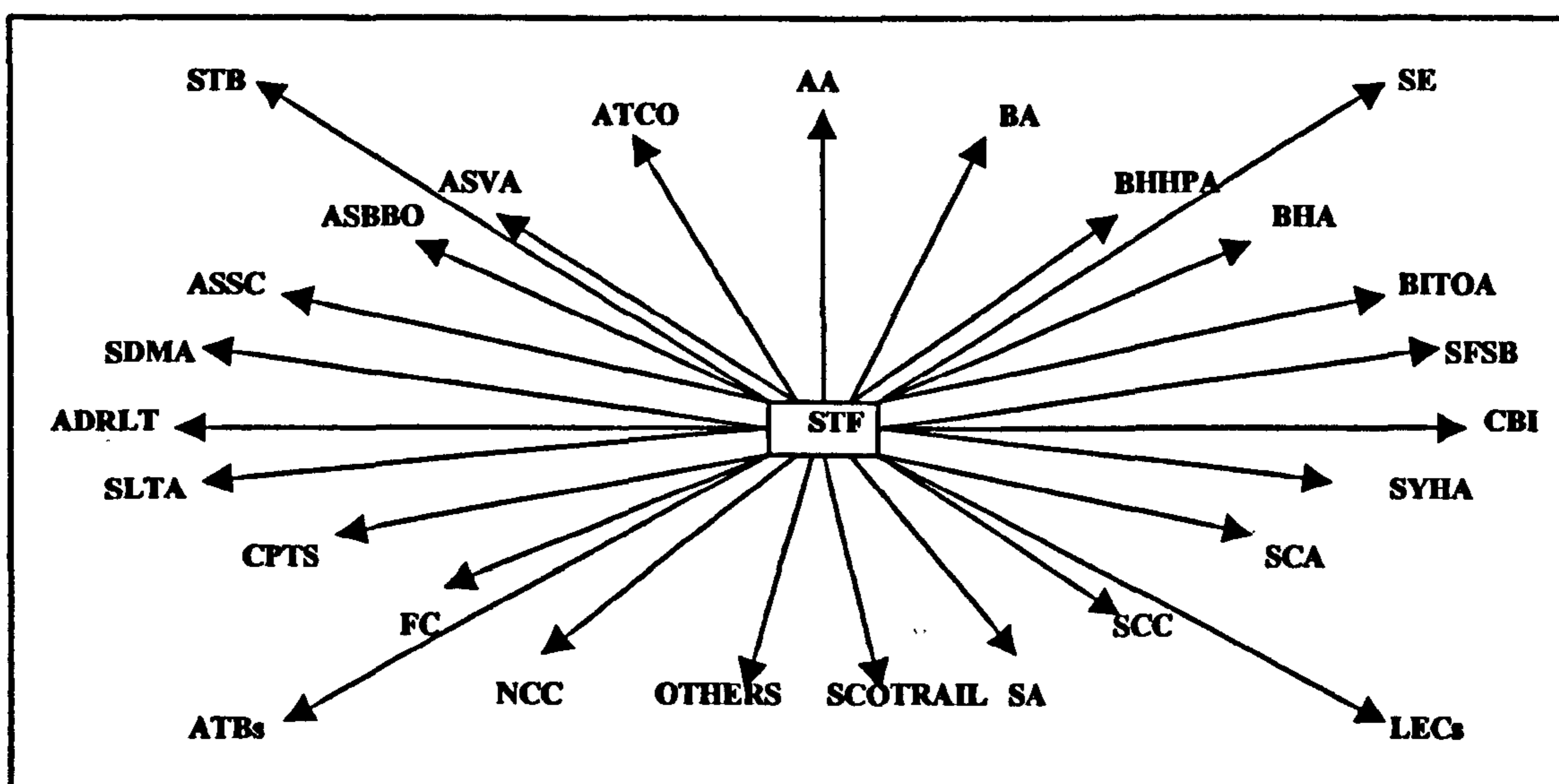
Source: Scottish Tourism Forum Annual Report (1999).

However, as 80 per cent of Scottish tourism businesses represented on the Forum in 1998 were small businesses, those larger Forum businesses that have greater impact on economic wealth and the creation of jobs felt disenchanting and held back by what they described as their less imaginative colleagues. In 1997, for instance, Murray-Smith became increasingly frustrated that the Forum consisted of too many vested interests, meaning that too much time was taken up with the minutiae (Murray-Smith, personal communication, 1998). However, after a period of inactivity in 1998, STF decided to re-structure in order to become the prime influencing body on the STCG, and began to make changes by appointing a much reduced membership body - a council - to oversee the future of the Forum's activities including funding. At the same time, it made plans to recruit a Chief Executive. The immediate effect of this re-structure was that the Scottish Office began to take the STF more seriously seeing it as the perfect private industry vehicle by which it could drive forward its strategies. The Scottish Executive cemented this relationship.

Although Lord Macdonald, in the 1999 Scottish Tourism Strategic Plan Interim Review (STCG/SE/HIE/STB, 1999) says, 'The industry, through the Scottish Tourism Forum, will be fully involved', there were genuine concerns that an industry funded across all disciplines by up to a reputed £85 million per annum, was finding it extremely difficult to fund STF in a proper sense. For instance, STF claimed early in 1999 to have secured 100 per cent Year 1 funding, 75 per cent of which was to be from the public sector, and that part-funding on a sliding-scale to Spring 2000 was already secured (Scottish Tourism Forum Strategy Document 4.8.1999). But the actual funding, at the time of the interviews that took place to appoint its first-ever Chief Executive was possibly only a third of what was required, not only to pay the

CE's salary but operating costs. This meant that the new Chief Executive of the STF, Ivan Broussine, in common with his or her counterparts in the Area Tourist Boards, and with Anne Walker of Springboard UK (the government-funded initiative to make tourism and hospitality a first choice career), rather than champion the cause of the Scottish tourism and hospitality industry, spent much of their time endeavouring to raise funds to secure their future. Even Lord Macdonald, when he became the Scottish Office Minister responsible for tourism, was surprised to find that an industry generating £2.55 billion (of which 3% contributed towards the industry's infrastructure), and employing 180,000 people, had no one industry-based organisation with a full-time professional and administrative back-up to deal with the numerous facets of Scottish tourism. It is clear now, however, that Broussine's appointment, Murray-Smith's commitment, combined with the creation of the STF Council, has been the catalyst that has seen the STF, as is revealed in Figure 5.3. become the prime industry-based tourism body with

Figure 5.3. STF and the Scottish Tourism Environment.



NB. Explanations of these acronyms may be found in the various tables relating to STCG, STF and in the questionnaire in the appendix.

which the Scottish Executive will do business.

TOURISM FORA

Since the early 1990s, with encouragement from the LECs some of Scotland's tourism areas also have Tourism Fora. These are in the main a partnership between the industry and its various diverse sectors such as the LECs, LAs and education at all levels. Ayrshire and Arran Tourism Industry Forum (AATIF), for instance, was established from a tourism consortium of the Ayrshire colleges, which had been set up in 1988, and evolved first into the Ayrshire Tourism Training Forum (ATTF) in 1993 then following the reformation of the ATBs, became AATIF in 1996. Due to the inefficiency of AATB, at one point AATIF was devising a strategy that could have subsumed it and the others into a wider body encompassing all tourism organisations outwith the Area Tourist Board.

Other Fora evolved in the mid-1990s through the Tourism Training Scotland (TTS) strategy as a means by which skills development initiatives could be driven locally. Such Fora were in the main supported financially by the LECs, but were very much industry driven and led, and concentrated more on training and liaison with education as opposed to marketing, which was seen as the domain of the ATBs.

A survey (Darling, 1997: 36) identified five LEC areas as operating active Fora – Ayrshire and Arran (EA/AI), Dumbartonshire Enterprise (DE), Scottish Borders Enterprise (SBE), Scottish Enterprise Tayside (SET), and Dumfries and Galloway Enterprise (DGE). Of the other LEC areas surveyed all, apart from Lanarkshire who found the idea of a Tourism Forum questionable, and Grampian Enterprise and Lothian & Edinburgh Enterprise, who did not see it as useful even though it was a key sector for them, had found such Fora extremely helpful. They had been a good

mechanism for bringing together public and private bodies, helped improve the image of tourism as a career, raised the profile of the industry, identified and co-ordinated training and development requirements and provided good leadership for the industry.

Currently only the Ayrshire, Borders and Dumfries and Galloway Fora meet on a regular basis to discuss progress and plan initiatives, and have gathered together under a broader umbrella to form the South West Scotland Fora Group and have already held successful mutual competitions for schools and colleges. However, although – A New Strategy for Scottish Tourism (STB/PriceWaterhouseCoopers, 2000) alludes to the future of such Fora there appears to be no cohesive plan for a comprehensive network throughout Scotland. In addition, because of McLeish's Network Review, Local Economic Forums (LEFs) will include ATB representation, not tourism Fora representation.

TOURISM TRAINING SCOTLAND (TTS)

SE and HIE through the 22 LECs were also instrumental in ensuring that Tourism Training Scotland (TTS), a public and private sector initiative set up in 1993, under the Chairmanship of Peter Lederer, to promote training and staff development within the industry, met its objectives. Among these were:

- to improve the market intelligence and research data available on Scotland's key competitors and new destinations to enable businesses to achieve the highest standards in terms of facilities and services;
- to improve the skills of managers;

- maximise the development potential of businesses across every industry sector;
- to ensure businesses recognise the importance of being ready to access growing opportunities and benefits from the advancement of IT; and,
- to improve links between education and industry to position tourism as a first choice career which would attract the right calibre of people to drive the industry forward into the next century. (Tourism Training Scotland, 1998)

Although the success of TTS has been its ability to work closely with the industry, such as encouraging ownership of major issues, in 1998 many LECs, due to funding eroding, dispensed with their Tourism Training Associates, who had been employed since 1996, and instead many found themselves in much more general roles, particularly during the many LEC restructures that took place that year and in 1999.

It was always intended that TTS would not be a long-term initiative and at various stages in 1999, its future was open to discussion. At one stage, it was even suggested that TTS be subsumed by STF. Following this, at a meeting at Gleneagles on 23 December 1999, facilitated by STB, SE and HIE and chaired by Peter Lederer to discuss new arrangements for addressing skills issues in tourism in Scotland, and in which the researcher participated, it was decided to recommend to Henry McLeish, that building on the achievements of TTS, a new grouping of industry, SE, HIE, Springboard and the NTOs be put in place. As will be seen from the strategy document and as has already been discussed, the outcome of this meeting was the recommendation that a new skills development group be formed, replacing TTS, a

recommendation that eventually led to Tourism People, the new group chaired by Peter Lederer.

CHAMBERS OF COMMERCE

Scottish Chambers of Commerce have never been the semi-statutory force that they are in many European countries, where many have a prominent role in commercial courts and in local government. In Scotland, most Chambers have full-time staff that endeavour to provide business service and lobbying, but their effectiveness varies widely (Linklater and Dennison, 1992: 277).

Recently, many have become more actively involved in the needs of the Scottish tourism industry, but the predominant membership and attitudes still lean heavily to manufacturing and commerce. However, from the LEF draft guidelines, issued in November 2000, Chambers of Commerce were set to play a crucial role in both the development of the LEFs and in their operation.

LOCAL AUTHORITIES

In the past thirty years, local authorities have been re-structured twice. For example, 1974 saw the demise of the old county council system. This was replaced by a two-tier system at local and regional level, with Strathclyde Regional Council (SRC) wielding influence akin to some smaller European countries. In 1996, another reorganisation took place, which replaced the two-tier system with the current Local Authority structure, and saw the demise of SRC, which the Tory government at Westminster had thought too powerful and unwieldy.

It would be naïve to discuss this topic without taking into account the responsibilities the local authorities have in regard to tourism. They were represented until its demise on the STCG, on the ATBs and on the boards of the LECs, and on COSLA (Council of Scottish Local Authorities), and the various tourism Fora throughout the country, and wield a great influence over funding and policy. Even their most mundane activities such as street cleaning, road works, signage and collecting waste have an impact on visitors, and more important roles such as planning and development can transform previously unused wastelands into tourist attractions, creating jobs. On the other hand, they can also hinder plans for development or signage, and cause difficulties when expected to work in partnership, all of which are a major frustration.

They are also actively involved in local economic development, which impinges on tourism, and in the LEFs. For example, speculation surrounding SE/HIE's future surfaced in December 1999. This was with particular regard to the manner in which the enterprise network spent its near £500 million budget. But this was brought into perspective later that month when it was reported that David McLetchie, the Conservative leader would be pressing the Enterprise and Lifelong Learning Committee to investigate the reputed £2 billion spent by local authorities on economic development (Main, 19.12.99), part of it tourism-related.

Yet, many of the attractions or amenities facilitated by the councils, for instance, provide both economic and environmental benefit. This is not only to the visitors but also to the local inhabitants, many of whom do not fully realise this. However, they in turn can on occasion be less than welcoming towards tourists who they perceive as taking up their parking spaces and causing queues in shops, yet without whom local

amenities would not be so plentiful or well-resourced. They see tourists as crowds, enemies of the environment, undesirable – the ‘ugly visitor’ from wherever he or she may have come. As Davidson (1998: 22-23) argues, ‘Too bad that tourists spend money or there would be no redeeming feature to hosting tourists in one’s community’.

THE FEDERATION OF SMALL BUSINESSES

Led by its very politically active and well-connected Chief Executive John Downie and Chairman Jim Torrance, the FSB represented a large number of small Scottish businesses, including tourism businesses, with whom the more strategically-orientated tourism businesses were at odds. Downie, reputed to have Alexander’s ear, was instrumental in ensuring that the FSB had representation on the LEFs, a tactic that was unpopular with the Chambers of Commerce, many of whom, including Ayrshire, saw themselves at odds with the aims of the FSB.

GOVERNMENT INITIATIVES / LEGISLATION

Table 5.10 lists the various initiatives, legislative, government programmes and initiatives in which tourism in Scotland is involved.

Table 5.10. Government initiatives and programmes relating to Tourism.

INITIATIVE	OBJECTIVE
Scottish Vocational Qualifications (SVQs)	Devised to ensure ability was recognised in the workplace by assessing competence against prescribed indicators.
Investors in People	In the late eighties government recognised that there was a skills gap between the UK and the remainder of the world, and in the early nineties launched IIP as a framework to enable organisations to meet their objectives through developing the skills of their workforce in line with company’s objectives.
SkillSeekers	Grants were made available by government via LECs to enable 16 – 18 year olds to work towards a Level II SVQ.
Modern Apprenticeships	Launched in 1997, grants were made available through the LECs to enable 16 – 25 year olds to gain recognised apprenticeships combined with a level III SVQ. Different levels of grant were applied for the two age groups; 16 – 18 and 18 – 25, with the latter, in the majority of LECs receiving 50% of the funding available to 16 – 18 year olds. It is now being extended to over 25s.

New Deal	Introduced in 1998 to get people, particularly the young, back to work. Companies were encouraged to sign up to New Deal and for every new employee who had been on the dole for over six months, companies were paid £60 per week for a period of six months, plus £750 towards their training costs, which were usually tied in to a Level II SVQ. For over 25 year olds, the funding was £75 per week.
Welcome Host	Imported by STB from Alberta in Canada via the Wales Tourist Board, in 1996, a short one-day course designed to improve customer care in the tourism industry.
IFSOs (Innovative and Far-Sighted Organisations)	A new model, based on an SE goal, to develop companies in line with 14 IFSO characteristics and 65 indicators.
Taste of Scotland	A scheme that endeavours to exemplify everything good about Scottish food and hospitality.
Burns Familiarisation Course	Launched in Ayrshire in 1996 to enable local business's staff to converse much more knowledgeably with the vast influx of visitors expected for the Bi-centenary of Robert Burns' death.
Conference Care	Launched in 1997 to enable Glasgow to deal efficiently with Rotary International.
Welcome Golfer	Launched in Carnoustie in 1999 to enable the local tourism operators to deal with the vast influx of visitors
Green Tourism Business Scheme	Launched in 1998 to encourage Scottish tourism businesses to go 'green', also to make cost efficiencies in energy, water etc.
USEIT	Launched by SEN in 1999 to encourage more tourism business staff to develop their IT skills.
Excellence through People	Launched by BHA in 1998 to encourage good employment practice.
Hospitality Assured	An HCIMA quality programme.
European Foundation Quality Management Model (Business Excellence Model)	The equivalent of the Baldrige model in the USA, the EFQM has been in existence in Europe since the mid-eighties. It is championed in Scotland by the Quality Scotland Foundation (SQF), which was founded in the early nineties, and is currently being launched in various areas as the Business Excellence Model. A number of tourism businesses are using it as a tool to benchmark against other industries and to improve performance.
Springboard	Springboard Scotland was founded in 1998, and is based on the model launched in London in the early nineties. Ostensibly, Springboard is designed to attract school leavers into the industry by promoting it as a first choice career. To this end it works in schools and in industry trying to raise the image and improve the perception of tourism as a worthwhile career.
Benchmarking	SEN launched a pilot in 1999 administered by Scher International. Forty Scottish Hotels were involved and it is hoped that this can be expanded to cover a large number of operators, enabling them to measure their performance against each other.
International Professional Development Programme	Developed by the University of Strathclyde Hotel School, this programme develops strategic planning, innovation and creative leadership skills for hospitality managers.
Focus on Feedback	Deals with service recovery, handling complaints and other customer feedback in a positive manner.
European Computer Driving Licence	The ultimate opportunity for tourism and hospitality staff to obtain ICT qualifications that are valid Europe-wide.
Natural Cook	Launched by SEN / STB in 1997 in order to promote Scottish produce in Hotel and Restaurant kitchens.
Scotland's Best	A superior Welcome Host, that endeavoured to instil a sense of pride.
Individual Learning Accounts (ILAs)	Participants could access £175 towards upgrading their skills for a £25 investment.
Welcome Sailor	Recognising that sailing is a growing market, this short course has been designed to inform businesses and their employees of sailor's needs of businesses.

Social Chapter

Due to European legislation and the introduction of, the Social Chapter changes in the labour market meant that working practices constantly changed such as the introduction of the Working Time Directive, Fairness at Work, parental leave, job sharing, multi-skilling, short-term contract working and, of course, the minimum wage. For tourism and hospitality, this meant offering competitive terms and conditions, and training and development opportunities to retain and attract high calibre staff to meet the demands of an increasingly challenging business environment

Unfortunately, and despite the Social Chapter, the tourism industry did little for its reputation in 1999. Many businesses tried to offset the cost of the minimum wage by including gratuities in wage calculations and overstated the value of live-in accommodation and meals. Others forced staff to sign working time directive disclaimers, meaning many were still working beyond the 48-hour minimum working week for little remunerational return, while other companies just completely disregarded the directive altogether.

Such actions might have incurred the wrath of the unions, who, due to new government legislation that allowed a workforce to become unionised (if the majority voted for it), were poised to make inroads in the industry. However, as research by Wood (1996) found, unions were less successful in the hospitality industry than in other industries. Nevertheless, this said much about the way in which the industry treats staff. It also reinforced the perception of those who were of the opinion that tourism and hospitality was not a proper professional career for a young school leaver to pursue. To many, this was certainly true in comparison to that of an architect, an

accountant or a doctor, and was perhaps why an organisation such as Springboard Scotland has been created.

Springboard

Dr Anne Walker, formerly of HCTC, established Springboard in 1997, with £400,000 of government sector challenge funding, to promote Tourism and Hospitality as a first choice career. Scotland's first base opened in Glasgow's King Street in 1998 with various satellites scattered around the country.

New Deal

Unfortunately, too, the New Deal, introduced by the Government in the summer of 1998, did not have a major the impact upon the industry. Designed by the new Labour Government to create opportunities for the unemployed that might otherwise not have been afforded them, there were many in businesses who were sceptical about it, among these many that operated and managed tourism and hospitality businesses. However, the New Deal appeared an ideal opportunity to recruit and retain staff. Such staffs' salary was funded 50% by Government for six months. There was also a grant of up to £750 to develop the skills of such staff in line with vocational qualifications (SVQs) to Level II. This initiative appeared an ideal one for the industry to participate in, particularly for seasonal businesses who now had the ability to engage staff in advance of their peak period, train them for the busy times and, hopefully, because of the impact this would have on their business, be able to retain them longer, while expanding both the length of the season and creating a more skilled work force.

However, there were few successes early on. In spite of the massive government investment, to this day New Deal has not fulfilled its promise; not just in the tourism and hospitality industry but also in most other industries. The outcome was that in August 1999 the government tightened up the system trying to force more young people to participate.

Modern Apprenticeships

Modern Apprenticeships (MAs) too lagged behind in terms of numbers in the tourism industry in comparison to other sectors. It can be argued that this was not only due to industry specific apathy but also to the manner in which MAs were marketed by the industry's National Training Organisation (NTO) Hospitality training Foundation (HtF). Unlike most other industries, MAs were being pitched at those recognised as being supervisory material, as opposed to say engineering where an MA, although incomparable to the previous apprenticeship scheme, was open to those working towards apprenticeships. In the Herald (20 December 1999), Henry McLeish was quoted as saying that 'Tourism is now firmly placed in the economic mainstream, but there is a lot to be done to create a world-class industry for the new millennium'. Later, in the same article, Frances Horsburgh (20 Dec, 1999: 6) claimed that one of McLeish's consultation outcomes would be a call for a massive boost in the numbers of MAs associated with tourism, which at that date stood at around 400. Of this number Ayrshire, at the time, for instance, had 34. However, his new strategy called for only 1,000 MAs by 2003, which in an industry of 180,000 people is a very soft target. Research too, by Scottish Enterprise Ayrshire (SEA); found that of all MAs started the least likely to be completed would be in Hairdressing and in Catering and Hospitality (SEA, 2000).

Investors in People

Another government initiative, Investors in People (IIP), launched in the early nineties to assist in making United Kingdom companies more competitive while closing the skills gap with other nations, appeared the perfect vehicle for tourism companies to deliver better working practices aligned to their business objectives whilst creating new skills opportunities for staff. However, of the 16,000 ATB registered tourism businesses, by 2001 only 440 Scottish tourism and hospitality businesses were working towards the standard (5.3% - 222 in SE and 218 in HIE). Only 410 had achieved it (2.56% - 167 in SE and 243 in HIE), with only 72 being re-recognised (.45% - 53 in SE and 19 in HIE) (Winter-Scott, personal communication, April, 2001).

Again, this says much about the apathy of the industry towards staff recruitment and skills development and goes some way to explaining why recruiting and retaining staff is fraught with difficulties for many tourism and hospitality businesses, and why staff turnover is much higher than in any other industry. It also says much about the type of owners and managers who do not encourage staff to follow a learning path, or conversely are worried that their own fragile skills set will be shown for what it is by those who work for them and, as a consequence, are held back from developing their personal skills base. Consequently, many businesses do not prosper and grow jobs and their standards concerning both service and quality leaves much to be desired.

In Summary

The particular relevance to the thesis of this chapter is that all of the foregoing reveals how complicated Scottish tourism has become. In essence, there are far too many

organisations combined with far too many initiatives to the point that for many operators and employees there is a sense of excess, and a need for simplification and clarification, and that this may be one of the contributory factors as to why Scottish tourism is not realising its enormous potential.

In terms of policy it also reveals how convoluted the field of Scottish tourism policy is and raises a number of interesting points among which are two very fundamental points on policy which are implicit to this thesis's progression. For example, the review of STB carried out by STB/PriceWaterhouseCoopers (A New Strategy for Scottish Tourism) in October 2000 recommended that responsibility for tourism strategy and policy lies with STB, and yet policy is still very obviously ministerial responsibility. Also, although the ETC's policy document Tomorrow's Tourism (Department of Culture, Media and Sport, 1999) is ostensibly an English one, apart from quoting British statistics, the Prime Minister incongruously talks about Britain in the preface, as though his understanding is that this document is UK tourism policy. Both points further complicate matters for the industry and as the thesis progresses will address such matters further.

The overriding concern of the industry, however, appears to be funding, with the expectation that tourism promotion and marketing activity will be funded from the public purse as opposed to private enterprise and tensions derived from this situation has seen many ATBs unable to deliver the industry's expectations of them. This is further complicated by both 'foot and mouth' and the terrorist attacks in the United States which may mean VisitScotland altering completely the way in which it markets and promotes Scotland. The terrorist attacks, in fact, meant that as of Wednesday 12

September 2001 the world will never again be the same and may in fact lead to a war of attrition that will change the travel and tourism industry as we know it. How Scottish tourism deals with such issues, although outwith the remit of this thesis is worthy of further research.

CHAPTER SIX - THE METHODOLOGY

INTRODUCTION

This chapter will deal with the issue of the research methods employed in this study. It will outline how the research informed decisions as to the choice of the most appropriate methodological approaches to the collection of data. These included an:

- interview-based approach;
- a survey-based approach; and,
- a case study.

This is consistent with the heterogeneous research approach outlined in Chapter Three and adhered to in subsequent chapters. Table 6.1, in effect, puts into perspective the various means by which the research was carried out.

Table 6.1. Primary and Secondary Research.

	Pre-election	Post-election
Primary Research	Interviews with politicians and tourism experts, of which there were eight, to: <ul style="list-style-type: none"> a) obtain the political views on tourism policy of politicians from each party; b) assess the views of senior persons in the industry; and, c) derive a list of the key topics to form the basis for the questionnaire of professionals actually working in the industry. 	Comparisons of pre and post- election promises.
	Questionnaire survey of SHIC BHA delegates (tourism professionals, public sector, and students).	Monitoring events.
	BHA Case Study.	Continuing to research relevant literature as described previously.

Secondary Research	Researching relevant literature, reading daily the two main Scottish broadsheets and assorted magazines for articles and comment on tourism, business, social, cultural, political, environmental issues	Continuing to build on relationships established prior to the election, not only with MPs, but now also with MSPs.
	Attending and participating in various committee meetings, and influencing where possible.	Continuing work with schools, colleges and universities.
	Meeting with Ayrshire MPs.	Building on knowledge gleaned from various committee meetings.
	University library research.	Being part of a skills task force, the results of which were for the Enterprise and Lifelong Learning Minister.
	British Hospitality Association Scottish Division meetings.	British Hospitality Association Scotland Committee meetings.
	Traveling throughout Scotland collecting tourism information and opinion.	As Chairman of Scottish Enterprise Ayrshire, interfacing with various politicians, both government and opposition. Also civil servants.
	The World Wide Web.	The World Wide Web.
	Analyzing the tourism questionnaire both in an elementary way and in a more sophisticated fashion by SPSS, and then making sense of the findings.	As a non-executive director of Investors in People Scotland.
	Eliciting the expertise of the education sector.	Making presentations on tourism throughout Scotland and eliciting responses.
	Reviewing work of the colleges, industry bodies and the public sector	Touring the Highlands and Islands including the Western Isles.
	Experiencing the different facets of Scottish tourism.	As Chair of the Ayrshire Economic Forum.
	As an Enterprise Ayrshire director.	Participating in LEC Chairs' meetings.
	Writing the BHA Scotland Committee's response to Henry McLeish's consultation, from a survey taken of members' responses from a questionnaire devised by the BHA Business Development Group, which the researcher chaired at the time.	As a LEC Chair, being part of a group that met with Henry McLeish to discuss the review of the LEC Network.
	Reviewing all of the available Literature on the subject in Scotland, much of it from Scottish Enterprise, Highlands and Islands Enterprise, the Scottish Tourist Board and from the Local Enterprise Network and the ATBs, plus Newspapers and Journals.	Being part of a group of tourism professionals that met with Wendy Alexander when she announced the outcomes of the STB Management Review, who were interfacing with the participants while behind the scenes activities were developing (Tom Buncle's imminent departure), that were extremely informative and enlightening.
	Conversing regularly with those interested in tourism and also to those interested in economic development from a broad spectrum of Scottish life.	Continuing to be part of bodies influencing tourism and being close to the Enterprise Network decision-making.
	Liaising with educationalists and bodies such as Springboard Scotland, Hotel and Catering Training Company (HCTC) and the Hospitality Training Foundation (HtF).	Meeting with Alex Neil MSP, Convener of the Enterprise and Lifelong Learning Committee. Discussing the future of tourism and economic development with him, on two separate occasions.
		Participating in SE Board meetings.
		Participating in a BHA Committee meeting with Philip Riddle CEO VisitScotland.

The methodology is in essence a 'tiered' one. For example, the outcomes of the interviews as discussed in Chapter Seven were crucial to the questions included in the survey. The outcomes of the survey itself, discussed in Chapter Eight, were analysed using SPSS software, while the outcomes of the case study were more intricate in their analysis. The chapter that deals with the latter, Chapter Nine, will define these more appropriately.

It is also worth at this point considering a point referred to in Chapter One, confidentiality. For example, a distinctive and problematic feature of the thesis is the author's own involvement in the tourism industry at a semi-strategic level as described in Chapter One. Involvement in a variety of bodies afforded him much privileged information, and also access to industrialists, politicians and civil servants at the highest level. All such information has been treated both with sensitivity and with confidentiality, and only information that has been authorised or was in the public domain has been revealed in this research.

THE RESEARCH PHILOSOPHY

The research topic

Every research investigation starts with the identification and selection of a research topic. The general topic of study may be suggested by some practical concern or by some scientific or intellectual interest (Pizam, 1994: 91). The genesis for this thesis, which is a study of the attitudes of tourism industry professionals towards the future of Scottish

tourism, evolved from the activity and publicity surrounding the devolution referendum that took place in Scotland in 1998.

The outcome of the referendum and the advent of the new parliament were of great interest to many of the tourism professionals and public sector officials with whom the researcher was familiar, and with whom he was in regular contact. In the lead up to the referendum, they began to speculate on what devolution would mean for the Scottish tourism industry in terms of tourism policy, also for economic development policy. Thus, in an economic development sense, the researcher set out to establish the nature of the expectations of Scotland's tourism 'players', then to compare these against the policies that emerged.

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As this was also at a time when the industry was wrestling with many of the problems and issues discussed in the previous chapters, such issues assumed additional importance because of the uncertainty attendant on devolution. During this time the researcher interviewed politicians and key industry players, carried out a survey of tourism industry professionals and monitored how one special interest group, the Scottish Division of the British Hospitality Association (BHA), approached the election.

As previously indicated, the thesis is set within a heterogeneous policy framework, in which the rudiments of tourism policy systems continually interact over time. As change delineates the character of modern tourism policy either in its own context or in concert

with other unrelated issues, encapsulating the transformation that was taking place, after years of government inaction was one of the real challenges of the research.

Reviewing the literature critically

The theoretical orientation of this research was described in Chapter Three and the descriptive function of the thesis in Chapters Four through Five, the latter providing an account of the development of Scottish tourism policy and institutions, specifically between 1990 – 2001. This constitutes the ‘literature review’ and has been constructed on the basis that a critical literature review should form the foundation on which the research is built. The review examines how the present research relates to the findings and theories developed in work that has gone before (Saunders et al, 1997: 39). Such theories interrelate individual findings, making their implications more general, permitting generalisation, all of which transfer to new situations. For example, no study starts *de novo*. In general, each study rests on earlier ones and provides a basis for the future. Researchers that build their studies upon work that has already been completed have a far better chance of contributing to knowledge than those who contribute anew. The more links that can be established between a given study and other studies or a body of theory, the greater the scientific contribution (Pizam, 1994: 94). Therefore, a researcher’s work only has value in relation to the quality of other people’s research. As a consequence, his or her work and findings will be significant only to the extent that they are the same as, or different from, other people’s work and findings (Jankowicz, 1995: 128-129).

Although this research in terms of Scottish tourism has built upon work by MacLellan and Smith (1998), and others, due to the lack of research on tourism in Scotland researchers of the subject may take little comfort from Jankowicz's claims (1995: 128-9). This is because tourism has not tended to have the priority or status of other research subjects, meaning that tourism industry-specific researchers have little alternative but to compare and measure their research against alternative research disciplines. For example, as in this research, sources on public policy have had to be derived from John, Hall, McCrone, Brown *et al.* This is because tourism is a relatively new discipline where research in public policy tends to be limited and sketchy with obvious exceptions e.g. Elliott (1997), Brent Ritchie & Goeldner (1994), nor does it appear to lead to the development of new product or to the creation of jobs. In fact, it is more likely to be introspective, and more about the ills of the industry than the opportunities.

Above all, though, the literature review must have a structure that delineates the research in a clear and concise manner. For example, Saunders *et al* (1997: 40), claim that there are three common structures of literature reviews. They may be discussed in a single chapter; a series of chapters, or, featured throughout the thesis. In this thesis, although the descriptive chapters are primarily Four through Five, it is intended that the structure most appropriate to the research is one that absorbs, assimilates, criticises and discusses the relevant literature throughout, particularly as the various policy issues emerge.

There are various reasons to review literature appropriate to the research (Howard and Sharp 1983). One of the most important is that the search for related literature may serve

as one of the quickest and most economical ways to discover hypotheses. However, regardless, much of the data collected or the text read may be discarded as irrelevant or not pertinent to the research at this stage. A contrary view to this (Kerlinger 1973: 696) is that the researcher may feel that he or she already has enough knowledge of the research area, without reviewing the literature fully, but in doing so he or she will find it both useful and informative. For example, project assessment criteria usually require the researcher to demonstrate awareness of the current state of knowledge in his or her subject, its limitations and how the research fits in the wider context (Gill and Johnson, 1991). An example of this, and which has relevance to this research is not to assume that the vast quantity of statistical data produced by government agencies and others will be necessary helpful to you (Clark *et al*, 1998: 27-28), a fact with which this researcher has become exasperatingly familiar. One example of this was that of research by Macaulay and Wood (1992), who undertook a study of employment in the Scottish hotel and catering industry in 1991. They found that despite a wealth of statistics on all aspects of Scottish life, there was little of direct use to them, and that much information had to be established by manipulating existing statistical data. Confirming research from earlier chapters of this thesis, Clark *et al* (1998: 28) also claim that the hospitality industry and to a lesser extent tourism are still relatively under researched. This means many of the topics of available literature of direct relevance to tourism may be limited, necessitating consideration of the analysis of literature with more general applications to the proposed research topic. In certain instances this should not be seen as regressive, for the tourism industry must be seen as part of the wider economic development arena. However, to

understand where it fits in, its impact and where it can add most value, much more varied tourism research in Scotland will have to be undertaken.

The research philosophy

Although Chapter Three has outlined the theoretical framework of the thesis, at this point the intent is to look in more detail at philosophical issues. For example, Mason (1996: 11-12) suggests researchers must ask themselves some very difficult questions during the course of their enquiry. Among these is the nature of the phenomena, or entities, or social 'reality' that requires investigation, or what might represent knowledge.

To answer such questions we should recognise the commonly accepted contrary approaches of positivist and interpretative methodologies. Clark *et al* (1998: 17), claim that the distinction between positivist and interpretivist research is in some senses real and in other senses wholly artificial. Both philosophies of research are based on a common desire to understand behaviour. However, each approach makes different assumptions about the world of phenomena.

Such a view recognises the often-acrimonious nature of academic debate that surrounds the two models. For example, Easterby-Smith, Thorpe and Lowe (1991: 22) note that each of these positions has to some extent been elevated into a stereotype, often by opposing sides. Nonetheless, there is a very clear distinction between the two paradigms at a philosophical level and this may be appreciated more by a brief description of each approach.

Positivism

Positivism is a philosophical doctrine contending that sense perceptions are the only admissible basis of human knowledge and precise thought. For example, Robson (1993: 18-19) lists five sequential stages of positivist research:

- Deducing a hypothesis (a testable proposition about the relationship between two or more events or concepts) from the theory.
- Expressing the hypothesis in operational terms (i.e. ones indicating exactly how the variables are measured) that propose a relationship between two specific variables.
- Testing the operational hypothesis. This will involve an experiment or some form of other empirical inquiry.
- Examining the specific outcome of the inquiry. It will tend to confirm the theory or indicate the need for its modification.
- If necessary, modifying the theory in the light of the findings. An attempt is then made to verify the revised theory by going back to the first step and repeating the whole cycle.

As may be determined from the above, positivist research has a number of distinguishing features. It is for example, based on deduction, as the theory is tested by observation. It also seeks to explain causal relationships between variables, normally uses quantitative data, employs controls to allow the testing of hypotheses and uses a highly structured methodology to facilitate replication (Gill and Johnson, 1991). There are, however,

criticisms of positivism. Clarke *et al.*, (1998: 12-13), for example, claim that positivist approaches to research are often inappropriate to the study of social phenomena. This is because social phenomena are the products of human action, and the study of people and their actions is not amenable to the research techniques most closely associated with positivism.

Interpretive approaches

Interpretive research is so called because it is based on the way people experience social phenomena in the world in which they live. It can involve the reading of portents, omens, or prodigies. To the scientifically minded, no event is without a cause. Yet, the apparently arbitrary event does occur in an ordered world and thus is subject to various interpretations. Manipulated events are an element of interpretive divination, but the less active forms depend upon projection, introjection, and free association thus being analogous, to some degree, with intuitive techniques. This is contrary to the positivist approach which treats the social world in the way it would be approached by the natural scientist, something with which the phenomenologist (interpretivist) would feel uncomfortable (Saunders, Lewis and Thornhill, 1997: 72). It is, for example, characterised by a focus on the meanings that research subjects attach to social phenomena. In essence, an attempt by the researcher to understand not only what is happening, but also why it is happening. As in this thesis, such research would be particularly concerned with the context in which events are taking place (Easterby-Smith *et al.*, 1991).

The interpretivist approach also enables the researcher to take a more informed decision about the research design. It also assists with identifying the research approaches that will work, and crucially those that will not, while providing a knowledge of the different research traditions that enables the researcher to adapt the research design to cater for any restraints (Saunders *et al*, 1997: 72). However, as types of research, the above should not be thought of as mutually exclusive. For example, they may be used in combination on the same research project, and most importantly the main influence on the choice of research approach should be the research question(s) and objectives. In this case questions were asked of both the interviewees and the conference delegates, with the objective being to ascertain both expert and operator opinion about contemporary policy issues on Scottish tourism.

Although there are a large degree of overlay with regard to the aforementioned discussion on philosophical issues, particularly those that focus upon qualitative versus quantitative approaches the more ambiguous and elastic the research concepts, the less possible it is to quantify data in a meaningful way. Dey (1993: 28), for example, invokes a very simple concept. In terms of the conflict between interpretation and symbols, he claims that while the number depends on the meaning, it is not always the case that the meaning is dependent on the number. Thus, many researchers simply subsume the designations qualitative and quantitative within the wider specifications of the aforementioned designations, interpretivist and positivism. Alternatively, Easterby-Smith *et al*. (1991: 31) claims that the distinction between the two models may be very clear at the philosophical level. Yet, when it comes to the use of the qualitative and quantitative methods, and to

the issue of research design, the distinction between the two irrevocably breaks down. Dey (1993), and Robson (1993) perhaps, best capture this. They claim that a contrast can thus be drawn between the 'thin' abstraction and description. This results from quantitative data collection and the thorough abstraction or description associated with qualitative data. Therefore, although the positivistic approach is synonymous with quantification, increasingly it seems as though the interpretivist approach, whilst primarily qualitatively based, still admits the possibility of also using quantitative methods.

Qualitative research then is grounded in a theoretical position that is broadly 'interpretivist'. It is how the social world is interpreted, understood, experienced or produced. It is also based on methods of data generation. These are flexible and sensitive to the social context in which data are produced. Such elements are amassed in a natural social context and do not rely on stereotyped or structured initiatory methods. Instead they are based on modes of investigation and definition building, which involves understanding of complexity, and detail and context, based on rich, contextual and detailed data.

The main claim for qualitative research is its greater fluidity and flexibility, as is the need on the part of the researcher to appreciate context. Unlike quantitative methods, qualitative research normally involves studying small numbers of individuals in depth. The goal, therefore, is to develop extensive and wide-ranging information from a few people, while with quantitative research; the goal is to develop important, but limited

information from each individual and to talk with a sizeable number of individuals in order to draw inferences about the population at large. Characteristics of qualitative research on the other hand, includes small samples, extensive information from each respondent, and a search for meaning, ideas, and relevant issues to quantify in later steps of the research programme (Peterson, 1994: 487-491).

Reliability, validity and generalisability

Methodology is simply the means of data collection and to which use the data will be put. For example, it is clear that the method of collecting it and that the conclusion drawn from it must be equally reliable and consistent with the data (Clark *et al*, 1998). It is generally accepted that there are broadly three axioms of sound methodology, reliability, validity and representitiveness, and generalisability:

- *Reliability* - is when the research is consistent from one measurement to the next;
- *Validity and representativeness* - is concerned with whether the findings are really about what they appear to be about, and refers to the extent to which the researcher has gained full access to the knowledge and meanings of informants (Easterby-Smith *et al*, 1994: 41); and,
- *Generalisability* - is sometimes referred to as external validity. In order to be able to generalise about regularities in human social behaviour, it is necessary to select samples of sufficient size.

No matter the subject of the research and the claims made for it, the points described above have to be addressed by the researcher. However, Janesick offers an interesting and persuasive critique of what she cleverly terms 'methodolatory'. She cautions against over preoccupation with methods of research. Particularly those with an almost constant obsession with the triad of reliability, validity and generalisability (1998: 215), terms which are associated generally with the positivist framework. Similarly Clark *et al* (1998: 19) note how such terms are largely a reflection of a positivistic imperative, but nonetheless argue that only the most extreme anti-positivist would claim that the criteria do not have meaning and significance beyond research conducted in the positivist method tradition.

There are a number of ways of ensuring reliability, validity and representativeness, and generalisability. For example, although consideration was given to alternative methodologies such as focus groups, individual interest group surveys, telephone surveys and so on, this study uses a triangulation-like approach in which three methodologies are employed to explore the attitudes of tourism industry professionals towards the future of Scottish tourism. These consist of interviews, a survey and a case study, combined with the researcher's involvement in the industry at all levels.

Triangulation is one way of contributing to the development of greater reliability of interpretation. It also permits exploration of the continuities and discontinuities in different research loci, specifically here 'expert' opinion (the interviews), 'grassroots' opinion (the survey) and the opinion of interest groups (the case study of the BHA).

Triangulated research can also provide a template for subsequent studies, which may seek to replicate this work, or to take it in another direction. This context, therefore, refers to an appraisal of the reliability and validity of data

METHODS EMPLOYED IN THIS RESEARCH

The Interviews

The interview as a form of research and a method of collecting qualitative data is at its most useful when it gives us insight into how individuals or groups think about their world (Clark *et al*, 1998: 132). Interviews were crucial to this research as at the time due to globalisation the Scottish tourism industry was undergoing vast change and it was important to obtain both a political and expert view on this, particularly as some of those interviewed were close to policy decision-making. The information gleaned from the interviews also framed the basis of the survey, and is a variation of the Delphi technique that employs expert opinion as a basis for eliciting core issues in a field of enquiry.

As noted earlier, the starting point for the methodology was arranging interviews with key politicians and policy makers. The aim was to ensure that the outcomes of the interviews combined with industry consultation through the researcher's extensive network of political, economic development network and industry contacts would provide the framework for the questions that would be included in the main survey. There was, however, another fundamental intention behind interviewing such persons: to establish the nature of the expectations of Scottish tourism of the new Scottish parliament.

Eight interviews for this research took place during the period November 1998 to January 1999, with letters requesting interviews circulated in October, well in advance of these dates. Table 6.2 is a list of the people interviewed, the location, and the duration. Unfortunately, the researcher had little success in accessing his prime targets. The SNP Leader, Alex Salmond was unable to participate, his place being taken by the SNP Enterprise spokesperson, Alastair Morgan MP. Almost equally unresponsive was the Labour Scottish Office Business and Industry Minister, Lord Macdonald. Replicating Salmond's response, Macdonald's parliamentary assistant claimed he too was too busy,

Table 6.2. Interview Schedule and Duration.

NAME	DESIGNATION	PARTY/ ORGANISATION	DATE/ TIME AND DURATION OF INTERVIEW	LOCATION OF INTERVIEW
ALASTAIR MORGAN MP	Industry Spokes- Person	Scottish Nationalist Party	10.30 am 23rd November 1998. 1 Hour 20 mins	Malin Court Turaberry
NEIL STEWART	Civil Servant Industry and Education Department	Scottish Office	10.30 am 8th December 1998. 1 Hour 45 mins	Scottish Office Leith
EDDIE BROGAN	Head of Tourism, SE	Scottish Enterprise	9.30 am 16th December 1998. 1 Hour 55 mins	Scottish Enterprise Bothwell St Glasgow
DR ROGER CARTER	Lecturer	Napier University	11.00 am 12th January 1999. 2 Hours 25 mins	Napier University Edinburgh
VISCOUNT THURSO	Tourism Spokesperson in House of Lords	Liberal Democrats	4.00 pm 19th January 1999. 1 Hour 15mins	The Dorchester Hotel London
BILL SYLVESTER	Chief Executive, Formerly Head of Tourism, HIE	Inverness and Nairn Enterprise Company	10.00 am 21st January 1999. 2 Hours	Inverness and Nairn Enterprise Head Office Inverness
MAUREEN SMITH	Corporate Press and Public Relations Manager	Scottish Tourist Board	11.00am 26th January 1999. 1 Hour 40 mins	Scottish Tourist Board Head Office Edinburgh
CHARLES CORMACK	Prospective MSP Candidate for South Lanarkshire	Scottish Conservative and Unionist Party	3.00 pm 26th January 1999. 1 Hour 35 mins	Cringletie House Hotel Peebles

and referred the researcher to the Scottish Office where one of the civil servants responsible for tourism, Neil Stewart, was interviewed. The fact that there was a large number of available Scottish Labour MPs, many able to discuss tourism, yet none offered to the researcher had him speculating that the Minister trusted his civil servant more than his political colleagues to talk about Labour tourism policy.

In common with his political opponents, the Conservative's Leader David McLetchie referred the researcher to his tourism spokesperson Ben Wallace -who neglected to respond. Eventually Charles Cormack, the prospective Conservative parliamentary candidate for South Lanarkshire filled the breach. Unfortunately, following the interview the sound of the transcript of the tape was virtually inaudible, and had to be re-done. Jim Wallace, the Leader of the Liberal Democrats, too, was also too busy and the request referred to Viscount Thurso, the LibDem tourism spokesperson in the House of Lords, also Managing Director of Champnays Leisure Clubs and the then President of HCIMA, and, since June 2001, an MP.

On the basis that whoever would be in power in Scotland, and would for the foreseeable future have to work with the public agencies in tourism in Scotland, it was also decided to interview some of the renowned experts in tourism in Scotland. For example, Dr Roger Carter of Napier University, who also had his own tourism and enterprise consultancy, Tourism, Enterprise and Management (TEAM). Dr Carter was also a former Chief Executive of Edinburgh and the Lothian's Tourist Board, and was at the time a visiting Professor at The Scottish Hotel School, University of Strathclyde. Eddie Brogan Head of

Tourism at Scottish Enterprise, and Bill Sylvester Head of Tourism of Highland's and Islands Enterprise, who by the time he was interviewed had become Chief Executive of Inverness and Nairn Enterprise Company, were also interviewed. Sadly, Tom Buncle, then Chief Executive of the Scottish Tourist Board also declined to be interviewed and passed on the task to Maureen Smith, the STB's Corporate Press and PR Manager.

Peterson (1994: 490-491) claims that ideally, the participants for interviews should be carefully selected, but in this event, as has already been described above, particularly in the case of the politicians, the researcher had to take whoever was nominated. Nevertheless, it was still a sound representation of the political parties, the public agencies and of education.

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Of equal importance was the development of an interview guide that arranged topics into likely sequences, listed possible probe questions and assessed carefully all issues likely to arise. Where the interviews took place and when the research was carried out is also important to the research (Robson, 1993). Primarily, and as McNeil (1991: 47) trenchantly notes the interview is a very artificial situation. This of course remains the great conundrum of interviewing and as a researcher one can only be cognisant of the need to conduct the interview in a thoughtful way, based on much of the discussion above, to produce as true an account as possible. For example, Saunders *et al.* (1997) note somewhat resignedly that a one hour interview can take up to ten hours to transcribe; and the richness of data generated by interviews takes a great deal of complexity in analysing it; a view with which this researcher has some sympathy.

The following topics, which emerged from a review of the literature at the time, plus environmental scanning, constituted the basis of the interviews for this thesis. These were as follows:

- the view that the government would not be being seen to take the industry seriously until there was a dedicated Tourism Minister and Department;
- speculation on the future of STB and the Enterprise Network;
- suggestions as to how could the new Executive make the ATB network more effective and more representative of its membership;
- the legitimacy of BTA as a cross-border authority;
- the likelihood of a Tourist Tax (Bed Tax);
- the harmonisation or reduction of VAT;
- the likelihood of compulsory registration;
- harmonisation or expansion of the STB Quality Assurance Scheme; and,
- the likelihood of a licensing review.

Some time after the interviews each party compiled tourism policy manifestos that conveyed to the public in general what they would do if elected. These were consistent with the responses the researcher received from the politicians. As the polls predicted the likelihood of a coalition, in which the Liberal Democrats could play an important role, was essential to the research. Table 6.3, therefore, is a comparison of the policies of the Liberal Democrats to the major parties. Comparing the Liberal Democrat's policy to the Conservatives, Labour and SNP it can be determined that if the Liberal Democrats either

formed a coalition or supported the successful party by voting with them issue by issue, that their expectations of Scottish tourism policy was vastly different from prospective partners. The proposed Tourism Commission was, indeed, a novel suggestion.

Table 6.3. Comparison of the policies of the Liberal Democrats to other Parties.

TOPIC	LIBERAL DEMOCRATS	CONS	LABOUR	SNP
STRUCTURE	Review the ATB network	<i>It would have had a single entity</i>	<i>Retain as at present</i>	<i>Incorporate STB into the Enterprise Network as Come to Scotland (CTS) both at home and abroad</i>
TOURISM MINISTER	As part of Enterprise and Education Ministry	<i>It advocated that an industry of the size of Scottish tourism, and with its potential, needed a dedicated Minister</i>	As part of Enterprise Ministry	As part of the Enterprise Ministry
ATB FUNDING	Funding for tourism would be centralised	Funding for tourism would be centralised	Realign funding of ATBs in order that resources came from a central body such as STB rather than councils and LECs, but only after discussion with COSLA	<i>The ATBs would be integrated into the Enterprise Network / economic development arm locally</i>
RELATIONSHIP WITH BTA	Review the relationship	<i>STB to be the lead player</i>	<i>Continue the relationship. No plans for a review</i>	Continue the relationship, fighting for better representation
CLASSIFICATION AND GRADING	Carry out a review	<i>Retain as it was. No plans for a review</i>	<i>Retain as it was. No plans for a review</i>	<i>Retain as it was. No plans for a review</i>
TOURISM COMMISSION	Introduce a Tourism Commission, with government, industry, consumer and environmental representation, that would meet regularly and direct policy	<i>No plans for a commission</i>	<i>No plans for a commission</i>	<i>No plans for a commission</i>
COMPULSORY REGISTRATION	Introduce a statutory national registration for all accommodation providers offering five or more bedrooms	<i>No plans to introduce compulsory registration</i>	<i>No plans to introduce compulsory registration</i>	<i>No plans to introduce compulsory registration</i>

KEY: Bold – Liberal Democrat Policy *Italics* – Anti-Liberal Democrat Policy Ordinary Font – Some Common Ground

The interviews are described in Chapter Seven. All were taped by the researcher and transcribed with assistance from colleagues. In line with the Delphi technique, the respondents were able to view their responses, to correct any misunderstandings, and to add further suggestions.

The Survey

The questions that comprise the survey in this thesis evolved from analysis of the interview responses described above plus secondary research.

The survey (see Chapter Eight), in effect, as Black and Champion (1976: 380) claim, consists of (a), a description of individual or group characteristics, and, (b), measurement of individual and/or group variables such as values, attitudes, opinions, and so on. It also encapsulates the four classes of questions that normally appear on survey questionnaires: demographics, behaviour, knowledge, and attitude. While the last three types are specific to this particular survey, the demographics question is worded according to common conventions. The most important goal of this questionnaire, however, was to provide complete, valid and reliable information from respondents (Bailey, 1978: 132), which, in turn, could be analysed and assimilated in order to inform the philosophy of the thesis. In consequence, when the objective is systematic description, factually and accurately, of facts and characteristics of a given population or area of interest, the researcher measures subjects of interest as they exist naturally. This may be either in terms of a case study, or a survey (Pizam, 1994: 97), or both, as in this research.

According to Kerlinger (1973: 410), surveys are studies of large and small populations conducted by selecting and studying samples from the population to discover the relative incidence, distribution, and inter relations of variables. Sample surveys are conducted when the study of the population is impossible, difficult or costly. For example, there were reputedly 180,000 people employed one way or another in the Scottish tourism

industry in 1999. Clearly it would be impossible to canvass them all. However, the conference population from which the survey sample was derived (and is described below) consisted of delegates representing a wide range of organisations and interests. Therefore as a sample it was highly representative of the industry at that date in time.

Surveys also have the advantages of being flexible, general, and low cost. If carried out effectively, they also have the ability to collect large amounts of information and effectively produce a high accuracy of results. There are, however, according to Pizam also serious weaknesses with surveys (1994: 99). For example, there can be shallow penetration, they can be time-consuming, or there can be no control over individual responses through misconception and misunderstanding. In the case of attitudinal surveys, there may be unstable reflections of the attitudes as the attitudes may change very frequently and may be affected by many exogenous variables.

In addition, whereas quantitative researchers are likely to think in terms of randomly and statistically-oriented probabilistic sampling, qualitative researchers will utilise non-probability or representative techniques (Clarke *et al.*, 1998). As sampling and selection are vitally important strategic elements of qualitative research, these will be based on the researcher's subjective judgements. The researcher, therefore, should select appropriate environments: ones that best enable the research questions and objectives to be addressed. Such as selecting units of analysis which enable the researcher to make meaningful comparisons in relation to the research questions, theoretical positions and analytical frameworks (Mason, 1996).

Depending on when it is carried out, a survey can either serve as a benchmark for later assessment of change, or as a measure of current perceptions. In this instance, it was a measure of current perceptions, which reflected long-held, deep-seated views. Crandall (1994: 419) claims that surveys should test the researcher's theories on the impacts that tourism may have had, yet he is missing the point as research is also to ascertain an opinion, as in this thesis, of an industry wide view as to the direction Scottish tourism should take. Also, the validity and reliability of the data collected and the response rate achieved depended to a large extent, on the design and structure of the questionnaire and the rigour with which it was tested. In this example, the Scottish Hospitality Industry Conference (SHIC) was the largest tourism-related conference to be held in Scotland in 1999, and the return of 29%, was for this type of research high: evidence of a testing rigour combined with a successful design and structure.

In substantiation of this, Hussey and Hussey (1997) claim it is impossible to sample an entire population in examining any given social phenomenon. This is particularly true of Scottish tourism. There are therefore choices to be made as to the sample chosen. As a result, the researcher has to decide which part of the population was going to be sampled. In this example, 702 delegates at SHIC held at the EICC (Edinburgh International Conference Centre), on 1 March 1999, were given the opportunity to complete a questionnaire (see Chapter Eight) to convey what it was they wanted from the Scottish Executive.

The Case Study

According to Black and Champion (1976: 90), a case study is a thorough examination of a specific social setting constituting an in-depth investigation of a given social unit. This results in a complete, well-organised picture of that unit (Isaac and Michael 1971: 20). In this instance, the BHA case study occurred in a time-bound context, during and after a period in which Scotland was preparing itself then experiencing devolution. In consequence, the research allowed for the development of in-depth, extensive, detailed and intensive investigation, permitting the researcher to gain a rich understanding of the context of the research and the process being enacted (Saunders *et al* 1997:76). During the investigation, it became clear that case study research could be descriptive, illustrative, experimental, and explanatory, as the research drew upon existing theories to explicate what was happening (Hussey and Hussey, 1997). It also allowed the phenomenon under investigation to be placed within a social, economic and transient context. Thus, in relation to organisational research, there is a need to be aware of the wider organisational environment. For example, the possible impact of institutional arrangements as discussed in Chapter Three.

As Yin (1989: 14) claims the case study allows an investigation to retain the holistic and meaningful characteristics of real-life events, such as individual life cycles, organisational and managerial processes, neighbourhood change, international relations and the maturation of industries. Thus, this case study research's objective was to describe how influence was brought to bear on political policies in tourism in Scotland in 1999 by a singular interest group, and by those that made up that group. For example, by

taking into account broader concerns of the tourism industry in Scotland as represented by those who served on the BHA committee, and certain others, and who had a little influence on Scottish Office/Scottish Executive policy decision-making.

A key stage in case study research is in selecting the case(s) for investigation. However, to fully understand this issue there is a need to acknowledge the rationale behind the selection of the chosen organisation (Hussey and Hussey 1997). In particular, Bryman (1988) stresses that luck and serendipity often plays a major part in research projects. There is also the question of access to such organisations. Indeed, this is something, which underpins Buchanan, Boddy and McCalman's (1988: 55-57) account of how access to organisations is secured. In advocating an opportunistic approach, Buchanan *et al*, note that the practice of field research is not the art of the impossible but, in fact, the possible. On that basis the sampling approach of this research is, in part, redolent of such an approach.

As is reiterated in Chapter Nine this case study materialised over a period of rapid change, in Scotland, both in a political and in a tourism sense, and evolved from the researcher and others participation in *politicising*, albeit for a short time, the BHA in Scotland. In transcribing events on the ground the researcher chose a policy network approach. This allowed him to focus on the BHA from both an internal and external perspective, describe the links between it and other institutions while analysing the processes by which the BHA managed these complex relationships. The outcomes are described in Chapter Nine.

SUMMARY

This chapter dealt with the issue of the research methods employed in this study. It outlines how the research informed the decision as to the choice of the most appropriate methodological approaches to the collection of data, which included an interview-based approach; a survey-based approach; a case study; and, the researcher's involvement in the industry. The research is also consistent with the heterogeneous research approach outlined in Chapter Three and adhered to in subsequent chapters.

CHAPTER SEVEN – INTERVIEW ANALYSIS

INTRODUCTION

The interviews discussed in this chapter were undertaken, a) primarily as a method of developing a framework for the questions that would constitute the survey analysed in Chapter Eight; and, secondarily; b) to verify, refute or challenge the researcher's then perceptions of the state of the tourism industry in Scotland. However, at the outset, who to interview was not immediately apparent, nor were the issues that needed to be asked of the interviewees and from which the above questions would evolve.

After due consideration and consultation on who would be best placed to respond to the issues relevant to Scottish tourism in relation to this thesis, and on the basis that it was critically important each of their experiences contributed to the overall study (Peterson, 1994: 491), it seemed appropriate to consult those who influenced or shaped public policy in tourism in one form or another, and yet were not part of the tourism 'elite' as described in Chapter Nine, or the 'industry' with whose views the researcher was altogether familiar.

It was also important to include individuals with a variety of demographic characteristics and perspectives to ensure that all population subgroups of importance were included in the qualitative research (Peterson, 1994: 491). For example, politicians, or their representatives, from parties who were vying to form the new Scottish Executive, plus those experts working in the public sector and in education who either had a view on what the outcomes should be or had the ability to articulate public policy aspirations coherently and convincingly. This was in fact an unconnected group who had participated

at the highest or near to the highest levels in Scottish tourism in regard to influencing policy making. Yet, each, because of their politics, the ethos of their organisation, and their experience it was hoped, would bring a different perspective to the research.

Those chosen, a process which is discussed more fully in the methodology chapter (Chapter Six), were selected because; a) they represented the four main political parties; b) the SE and HIE Networks; c) STB; and d) education. Having then identified the participants, it was of equal importance to the research that the researcher was not only knowledgeable about his subject, but also about the politics of or the objectives of the organisations to which the participants belonged. Consequently, considerable time was devoted to researching the interviewees. He also spoke briefly with them by telephone, and with others who knew them, or re-established 'old' relationships. Not only did this give a better insight into the interviewees, but as Saunders *et al* claim (1997: 219), the ability to draw on this type of knowledge during the interview helped to demonstrate some credibility and thereby encouraged the interviewee to offer a more detailed account of the topic under discussion.

Table 7.1 is a timetable of those interviewed. In summary, the interviews took a total of 14 hours 15 minutes, the journey time 38 hours, and the distance travelled approximately 1700 miles (including one trip to London, one to Inverness, two to Edinburgh, one to Leith, one to Glasgow, and one to the Borders). Meanwhile, preparation for the interviews absorbed more than two month's studies, and the transliteration and interpretation approximately three months; although this process has been in progress as

the constituent parts of the thesis in relation to the thesis as a whole have been reassessed over and over again.

Table 7.1. Interview Timetable.

DATE	TIME	NAME	PARTY/ ORG	POSITION	LOCATION	DURATION
23.11.98	10.30 am	ALASTAIR MORGAN MP	SNP	Industry Spokesperson	Malin Court Turnberry	80 mins
08.12.98	10.30 am	NEIL STEWART	Scottish Office	Civil Servant Industry and Education Department	Scottish Office Leith	105 mins
16.12.98	09.30 am	EDDIE BROGAN	Scottish Enterprise	Head of Tourism	Scottish Enterprise Bothwell St Glasgow	115 mins
12.01.99	11.00 am	DR ROGER CARTER	Napier University	Lecturer / Consultant	Napier University Edinburgh	145 mins
19.01.99	04.00 pm	VISCOUNT THURSO	Liberal Democrats	Tourism Spokes- Person in House of Lords London	The Dorchester Hotel London	75 mins
21.01.99	10.00 am	BILL SYLVESTER	Inverness And Nairn Enterprise	Chief Executive Formerly Head of Tourism Highlands and Islands Enterprise	Inverness and Nairn Enterprise Head Office Inverness	120 mins
26.01.99	11.00 am	MAUREEN SMITH	Scottish Tourist Board	Corporate Press And Public Relations Manager	Scottish Tourist Board Head Office Edinburgh	100 mins
26.01.99	03.00 pm	CHARLES CORMACK	Scottish Tory Party	Prospective MSP Candidate for South Lanarkshire	Cringletie House Hotel Peebles	95 mins

Prior to conducting the interviews there had to be a careful assessment of all issues likely to arise in the conversation, and those that might take the researcher by surprise. This included an ordering of topics into a likely sequence, a listing of possible probe questions: all critical to the success of such a qualitative project (Peterson, 1994: 491), and conjecture as to what in all likelihood might come from left field. This was, in fact,

an interview guide, which had to be constructed within the spirit of the theoretical concepts discussed in Chapter Three. This guide incorporated a consistent, relevant and searching set of questions, based on the premise that there would be changes to public policy in tourism in Scotland post devolution. These questions were conceived; a) by means of an extensive literature review, much of which is discussed in Chapters Four through Five; and, b) from outcomes of the author's involvement and relationships at various levels of the industry. Additional understanding of the complexities of the tourism environment in Scotland at the time, which further assisted in framing the interview questions, was derived from the researcher's experience as a tourism operator, and which has already been addressed. The interview guides are included in the appendix.

The interviews were based on a predetermined and standardised set of questions: one for the politicians and one for the experts. The questions asked and the manner in which they were posed depended ultimately on the flow of the conversation (Saunders *et al*, 1997: 211-12). It is also worth noting that the differences between the two sample sets of questions were only nuances, and were due to the fact that one sample could determine policy while the other could only influence it, and that the questions had to be phrased so. In consequence, as the data gathered was to be the subject of both quantitative and qualitative analysis, the emphasis was not only to be on the 'what' and the 'how', but also to place more emphasis on exploring the 'why'. (Saunders *et al*, 1997: 212). It is also worth noting here, that while disappointed that the government could not provide a respondent in terms of a Minister or MP, the fact that a civil servant answered for it consolidates the researcher's position that tourism policy is as much influenced by Civil

Servants as politicians. Meanwhile, the researcher, from his involvement in various industry activities and where similar issues continually surfaced (e.g. in secondary research and in the media), had identified the following as of importance to his research:

- the various problems and shortcomings associated with the industry's poor performance in Scotland;
- the barriers that were holding Scotland from becoming a growing and sustainable tourism destination;
- the size and scale of the industry's problems and shortcomings, both short-term and long-term;
- if there was a genuine will to do something about this to enable Scotland to compete in an increasingly competitive global market, in terms of public/private partnerships or other means;
- what new initiatives could stimulate the industry, in terms of skills, product development, ICT and marketing;
- what the political parties would do to change the face of tourism delivery and structure if they gained power;
- the impact this might have on the SE/HIE network;
- what the experts thought the political parties would do in terms of structural and delivery mechanisms, in spite of their manifesto promises; and,
- to ascertain areas of agreement and disagreement between the parties, and what this could mean.

These questions were consistent with the research objectives discussed in Chapter One and the methodology discussed in Chapter Six.

While determining responses to the above questions that would impact on the research, there were, however, other fundamental reasons for interviewing such persons e.g. they would bring a wealth of experiences of the tourism industry from different standpoints to the research, and by their reputations and positions within recognised organisations add credibility to the research, while identifying variables and relations, and generating hypotheses (Pizam, 1994: 100) that would be tested empirically at the next stage of the research (Saunders *et al*, 1997: 213).

HOW THE RESPONSES WERE ANALYSED

The interviews for this thesis, as a research method, adopted a phenomenological approach. This meant the author was concerned to understand the meanings that the respondents ascribed to various phenomena (Saunders *et al*, 1997: 215). However, while seeking to construct, dissect and rationalise the evidence that emerged, as alluded to in the methodology chapter, the perceived lack of standardisation in these interviews may lead to concerns about reliability (Robson, 1993), which is concerned with whether alternative interviewees would have revealed similar information (Easterby-Smith *et al*, 1991; Healey and Rawlinson, 1994: 123-146). For example, signs of the interviewer showing bias, or indeed the respondent being predisposed in terms of perceptions of the interviewer.

There is also the question of validity, which refers to the extent to which the researcher gained full access to the knowledge and meanings of the informants (Easterby-Smith et al, 1991: 41). A high level of validity, however, is possible in relation to carefully conducted qualitative interviews, but it should be noted that qualitative research using semi-structured or in-depth interviews will not be able to be used to make generalisations about the entire population (Saunders et al, 1997: 218), as might first have been thought.

Enumerating the responses, in tables (7.2. – 7.11.) as percentages of the participants' replies (e.g. four participants is the equivalent of 100% agreement or disagreement; three 75%; two 50%; and, one 25%), had the intention of exposing the differences on policy between the politicians or experts, or both categories. For example, we would expect a great diversity among the politicians, but would the same be found of the experts? A subsequent analysis towards the end of this chapter reveals the similarities and differences across all the categories between the politicians, the experts and both samples.

These tables also contributed towards ascertaining an overall point-of-view as to the politicians and experts' collective attitudes to suggested policy objectives. This establishes the consistency between the aims and objectives of this research and the research strategy adopted. In turn, this had a number of implications for the researcher. For example, in seeking to justify the chosen approach, those selected, and the issues raised. For, as can be seen from the foregoing, there are many potential pitfalls in the use of interviewing to generate primary data, as the interview is a very artificial situation (McNeil 1991: 47).

The intention, therefore, in dissecting the interview responses, is to take each fabric derived from the research and to analyse it in terms of the major issues that evolved. Also to determine the differences or agreements on policy initiatives between parties, or experts, in order that the outcomes could inform and substantiate the questions that would compose the survey questionnaire. The following, then, is an analysis of the most salient outcomes of the interviews.

AN ANALYSIS OF THE INTERVIEW RESPONSES

Fundamentally, behind each question there are a number of scenarios, but, as is evidenced by the research, these in the main became a straight choice between two variables: e.g. should there be a dedicated Tourism Minister or should the Tourism Ministry be incorporated in the Enterprise Network? The politicians and experts' views on this topic and the remainder of the questions are discussed in relation to one another and to the then tourism policy. Also, in each of the tables that follow, their views have been aggregated in order to identify if there was a consensus view: a view that should assist the reader in identifying at a glance where most disagreement arose and also the possible tourism policy outcomes after the election.

TOURISM MINISTER

Table 7.2.

	DEDICATED TOURISM MINISTER	TOURISM MINISTER INCORPORATED IN INDUSTRY MINISTRY
POLITICIANS	25%	75%
EXPERTS	0%	100%
AGGREGATED	12.5%	87.5%

That the UK has never had a separately defined Minister of Tourism has been a recurrent theme among, in particular, the private sector of the tourism industry. This has been seen as an indication of the lack of importance government attaches to the tourism industry (see Hall, 1999, for a general discussion of this point and Wood, 1996: 583-592, for an account in the UK context). In Scotland, where there have been long-standing rumblings about the effectiveness of arms-length bodies such as the National Tourism Organisation (NTO), the STB, the creation of a Scottish parliament and government threw the issue of a tourism ministry/minister into sharp relief (Kerr and Wood, 2000).

However, the politicians and experts interviewed on this subject communicated mixed, even confusing messages. Only one politician claimed that they would appoint a dedicated Tourism Minister. He believed that: "An industry the size of Scottish tourism, and with its potential, needs a dedicated Minister." Another politician claimed that his party had taken no decision whether there would be a Minister for Tourism, or if there were this would be his or her only portfolio. Another avowed that as there would be broad-based ministries it was not clear as to where the role of tourism would fit in such a ministry. Another argued more forcibly that there would be a Minister of Tourism, but this would be as part of a portfolio embracing a range of coterminous responsibilities – probably industry. Clearly, the implications of a dedicated Tourism Minister were far-reaching. For example, it would be a break with tradition, mean more civil servants, would increase the number of departments, committees and junior ministers, extricate tourism from mainstream of economic development and, perhaps, above all be at odds with Westminster policy.

The experts could only speculate. Their responses were informed not by what they thought should be the outcome but by what they thought each party would do. It was clear that they thought that the existing Labour Westminster administration, if re-elected in Holyrood, would retain the status quo, and that their main opposition, according to the opinion polls, the SNP, would subsume tourism in its entirety into the wider economic framework. This would mean that both parties' Minister of Tourism would be part of an Industry-type Ministry, and that the others opinions would only carry weight if there were a coalition. They were equally sceptical about a question that asked if, in coalition, tourism would be one of the ministries that would be 'granted' to the junior party.

There was also a sense of the difficulties faced by the politicians among the experts. One summarised the general feeling: "I think it depends on the structure below as to whether or not you need a separate minister for it. If you do not have enough resources, the more ministers and departments you create the more there is conflict. People should get the decisions made between the departments rather than within the departments, then there will be less conflict, and it makes it easier to put together a strategy."

What was interesting about these interviews was that it was clear that there was no overwhelming support from either the politicians or experts for a separate Tourism Ministry, and that the responsibility for tourism would remain realistically within whichever Ministry that had responsibility for industry/economic development.

STB

Table 7.3

	SINGLE TOURISM BODY	INCORPORATED INTO SE/HIE
POLITICIANS	75%	25%
EXPERTS	50%	50%
AGGREGATED	62.5%	37.5%

In the lead up to the election STB was, among tourism professionals, being criticised for the failure of its marketing strategy, lack of leadership and being devoid of a vision for Scottish tourism. At the time of the interviews, Scottish tourism was not only losing ground to its global competitors it was also failing to attract the home market to holiday in or take short breaks in Scotland, while making little inroads into its biggest potential market, England (see Chapter Two for a fuller discussion on this). Also, although part of the Industry Ministry, it seemed isolated from the economic development agencies such as SE and HIE, and from mainstream government thinking.

For example, in response to a question on the public sector structure of the industry, one politician who favoured setting up a commission to advise on the future of Scottish tourism, replied: "You determine that by having the commission. I would never see the commission as something that goes on to deliver. The job of the commission is to decide what structure we should have and what the strategy should be, and it may even be a temporary thing, it may be something that sat for a year and then dissolved itself on the basis that it had done its job. But it may be that the Scottish Tourist Board is the appropriate way to do it. I would certainly see a body delivering what the STB delivers. *I think that we may change its name.*"

Of the experts, one said: "I could live with a structure that would put STB as a strategic organisation, but you still have the private sector in the lead, and STB should only be doing the things that the private sector cannot do for itself, and that includes marketing. If the industry were seriously all together, all in step, STB would not have to do the marketing because the industry would be pouring money into it."

This respondent then asked me to turn off the tape recorder in order that he could tell me in confidence what he really thought, which was that SE/HIE should subsume all tourism activity, which SE/HIE had tried unsuccessfully to do in the early nineties. His description of how this would be accomplished was quite compelling.

Another expert said he would be comfortable with STB coming under SE's wing, or SE's tourism functions coming under STB's wing as he wanted a one-stop shop, but thought that: "The level of tourism professionalism within the network was fairly limited."

The expert, who had confided in the researcher off the record earlier, felt that: "In 1992 there was a strong argument for merging the activities of STB and the ATBs within the enterprise networks. With the passage of time, this will be even more significant because we are talking about an industry where markets change very fast. Unless there is absolutely excellent communication between the two organisations, then it's not going to be as effective as it might be."

It was clear that there were many question marks not only about the STB but also about the whole tourism infrastructure. To many, including at least one politician, it was clear that there was confusion and duplication concerning tourism delivery (many felt the same of economic development delivery) and marketing, that it would be better delivered through another body, or at least imitation removed.

The alternative view was that it was important that STB remain a tourism body separate from the enterprise agencies that had tried to subsume it in 1992. This was evidence of the fact that among a significant section of the industry there was unpreparedness for the change that other, more radical colleagues saw as vital to the future of the industry.

Of course, the implications of change, not only affected STB it also affected SE and HIE. For STB to be integrated in the Enterprise Network had implications for the Network's integrity. It was apparent during both the lead up to devolution and for at least a year afterwards, it had enough problems justifying its own existence without also taking the blame for the misfortunes or otherwise of Scottish tourism, and it was clear that although certain SE/HIE executives were keen to explore this possibility, those with whom the buck stopped felt they had enough weight on their shoulders without also taking on the Scottish tourism industry.

THE NUMBER OF ATBs AND THEIR FUNDING

Table 7.4.

	REDUCE THE NUMBER OF ATBS	THE STATUS QUO
POLITICIANS	0%	100%
EXPERTS	50%	50%
AGGREGATED	25%	75%

Table 7.5.

	CENTRALLY FUND THE ATBS	LOCAL AUTHORITY FUNDING
POLITICIANS	75%	25%
EXPERTS	100%	0%
AGGREGATED	87.5%	12.5%

By 1998, the reconstruction of the ATB network that reduced in 1996 the number from 32 to 14, had among other difficulties caused, plunged many of them into deep financial trouble. STB encouraged by the conclusions of yet another Scottish Office review conducted in 1998, proposed that the solution to ATB funding difficulties was for the government to channel all monies for ATBs through the STB. Several local authorities and their representative national bodies raised immediate objections. They argued this scheme would most likely have involved government putting a value on the monies such authorities should give to ATBs and deducting it from the grant aid government gives each year to local government. Furthermore, local government would have no discretion over funding given to local ATBs and there would be no local accountability. At the same time, the STB would become a powerful broker with the ability to steer national tourism policy. Indeed, in July 1999, as the new Scottish parliament met for the first time, the Chairman of the STB reportedly threatened to make awards of the current monies STB disburses to ATBs dependent on a satisfactory audit of ATB activities by STB officials (Kerr and Wood, 1999).

There was also a concern that, as a membership organisation, the ATBs were unable to compete effectively in a modern global market. Among reasons other than funding was manpower, skills levels, political will, and fragmented relationships with partner organisations. This was mainly because ATBs were tied by the will of their membership, which may be representative of the majority in terms of numbers but not in terms of bedrooms, employment or local economic contribution.

The politicians, as the interviewer anticipated, appeared to be very sensitive to ATB issues such as those expressed above, particularly to the apparent tensions between sectors of the industry, which for many impinged on ATB strategy in Scotland. One politician stated that after consultation with the industry, it would be likely that ATBs would have to be integrated into the Enterprise Network/mainstream economic development arm locally, and that council boundaries in relation to the ATBs altered coterminously accordingly. He also envisaged abolition of ATB membership of these boards and that funding for the work carried out by the ATBs would have been much more centralised as opposed to from the councils and LECs.

Another took the opposite view. There was to be no reduction of ATB's in the network as: "The government thinks they are doing a good job." However, he did admit that funding of the ATBs was a mess and taking the monies that the councils presently grant to the tourist boards, and issuing these centrally would address this. Although he did admit there would have to be consultation with COSLA on this, which would be

problematic and time-consuming. This latter point relates to the councils fearing that they will lose influence and accountability at a local level.

Another politician stated that if his party came to power, there would be a restructuring of the ATB network, reflecting more local needs, and that funding for tourism would be centralised. The ATBs would become Local Tourist Associations (LTAs) who, if the majority of members wished, could apply for a levy system that would be based on the number of beds in an establishment. Such levels would have been set by the ATB and the monies would have gone nowhere near the Treasury. Also voting rights on the ATBs would have been determined by bedroom size with a revision of the ATB structure in order that it fitted more with local aspirations.

One was extremely critical of the existing set up, saying: "We believe that the current arrangement is not working. Local tourist boards need to have security of funding. At present the councils have discussions as to how much money they put to ATBs. Because the money is not ring-fenced, it is too easy for councils to direct money that should be going towards tourism to other areas. We believe that tourism funding should come centrally with a three year rolling programme, allowing ATBs to have financial security."

The experts were equally scathing of the way in which the area tourist board network operated. For example, one said: "I think that there is a danger that people aren't asking the right questions as far as the ATBs are concerned. The ATBs have been in existence for 25 years, maybe not in a current form in the whole of Scotland, but they certainly

started in the highlands back in the 70s. I think the question that has to be asked is, is this the right structure to meet the needs of a modern dynamic tourism industry, not how do we solve the funding problem?" He continued, "If anything, they are geared to be conservative, because they are controlled by very small businesses. A lot of them are being run for lifestyle reasons. They do not actually want to change. So there is a high degree of conservatism built into the ATB structure, and because of the composition of the boards, it makes it very difficult for the Executive to make plans to change it. So, I think we need to look at things differently. One approach worth looking at is asking how much of the routine activities that the ATBs currently undertake could be taken on by an independent organisation and provided on a reasonably commercial basis?"

Such fundamental thinking is, however, an anathema to the majority of the industry. That this is being proposed by one of the experts as opposed to the politicians is not unusual, but is of concern in that such progressive thinking will stay in the domain of the experts. Also, it is worth noting that there was little consensus that the ATBs should be funded from other than the public purse.

BTA

Table 7.6.

	RETAIN RELATIONSHIP BETWEEN BTA AND STB AS AT PRESENT	STB TO BECOME RESPONSIBLE FOR ALL SCOTTISH TOURISM MARKETING OVERSEAS
POLITICIANS	50%	50%
EXPERTS	75%	25%
AGGREGATED	62.5%	37.5%

Of all the questions, the one relating to the BTA produced the most emotive responses. In the researcher's experience such responses are derived from a cocktail of nationalism, unionism, pragmatism, or sheer frustration. For example, one politician clearly had patent views on both the BTA and devolution and the manner in which their relationship could be compromised, claiming: "What has happened is that under the Scotland Act, tourism is wholly devolved to the Holyrood Parliament. Therefore, as a matter of law, constitutional law, tourism politically is totally the responsibility of Holyrood. That was all done by the Scottish Office before they had really talked it through and consulted DCMS (Department of Culture, Media and Sport). What they were doing was hiving off Scotland from England, and absolutely that was their intention, they understood that and they repealed all the statutory links between DCMS and STB. They had therefore decided under section 88 of the Act, the BTA is to be made a cross border authority that is a mechanism that was invented for things like forestry commission. So tourism is now going to be treated like trees. So it is absolutely the worst of all worlds. The model which I have suggested would be that having devolved tourism you have the Scottish Tourist Board in charge of marketing Scotland, you have the English Tourist Board for England, the Welsh Tourist Board, Northern Ireland, whatever for those countries. Now, clearly it makes sense for them to co-operate but not I would suggest by compulsion. So, the diagram that I draw in the political parliament is where the English, Scots, Welsh are the next level. Then they would all come down to what I would call BTO (British Tourism Overseas), and this would be a service company that would own the assets of the BTA overseas. Its board of control would be made up of the Chairmen and Chief Executives of each of the areas."

Another politician claimed: "That Scottish tax payers are paying for the British Tourist Authority, and just because we are punting our own ideas through our own commercial embassy, while we continue to contribute to the British Tourist Association (sic), we would clearly want still to be getting something for our money in that sense. So, I don't think we would be saying to the BTA 'don't talk about Scotland at all', which is maybe what they do anyway, but I think we would still pursue that avenue as well, because obviously with the best will in the world we are not going to have commercial embassies everywhere. We are going obviously to focus on those areas where we think there are most bangs for your bucks basically, and obviously the BTA would still have a role, certainly as long as we are still paying for it."

Of the remaining politicians, one opted for the status quo while another said: "We would look to the Scottish Tourist Board to take on more responsibility for international marketing. There is a definite duplication of work by the Scottish Tourist Board and the British Tourist Authority. We believe that the STB must be the lead player in promoting Scotland."

All of the experts were aware of the SNP's radical policy of setting up commercial embassies, but one was particularly concerned that SNP policy concerning STB would affect its relationship with BTA, and speculated: "Alex Salmond, I did notice at one point said that SNP would have to forge some links with BTA. It is almost a case of, if BTA did not exist, they would have to invent it!"

Another expert said: "I honestly don't know. A lot depends on Westminster's view. There will be a fresh look at the relationship. I just find it impossible to think what the end result will be. I feel that the BTA will continue to have a resource in particular in terms of its overseas offices and overseas contacts, which the tourism industry in Scotland should continue to utilize. If you assume the BTA is going to stay much the same as it is, I think that it could still provide a function and a service to Scotland. I think that there will be a question here, because as I understand it at the moment the STB overseas marketing activities have still got to be cleared through the BTA and a view might be taken that that is not appropriate any longer. It could be a different relationship, more like a partnership of equals. I think the relationship, for the moment, represents a resource to the industry in Scotland."

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The above view was built upon by another expert: "I think that the present arrangement is a fairly logical one, if one looks at the deployment of funding and BTA itself, and the scenario of cutting back its overseas offices, and it is an expensive business being overseas. I think it would certainly not make a lot of sense for STB to open, or the Scottish government to want to open a lot of overseas offices. Having said that, the rationale of the BTA rationalisation is that actually, you don't need so many overseas offices, so you actually don't need so many local offices. A lot more could be done to rationalise call centres for electronic distribution. I guess if you follow that line of thought then you say there are now much more economic ways in which Scotland could be represented overseas at its own hand than was realistic under the old way of doing things."

Essentially, although there was much speculation by both politicians and experts, it was clear from the responses, that the experts, as can be seen from Table 7.6 above, were in no doubt that the existing situation, as long as it was strengthened was best for Scottish tourism while the politicians were divided.

TOURIST TAX

Table 7.7.

	SUPPORTIVE OF A BED TAX	WOULD RESIST A BED TAX
POLITICIANS	0%	100%
EXPERTS	25%	75%
AGGREGATED	12.5%	87.5%

In Scotland in recent years, the possible introduction of a 'tourism tax', specifically a 'bed tax', has been a recurring theme and is known to be favoured by a number in the public sector, including the current CEO of the Greater Glasgow and Clyde Valley Tourist Board. (Kerr and Wood, 1999), particularly if it was hypothecated. The revenue, from which it was suggested, could be used to support development of the Scottish tourism industry, an idea that, as can be seen from Table 7.7 above, received a lukewarm reception from all Scotland's political parties. Also, from the tourism experts, apart from one.

Unsurprisingly, the private sector and its representative organisations are generally in favour of low taxes on businesses. As a result of its concern, in its briefing document, the BHA (1999: 3) described the situation thus: 'the introduction of a tourist/bed tax has been suggested in some quarters. Unless the revenue raised is directly ploughed back into the industry or into the tourism infrastructure, such a tax would simply increase costs without

improving the value of the visitor experience or the tourism product.' (Kerr and Wood, 1999).

As they were concerned about the political ramifications and the difficulty in implementing a tourism tax, the politicians were all opposed to the idea. But only two were clear about the fact that they would not have introduced specifically a Tourist Tax/Bed Tax. Another said: "At present we haven't discussed that at all, so currently we have got no plans. I can see it has certain local attractions, I know that there are some communes in France for example that have a tax and other ones don't. I don't think the level, which tends to be very small, something like 10 francs a night or whatever, particularly acts as a disincentive, I don't think people go to one commune rather than another because they are going to save 10 francs. Having said that it would obviously be a very controversial move initially and all I can say is that we haven't considered it at the moment, nor have we ruled it out specifically."

Another had obviously thought this through: "Let me describe the proposal that I have put. What I have described is, and this has been accepted at a federal level but not as yet at the Scottish level. What I describe is a system whereby you have the national board and you then have these local ones, and in order that they have a different name, I call them Local Tourism Associations (LTAs). You have statutory registration of accommodation providers; so everybody who provides accommodation is registered. I would then allow each local area, it could be Caithness and Sutherland, whatever, to apply for the right to form an LTA. If the LTA or the statutory members of it voted by a

majority or more than 50 % to go in it would be formed. At that point everybody would be obliged to be a member of it and they would pay a levy to their Local Tourist Association based on beds. It is in fact a bed tax. It is a bed tax one, which each area is allowed to vote for or against and two, it is compulsory once they have voted for this, up to x p in the pound. They would set their own level and it would go nowhere near the treasury. This is actually based on a working model that exists, and it exists in the State of Florida.”

All of the experts had clearly thought through such a scenario but two examples are of interest. The first was of the view that: “I think that there is a case for looking at a bed tax, but I don’t think that anybody at the moment is in a position to say there should be or there shouldn’t be one. I think that you would need to take great care in coming to that judgement. I think the line a lot of people are taking, which is that provided that the revenue raised is reasonably dedicated to the industry. I think that that is a good starting point and that should be the basis on which it should be looked at. I think that you should also be looking at in terms of the industry’s competitors as compared to other businesses in other countries, and you then need to look at the whole tax burden in terms of rates and VAT and the bed tax taken together. Are we significantly disadvantaged in terms of the other countries?”

The second commented: “I am certainly not totally against it. The answer is that it all depends. It all depends on what happens with other taxes, the way other taxes are deployed. We had in Edinburgh quite a substantial period of discussion in which this

issue was floated. This issue had been floated from time to time since about 1992, and it became quite interesting when it came to our Board. For on the one hand we had the politicians, and indeed a few of the politicians were floating the idea at the industry, and our board had to try and form a position, and we had an initial meeting at which it was daggers drawn, and I was given the task of trying to create harmony out of this, and it was really by trying to ask the questions about where the money would come from, what its relationship would be with VAT, for VAT is in effect a tax on tourists, and quite a large one compared with many other European countries, particularly in terms of the level of VAT. So, there is a limit to which you can tax the tourist, and that brought us into wider issues as to what the position should be with VAT that was being raised from tourists, and how that money should be deployed. Obviously, that is a longer-term strategic issue, but one which if there was going to be a bed tax, one could legitimately ask the question. 'How is that money the tourists are paying in tax at the moment being used, and should it be used in a different way?'

The experts were clearly keener on a bed tax than the politicians who, regardless of the rights and wrongs knew they would feel the backlash from the tourism industry, and perhaps the electorate through time. But faced with balancing budgets, increased health and education costs and perhaps a reduced settlement from Westminster, the monies available from the Executive could be squeezed and a bed tax, if hypothecated to the industry, appeared to the experts a common sense solution.

VAT

Table 7.8.

	SUPPORTIVE OF A REDUCTION ON VAT ON TOURISM PRODUCTS	NO LIKELIHOOD OF A VAT DECREASE ON TOURISM
POLITICIANS	25%	75%
EXPERTS	50%	50%
AGGREGATED	37.5%	62.5%

Of the four main parties, only one would have done anything to try to influence the Westminster government to reduce the VAT burden on Scottish tourism. This politician claimed to be influenced by a Deloitte Touche study, which showed that lowering the VAT burden to 8% would create a large number of jobs. The others held the view that it was doubtful if there would be a change, for example one politician said: "That has been a matter that has been discussed time and time over the years, and it was only very recently Lord Gordon initiated a debate in the House of Lords on the subject of VAT, and pointed out the fact that VAT in Great Britain on hotel accommodations is higher than most countries on the continent. This is a fiscal matter of course, and the view is that you cannot look at VAT alone. You have got to look at tax in the round, and it is a fact that many of our competitors have additional taxes like the bed tax, which we have just mentioned or very high business rates, which are higher than we have here, so we are not convinced by the fact that the tax burden is greater in the UK on hotel businesses and other tourism businesses than it is elsewhere. VAT is only one aspect and there are certainly no plans to consider lowering VAT on hotel and tourism products."

Another politician held a very interesting view: "There are ways in which VAT can be less of a burden"

Researcher: "You mean reducing the threshold from the forty seven, forty eight thousand threshold?"

Politician: "Yes".

Researcher: "But there is an argument against this. Many of the businesses that are holding back Scottish tourism are not paying VAT or business rates are the ones that won't let the industry move forward. So where do you stand on that? Would it not actually help if those people were paying VAT?"

Politician: "No, we are totally opposed to that".

Researcher: "So, just that I get this clear. In the total economy you are saying you would not support a reduction in VAT if it went from seventeen and a half percent, but what you are clear about is that you are in favour of reducing it in one sector, such as tourism"

Politician: "We support the idea of reducing the VAT rate to 8%. The Deloitte survey makes sense and we believe that a reduction in the VAT rate could increase the Treasury take".

Researcher: "What I am trying to get from you is exactly what you have just answered. I wanted to know whether in the scheme of things you were supportive of a reduction on a

so-called tourist tax such as VAT, so what you are saying very clearly is that you would support a reduction to say 8%, but not a bed tax.”

Politician: “Yes.”

The experts were well informed in regard to this subject, for example: “I know that we have higher taxes on other things that visitors have to buy like petrol and alcohol and things like that. I think that the whole fiscal regime is such a complex thing that needs to be looked at in its entirety. Of course there are other things that people have talked about, including road tolls, if there are national parks, should there be entry fees for national parks? So there is a whole kind of raft of issues. But, you are right, who is going to pay, and I think that it will probably be needed to be set in the context of the European wide moves towards harmonisation of VAT, and I am not quite sure where they are. It doesn't seem to be moving as fast as I thought it would. I thought that was probably going to be the solution in the longer term. That what you would get is some European wide reduced rate.”

Researcher: “Fifteen percent?”

Expert: “Or even lower than fifteen per cent, as it is in some countries currently. I think that is obviously a Westminster issue, but it might be one that if the parliament looked at the whole tax regime, it might want to put forth some political weight.”

What is interesting about the views expressed is the lack of belief that anything could be done about the levels of VAT, as they were reconciled to the fact that taxes have to be seen as part of a bigger picture.

COMPULSORY (STATUTORY) REGISTRATION

Table 7.9.

	SUPPORTIVE OF COMPULSORY REGISTRATION	OPPOSED TO COMPULSORY REGISTRATION
POLITICIANS	25%	75%
EXPERTS	75%	25%
AGGREGATED	50%	50%

In the lead up to the election associations such as the BHA and STF discussed the advantages and disadvantages of compulsory or statutory registration. Many in the industry saw it as a means to improve quality, skills and products, and coupled compulsory registration with complementary initiatives such as only those with appropriate experience and qualifications being allowed to 'practice' tourism, and as a means by which the 'cowboy' operators were weeded out. Others saw it as a barrier to entry, stifling innovation, increasing red tape and introducing more legislation, perhaps even breaching human rights legislation. Table 7.9 shows clearly the differences in thinking between the experts and politicians perhaps because the politicians were minded of what their electorate would think more than anything else. For example, in response as to whether or not they were considering it, one answered: "Not at the moment. Again that could be a matter for the parliament to consider. From time to time the industry has asked for a compulsory scheme. We believe that the present scheme is working well. There is an element of compulsion in it I suppose, in that you cannot join an ATB unless you also

join the quality scheme. The scheme is being extended from just accommodation, visitor attractions into hostels and catering as you say. There has not been huge pressure, in fact there has not been a lot of pressure, and it is fair to say, from the industry, for a compulsory scheme. Clearly, if that pressure did happen then we would have to look at it. There is provision for a scheme, but at the moment we have no plans to introduce one.”

Another politician had the following opinion: “I can see the attractions of this. Of some kind of effectively licensed system, but it would be more than a licensing system. It would be a licensing plus grading system. Indeed to some extent any fast food outlet has to already satisfy certain criteria. They are subject to inspection of environmental health etc., and it might be that some kind of licensing system would be good. I think the government should take advice from the new structure that is set up. I don’t think this is something the government would put in a manifesto and say this is how it is going to be. I think we would listen to what the industry was saying to us through the new structures we are putting in place. And I think if the suggestion came up the way this was the way to go then I think we would consider it sympathetically”.

Researcher: “I was going to ask you is registration of tourism businesses a possibility, and the reason I am putting that forward is that we are aware in Scotland that there are far too many people who have the ability to open a tourism business because they may have the money, but may not necessarily have the expertise. Therefore they are jeopardising the jobs they have created or taken on by the fact that they don’t have the expertise to

keep the business and sustain it or whatever. There is a move in the industry to say that people should be responsible enough to be able to open a business”

Politician: “Yes, I am obviously conscious there might be certain dangers in terms of over-regulation depending on how far you went. For example would you register every bed and breakfast outlet, even if it were just one bedroom? That does raise certain questions about the cost, whether that is really sensible to do so and you might want to say yes only over a certain size for example, but I think again we want to listen to what the industry was saying to us.”

Of the experts one said: “I have to say that compulsory registration would actually strengthen the tourist board hand in trying to create something like this because it would allow you to tackle it. Most of our competitors already have it. They already have statutory registration. So I don’t see how we avoid it.”

Essentially, there was more sympathy for compulsory registration from the experts than the politicians. They appeared on this issue to be at the behest of the industry. For example, they were concerned about the administration costs, about obtaining support from MSPs in rural areas where non-conformance would cost jobs, and that it would obtain full parliamentary support at present. There was also concern about how it would be ‘policed’, and the criteria. The experts meanwhile recognised its advantages and were not deterred by such concerns, as they believed that it would lead to a much better industry standard.

There are, of course, numerous implications of introducing such a scheme, some of which are described above, but the fundamental question must be, and which will never be answered fully, is why there is even consideration of such a scheme? What is it about the present structure, system and administration that do not compel a number of tourism organisations to aspire towards a recognisable standard?

CLASSIFICATION AND GRADING / QUALITY ASSURANCE

Table 7.10.

	SUPPORTIVE CLASSIFICATION GRADING	OF AND	UNSUPPORTIVE CLASSIFICATION GRADING	OF AND
POLITICIANS	75%		25%	
EXPERTS	100%		0%	
AGGREGATED	87.5%		12.5%	

The question of quality assurance is very closely linked with compulsory or statutory registration and the answers overlap such as from one politician who also owned a tourism business: "I am very close to actually taking my own business out of the whole thing because of the irritation and frustration that I feel at a very small level. What I find is that the people at the top end of the market, my chums who run the top hotels take the view that it is a great thing, I find that in my own little business it is sort of fairly irrelevant and we satisfy the AA, RAC. We are not entirely sure that we want to go down the Tourist Board route at all."

It is, however, interesting to compare Tables 7.9 and 7.10. While almost wholly unsupportive of compulsory registration, the politicians were, apart from the one above, supportive and enthusiastic about the Classification and Grading Scheme.

The experts were also more supportive of the latter, for instance: "I think quality assurance is important to the future because again, if you read all the Henley Centre stuff, people are going to look at their holidays and their business trips as high risk purchases, and anything that you can do to minimize the risk would be good for the industry."

Classification and grading, as can be seen from the above answers, cannot be treated in isolation from compulsory registration, although that is exactly the dilemma for Scottish tourism at present. A large percentage of businesses are part of the Classification and Grading scheme. It does not make them perfect, but it does convey to the customer what they are likely to expect. The standard of service and the quality of staff of non-participants is much harder to define and, as is the different grading schemes north and south of the border, a cause of further market confusion, which does Scotland's tourism industry a disservice.

LICENSING

Table 7.11.

	SUPPORTIVE OF A LICENSING REVIEW	UNSUPPORTIVE OF A LICENSING REVIEW
POLITICIANS	75%	25%
EXPERTS	75%	25%
AGGREGATED	75%	25%

The industry's views in the lead up to the election were that licensing hours and regulations and the manner in which liquor licenses were granted was archaic and that the system needed to be reviewed in line with the demands of a modern society.

The politicians in the main, apart from one, agreed that there would be a review, and said so specifically: "It would be wrong to say that we have got plans initially. I don't think we see that necessarily as priority, but having said that I can see that there are certain problems with them. It is obvious from what you have said, it is sometimes very inflexible particularly the number of special licenses that have to be applied for, equally well if you are going to deregulate to some extent you have to watch what you do."

The experts were not gripped by licensing questions. An example is: "Well, I am not close enough to the licensing laws to give a lot of detail. I think there needs to be licensing laws and there needs to be safeguards for working in the industry for the public and local communities. There is a principal, which should be as easy to apply as possible. I think the other thing that is worth thinking about is, can we try more to integrate some of the regulations into a kind of more integrated package of things rather than fire, health & safety, food hygiene and all the rest of it and the grading. We could package it better? I always felt that about a lot of the initiatives that we have currently got. It is quite difficult for the industry. But again you need to join the grading scheme, ATB membership, BHA membership, Green Tourism Business Scheme; businesses will pay a bit extra for that. Is there not some way of making life a bit easier?"

There did, however, appear to be a recognition that to compete in the twenty-first century, Scotland had to recognise that laws made during the First World War with little material change since, needed to be revitalised.

COMPARISONS ACROSS THE MAIN ISSUES

Although the politicians and experts' views have already been enumerated, transporting the data to chart comparisons across the various issues and to identify trends took the research a stage further. For example, were the politicians more likely to disagree with one another than the experts, and if so what was this diversity of opinion? Was there any area in which the politicians disagreed intensely with one another? Which parties were more likely to agree, or alternatively disagree? Were there any contradictions? Were the opinions of SE/HIE vastly different from those of STB? Was their convergence with the independent expert's view, and so on? For example:

Politically

- a) the party with which the others disagreed most was the Conservatives;
- b) alternatively, the party the others agreed with most, although marginally so, was SNP;
- c) SNP and Labour were the parties most in agreement; and,
- d) all parties disagreed equally on issues with the Conservatives, although not all on the same issues.

Experts

- e) SE and HIE agreed most on the issues;
- f) the independent expert was the one that the others disagreed with most;
- g) STB and HIE had more in common than STB and SE; and,
- h) STB were more aligned to the independent expert than SE and HIE.

Politicians/experts

- i) there was a high degree of agreement between HIE and STB;
- j) there was a high level of disagreement between the Conservatives and SE, and SE and HIE and the independent expert; and,
- k) the independent expert was more sympathetic to the Liberal Democrats/Conservative view, neither of whom, according to the opinion polls, had a realistic chance of outright power.

In identifying the variables that would be tested empirically at the next stage of the research, it was clear there was a clear divergence among the parties that were most likely to form the government and those that, according to the opinion polls, had no realistic chance of outright power. As a result, an overall consensus revealed the following policy:

Table. 7.12. Interviewees' Tourism Policy

- | |
|--|
| <ul style="list-style-type: none">a) the tourism ministry incorporated in the Industry/Enterprise Ministry;b) a single tourism body;c) the ATB network to remain as it is: 14 ATBs, but perhaps coterminously with the LECs;d) ATBs centrally funded;e) the relationship between STB and BTA remains;f) no introduction of a tourism tax;g) no reduction on VAT on tourism;h) no introduction of compulsory registration;i) Classification and Grading would be extended; and,j) there would be a licensing review. |
|--|

Although this is a collective political/expert policy, each policy unit had majority political support apart from e), where there was an equal response, and expert support apart from b), c), and g), where there was an equal response, and h) where the experts were in the majority. In the case of h), where the situation was equal, due to the politician's eventual influence, their majority view was borne out.

The interpretation and analysis of the interviews are best judged on the basis of how useful the findings and recommendations are to the study as it progresses (Peterson, 1994: 491). The outcomes of the above, therefore, reveal a collective view that there would be little change to existing tourism policy, although there was a contradiction in terms of a) and b) whereby the tourism ministry would be incorporated within an industry/enterprise portfolio, but would be a single tourism body. This anomaly would be explored more thoroughly by the survey.

SUMMARY

These then were some of the responses to the more contentious topics. The responses showed that only one party had any radical plan for Scottish tourism and that the others were most likely to adhere to the status quo. What is disappointing is that in a business world where the pace of change is the only constant, there were little radical or innovative political ideas. Clearly, only two politicians had experience of the industry and of those, only one perhaps had given thought to the changes necessary to drive the industry in the twenty-first century. Unfortunately, the most his party could hope for, according to the opinion polls, was a place in a coalition government, and even then, if

Industry was to be one of the central planks of policy, it would be highly unlikely that this party would have any influence on tourism policy in a devolved government, so the portents were that in the new parliament, as in the Westminster one, it would be more of the same.

CHAPTER EIGHT- A SURVEY OF DELEGATES WHO ATTENDED A MAJOR TOURISM CONFERENCE IN THE LEAD UP TO THE 1999 SCOTTISH PARLIAMENTARY ELECTIONS

INTRODUCTION

This chapter analyses the outcomes of a survey of delegates who attended a major tourism industry conference that took place in the lead up to the Scottish parliamentary elections in 1999, and is consistent with the heterogeneous framework as described in Chapter Three, and on which this thesis is constructed. The questions that comprise the survey questionnaire, and which are listed below, evolved from an analysis of the interview responses as discussed in Chapter Seven, combined with secondary research as described in the methodology in Chapter Six. There is also a correlation with the case study in Chapter Nine in that the conference was organised by the British Hospitality Association (BHA), the subject of the case study, of which the researcher was one of the organisers, combined with the fact that its members consisted of a substantial sample of the survey response (24%).

THE QUESTIONNAIRE

The questionnaire was designed to collect a large amount of data from a sizeable population in a highly economical way (Saunders *et al*, 1997: 76). It was forwarded to 702 delegates following their attendance at the Scottish Hospitality Industry Conference (SHIC) held at the EICC (Edinburgh International Conference Centre) two months prior to the Scottish parliamentary elections, on 1 March 1999, and which is described in more detail in Chapter Nine. The purpose of the questionnaire was to encourage the delegates to convey to the researcher their views on the then state of tourism policy in Scotland; their expectations of future tourism policy, and their views about what direction, in general, tourism policy should take.

By the deadline date of 31 March 1999, for the return of the questionnaires, some 205 had been received: a response rate of 29%. A further six responses were received after the deadline, but are not included in the research. Analysis of the latter revealed that, if included, they would have had little adverse impact on the findings.

The questionnaire, which was a self-administered one, and the aggregated response to a set of 30 questions, represented by percentages, is listed in the appendix. While dealing with most of the points raised by the interviewees, VAT apart, it focuses mainly on the respondents' views in relation to the main political parties' tourism policies, and other issues germane to the research. The ensuing conclusions are derived from cross-tabulations of the responses integrated with personal information such as gender, age, employment, and geographical location, plus the political preferences of the respondents. It also ranks issues in terms of the importance the respondents think the Scottish parliament should attach to them. Thereafter follows an analysis of the key findings.

ANALYSIS OF THE DATA

On receipt of the completed questionnaires, the answers to each individual question were collated, consolidated, and ultimately converted to percentages of each individual total category response. This clarified and enumerated for the researcher the majority opinion of the respondents to the various parties' proposed Scottish tourism policy thus enabling him to identify levels of support or otherwise for particular policies and issues. Furthermore, the use of SPSS software enabled him to categorise and identify individual and group policy, political preferences, and voting patterns, all of which was intended to reveal much more about what kind of tourism

industry policy the collective respondents wished to see and experience after devolution. It also enabled him to assess and compare the views of substantial interest group responses. For example, BHA members' in comparison to those of non-BHA members, similarly the views of the Association of Scottish Visitor Attractions (ASVA), another significant interest group, and to identify whether respondents thought individually like the party they voted for.

QUESTIONNAIRE ANALYSIS

Although desirable, particularly for the consistency of the research, the researcher found it difficult to align the analysis rigidly to the policy statements (see Table 8.1)

Table 8.1. Politicians/Experts Combined Tourism Policy.

- | |
|---|
| <ul style="list-style-type: none">a) the tourism ministry would be incorporated in the Industry/Enterprise Ministry (SNP);b) there would be a single tourism body (Cons);c) the ATB network would remain as it is: 14 ATBs (Lab, LibDem, SNP, Cons);d) ATBs would be centrally funded (LibDem, SNP, Cons);e) the relationship between STB and BTA would remain (Lab, SNP);f) there would be no introduction of a tourism tax (Lab, LibDem, SNP, Cons);g) VAT on tourism would not be reduced (Lab, LibDem, SNP);h) compulsory registration would not be introduced (Lab, SNP, Cons);i) Classification and Grading would be extended (Lab, SNP, Cons); and,j) there would be a licensing review (Lab, LibDem, and SNP). |
|---|

that evolved from the prognostications of the experts and politicians. Due to new issues emerging from the responses, which he deemed of significance, combined with

outcomes of SPSS research analysis which identified some extremely interesting deviations to the initial outcomes of the survey, this necessitated further exploration and explanation. However, apart from a question on VAT, the outcome of which it was decided would add little to the research, the policy statements, as set out above, are implicitly explored throughout this chapter.

a) POLICIES

Table 8.2 reveals Labour's policy was the most popular with the respondents and, of the major parties, SNP's least popular. Taken at face value, this could be interpreted to mean that more than 25% of the survey respondents appeared satisfied with the status quo, while 75% were dissatisfied. This is, however, mere speculation, and too simplistic in analysis. Nevertheless, there is another very interesting and very definite conclusion to be drawn from the analysis, the distinctions within the respondents' voting intentions. This is explored below.

The total respondents' preferred tourism policy

Throughout this analysis, the Labour response is the most consistent one. The others fluctuate significantly. However, the disparity between the above policy preferences and four alternative sets of statistics (Tables 8.3, 8.4, 8.5 and 8.6) is quite distinct. For example, the researcher's policy, which was derived from both primary and secondary research carried out for this thesis (see Chapter Six), and which called for total restructure in order that one overall body is responsible for tourism and hospitality, the extension of classification and grading to all accommodation and food premises, registration of all tourism businesses, central funding of ATBs combined with sectoral revision of ATB Board composition, the relationship with BTA to cease and a

Minister for Tourism as part of the Enterprise and Industry portfolio, received the majority of support from the British Hospitality Association (BHA) and Association of Visitor Attractions (ASVA) members and discernibly less support from the remainder. It is also worth noting that apart from SNP, the researcher's was the only

Table 8.2. Total Respondents' Policy Preferences.

Policy	% Scored
Researcher's tourism policy	22.82%
Green tourism policy	4.36%
SNP tourism policy	10.29%
Labour tourism policy	25.12%
Liberal Democrat tourism policy	14.39%
Conservative tourism policy	13.31%
Other tourism policies	9.44%

policy that was a departure from convention, and that the SNP policy, other than with ASVA respondents, is consistently the least popular of the mainstream policies.

The BHA members preferred tourism policy

Among BHA respondents, the Conservative response was higher than in any other category, while the SNP response was the lowest of any category. It was also the category with the least support for the Greens, and, although it favoured the

Table 8.3. BHA Members' Preferred Policy.

Policy (BHA Members only)	% Scored
The Researcher	29.41%
Greens	1.96%
SNP	7.84%
Labour	23.52%
LibDems	13.72%
Scottish Conservatives	17.64%
No vote	5.88%

researcher's policy above all others, there were some discernible differences from another Scottish tourism interest group, ASVA that was 14.1% of the total response.

The ASVA members preferred tourism policy

For example, ASVA respondents were more predisposed to SNP than any other category of SNP response and least disposed to the Conservatives than any other

Table 8.4. ASVA Members' Preferred Policy.

Policy (ex-BHA Members only)	% Scored
The Researcher	33.3%
Greens	3.70%
SNP	18.51%
Labour	22.22%
LibDems	11.11%
Scottish Conservatives	7.4%
No vote	3.37%

category. Yet, in common with BHA ASVA favoured the researcher's policy above all others.

The preferred tourism policy of those other than BHA members

However, excluding the BHA votes and taking into account all of the others,

Table 8.5. Preferred Political Policy of those other than BHA Members.

Policy (ex-BHA Members only)	% Scored
The Researcher	21.01%
Greens	5.73%
SNP	12.73%
Labour	25.47%
LibDems	14.64%
Scottish Conservatives	12.73%
No vote	7.64%

including ASVA; the outcome revealed SNP and Conservatives as having an identical level of support.

The preferred tourism policy of those other than BHA/ASVA members

Alternatively, extracting both BHA and ASVA, the outcomes were as in Table 8.6.

This outcome reveals a high level of support for the status quo with the researcher's

Table 8.6. Preferred Political Policy of those other than BHA/ASVA Members.

Policy (ex-BHA Members only)	% Scored
The Researcher	18.51%
Greens	5.18%
SNP	11.85%
Labour	25.92%
LibDems	15.55%
Scottish Conservatives	14.07%
No vote	8.88%

policy somewhat marginalised.

The preferred tourism policy of BHA/ASVA member's

However, a distinct difference arises when combining BHA/ASVA responses. On

Table 8.7. BHA/ASVA Preferred Policy.

Policy (BHA Members only)	% Scored
The Researcher	30.36%
Greens	3.43%
SNP	11.23%
Labour	22.67%
LibDems	12.41%
Scottish Conservatives	13.76%
No vote	6.14%

this occasion the researcher's policy is the dominant one.

An analysis of the preferred tourism policies

Table 8.8 is an analysis of the above results. It reveals the fluctuating nature, apart from Labour, which is consistent throughout, of support for the various policies, combined with the fact that Labour was the preferred policy in three categories,

Table 8.8. Analysis of the Various Voting Categories.

	Total	BHA Only	ASVA Only	Other than BHA	Other than BHA/ASVA	BHA/ASVA
Researcher	22.82%	29.41%	33.33%	21.01%	18.51%	30.36%
Green	4.36%	1.96%	3.7%	5.73%	5.18%	3.43%
SNP	10.29%	7.84%	18.51%	12.73%	11.85%	11.23%
Labour	25.12%	23.52%	22.22%	25.47%	25.92%	22.67%
LibDems	14.39%	13.72%	11.11%	14.64%	15.55%	12.41%
Cons	13.31%	17.64%	7.4%	12.73%	14.07%	13.76%
No Vote	9.44%	5.88%	3.37%	7.64%	8.88%	6.14%

perhaps the most important ones, and the researcher's policy the preference of the remaining three? Of the major parties, SNP scored worse in all but one category: that of ASVA.

Other significant variances

Relating these policy preferences to other elements of the questionnaire, the most significant variances were in the field of Minister for Tourism where there was a consensus amongst BHA members with 79.6% support, as opposed to 60% support from the residue of the respondents. 95.9% of the BHA members also opposed a Tourism Tax as opposed to 89% of the remainder. However, with opinion virtually divided, BHA members appeared less decisive about the performance of ATBs. For example, 52.2% were satisfied with them and 47.8% dissatisfied, whereas the remainder's view of the ATBs was 38.15% satisfied and 61.85% dissatisfied.

In comparison to the subject of the case study, the BHA, the other association with a significant number of members responding was ASVA. Of their members the same issues of Minister for Tourism and support for a tourism tax elicited less disparity between negative and positive responses. Specifically, ASVA members were divided by 51.4% (yes) to 48.1% (no) on the issue of a Minister, and were less united in their disapproval of the Tourism Tax than the BHA, with 78.65% opposing the idea.

Opinion was also split over the present ATB structure: 48.1% satisfied, 51.9% dissatisfied: the opposite of the BHA view.

b) POLICY VOTING PATTERNS

First past the post votes

Policy voting patterns were analysed to see if they matched party preferences in regard to first past the post votes. The disparity between SNP policy and SNP support for that policy was quite distinct. For example, SNP supporters accounted for 68.2% of all votes cast in favour of the SNP's policies, though somewhat confusingly the majority (63.4%) of the SNP support preferred the policies of other parties.

Similarly, although 54.2% of all those favouring the tourism policies of the Labour Party were first past the post Labour supporters, 62.9% of Labour supporters indicated the preferences for the policies of other parties. Of these, incongruously, 12.9% preferred the policies of the Conservative Party.

Concerning party-policy fit, respondents who correctly identified the policies with which their respective parties were associated was greatest for the Labour party at 37.1%, with SNP also scoring relatively high in this respect at 36.6%. Extraordinarily, more Liberal Democrats (20.6%) than Conservative (16%) first past the post party supporters favoured the policies of the Conservative Party. Also, incongruously, 32% of Conservative respondents favoured the policies of the Labour Party.

Party list vote

Concerning the party list vote, similar results were obtained; notably 68% of SNP supporters preferred the policies of other parties. Of this 68%, the researcher's policies received the strongest support (28%), followed by those of the Labour Party (14%). Also, whilst 35.6% of party-list Labour supporters also supported Labour policies, the remainder preferred, equally, the policies of the researcher (22.2%) and the Liberal Democrats (22.2%). On the other hand, the two most popular sets of tourism policies amongst party-list Conservatives were those formulated by the researcher (36.7%), and the Labour Party (36.7%); while 32.6% of party list Liberal Democrats favoured the policies of the Labour Party.

This leads to the conclusion that in the context of anticipated voting patterns, Labour voters (in both first past the post and party list votes) were, *prima facie*, the most knowledgeable voters in terms of selecting their party's tourism policies. SNP also fared comparatively well in this respect. Alternatively, perhaps knowingly or unknowingly they did not support these policies. Though the fact that the majority of prospective SNP voters failed to show their ideological support by correctly identifying the policies with which their party was associated, perhaps strengthens the argument that Scottish nationalism has its reasoning based more in romanticism and idealism than pragmatism.

c) POLITICAL PREFERENCES

The SHIC 1999 respondents' political preferences mirrored the latest opinion polls that coincided with the March 1999 conference, in that Labour with 37% in the first past the post vote and 25% in the second vote (the party list vote) were in the

ascendancy, ahead of their closest rivals SNP (Herald 1999). That they scored 39% and 33% respectively in the actual election reveals that the industry, according to the survey was, technically, in harmony with the electorate. However, the SNP's election score of 29% in the first vote and 28% in the second vote reveals how out of sympathy the industry, at 20% and 22% respectively, according to the survey, was with SNP, and its policies.

The Liberal Democrat's election score at 14% and 12% respectively, revealed that the industry at 18% and 23% respectively was much more inclined towards them than the electorate. Meanwhile the Conservative election vote of 13% and 16% was not dissimilar from the survey's 16% and 15%. However, it was by far the biggest change from the industry's Westminster vote, which is discussed below. These preferences also echoed the pundits' views that as the election came closer were predicting that no one party would have an outright majority.

d) WESTMINSTER ELECTIONS

The respondents were also asked which party they voted for in the 1997 Westminster elections. The figures in bold (Table 8.9) were the participants' intended vote in percentage terms for the May 1999 elections and their actual votes in the 1997 Westminster elections. The figures in brackets are the *actual* election results in 1999 and 1997:

Table 8.9. Respondents' Intended Westminster Vote.

Party	May, 1 st vote %	May, 2 nd vote %	May 1997 %
Other	1 (2)	2 (12)	2 (1)
SNP	20 (29)	22 (28)	11 (22)
Labour	37 (39)	25 (33)	31 (46)
LibDem	18 (14)	23 (12)	14 (13)
Conservative	13 (16)	16 (15)	23 (18)
Don't know	11	11	
Did not vote			19

* Figures do not always total 100 due to rounding

Sources: Herald 2.5.2000.

www.election.demon.co.uk/ge1997.html

These outcomes reflect the purely Scottish vote, not the UK vote. However, for an industry that is traditionally conservative with a small 'c', the results were a radical shift from 1997 particularly as the Conservative vote at 13% and 16% respectively had eroded dramatically from its 23% Westminster base. Also, although SNP's share of the vote had risen remarkably from the 1997 election – 11% to 20%, it had been unable to keep pace with the Labour momentum. It appeared, therefore, to be in line with every opinion poll that Labour would form the new Scottish government in coalition with one of the other parties, the Liberal Democrats, for instance, and that SNP would be the main opposition.

e) GENDER

Concerning gender intentions in regard to voting, the support for the tourism policies of the various parties represented by the survey show very little variation amongst male and female respondents. Where disparity existed it was greater in the policies of the Labour Party, where 28.3% of males as opposed to 24.3% of females showed their support, representing a difference of 4%. The other three major parties differed by margins of 2.9% (SNP), 0.8% (Liberal Democrats), and 2% (Conservative).

An analysis of the first past the post voting responses showed that differences amongst male and female respondents were somewhat more pronounced than in

Table 8.10. Questionnaire Statistics – First Past the Post Votes.

ACTUAL	PARTY		VOTE	%MALE	% FEMALE
	MEN	WOMEN			
LAB	45	27	72	62.5%	32.5%
CONS	18	10	28	64%	36%
LibDem	22	13	35	63%	37%
SNP	24	24	48	50%	50%
OTHERS	1	2	3	33%	67%
TOTAL	110	76	186	78%	22%

policy preferences (Table 8.10). Also, significantly, gender appeared to be linked with first past the post voting for SNP, where 11.1% more women than men indicated a preference for the SNP.

This figure was even higher in the party list vote, where as revealed in Table 8.11, 19.4% more women than men indicated a preference for the SNP. Also discernible in the party list vote was an 11.9% bias in favour of men voting Conservative, and an 8.9% male bias towards the Liberal Democrat Party.

Table 8.11. Questionnaire Statistics – Party List Vote.

ACTUAL	PARTY		VOTE	%MALE	% FEMALE
	MEN	WOMEN			
LAB	29	20	49	59%	41%
CONS	24	9	33	73%	27%
LibDem	31	14	45	69%	31%
SNP	29	30	59	49%	51%
OTHERS	11	3	14	79%	21%
TOTAL	124	76	200	62%	38%

Corroborating these figures was the breakdown of male and female voting patterns at the 1997 Westminster election, where women showed: more of an inclination to vote SNP than men (20.3% as opposed to 8.8%). Men voted Conservative and Liberal Democrat more frequently than women (31% - 20.3% and 18.6% - 10.1%

Table 8.12. Questionnaire Statistics – Westminster Election Vote.

ACTUAL	1997		WESTMINSTER		ELECTION		VOTE	
	MEN	WOMEN	TOTAL	%MALE	% FEMALE			
LAB	40	29	69	58%	42%			
CONS	34	17	51	67%	33%			
LibDem	20	8	28	71%	29%			
SNP	11	17	28	39%	61%			
OTHERS	0	1	1	0%	100%			
TOTAL	105	72	177	59%	41%			

respectively), and, men and women were virtually equally as likely to vote Labour (36.3% of men v. 38% of women).

This leads to the conclusion that party preference on the basis of gender indicates a greater likelihood (with variations in the extent depending on whether the first past the post or party list system is employed) that males will vote Conservative and Liberal Democrat. On the other hand, females will vote SNP, and both males and females are equally as likely to vote Labour. Perhaps, future research will discern why.

Table 8.13. Questionnaire Statistics – Actual Independence Vote.

ACTUAL	INDEPENDENCE		VOTE			
	MEN	WOMEN	TOTAL	%MALE	% FEMALE	
FOR	19	20	39	49%	51%	
AGAINST	101	65	166	61%	39%	
TOTAL	120	85	205	59%	41%	

Obfuscating the issue, however, is the more even distribution of male and female positive responses in the section detailing the tourism policies of the respective parties. This would appear to indicate that, although the parties themselves evoke strong sentiment amongst the electorate, the policies with which they are associated are less emotive, perhaps owing to a perception of abstruseness or an agreement of some but not all the issues.

f) GEOGRAPHICAL

With Scotland and Scottish tourism sometimes differentiating geographically between Highlands and the Islands, and Lowlands it was thought important to determine any fundamental differences between the two populations. It is thought that this information may, in particular, be helpful to SE/HIE, the LECs and STB who, because of the two areas basic needs, treat them differently. For example, HIE has more of a community remit than SE.

The first point to note in examining the correlation between region of business/employment and voting patterns is the unevenness of the sample (although it does broadly reflect the dispersion of the population of Scotland at large), 73% of respondents had businesses or were employed in the Scottish Enterprise area, 12.4% in the Highlands and Islands area, and 14.6% in both areas.

These geographical results should therefore be viewed with some caution. Interestingly, however, the least popular set of tourism policies in what could be considered as one of their strongholds, the Highlands and Islands Enterprise area, was that of the SNP. For instance, only 5% of respondents favoured the policies of the SNP in the HIE area, as opposed to 11.7% in the SE area and 18.2% in both.

This was slightly anomalous in that 20% of persons with their business/employment in the HIE area had indicated their intention to vote SNP in both the first past the post and party list votes compared with 18.8% (first past the post) and 23.9% (party list) in the SE area, and 27.3% (first past the post) and 31.8% (party list) with business/employment in both areas.

What this would appear to reveal is that, again, there is an element of incongruity in terms of party-policy fit, which is one of the main themes of this thesis. This inconsistency was not replicated in the results for the Labour Party *per se*, where Labour's tourism policies were favoured by respondents from all three areas (55% HIE area, 25% in the SE area, and 27.3% in both areas).

A slight divergence is seen in the first past the post and party list votes. Although the Labour Party is the clear favourite under the former system (45% HIE, 39.3% SE and 50% both), the latter reveals a strong proclivity towards the Liberal Democrats in both the HIE and SE areas (35% and 27.4% respectively). It is also worth noting that the researcher's set of policies received a particularly strong response from the SE area (29.2%).

Although treating these outcomes with some caution it can be concluded from them that in all three areas of business/employment, the preferred tourism policies were those of the Labour party. However, though this preference was carried into the first past the post vote, the distribution of votes was much more even under the party list voting system, where the Liberal Democrats and SNP in particular received strong support.

g) INDEPENDENCE

Independence was an emotive issue in the lead up to the election, with many people taking a view that devolution was the first step to independence, and others claiming that devolution would diminish the need for independence. For example, a poll taken by NOP (November 1999) revealed that 63% of Britons believed that there would be

a separate Scotland in 20 years time; with only 35% believing the Union would remain intact. On this basis, it was thought worthy of addressing this issue (Questions 7, 8 and 9), and analysing who was most likely to/not to vote for independence. For example, in contradiction of the above poll 61% of the respondents were of the opinion that devolution would not lead to independence, and if asked to vote in a referendum on independence, at that time, 80% would have voted against it.

It was already known that the majority of the 29% response to the question of independence was negative, with a 76.66% indication that they would vote no in any referendum. Of the remainder who indicated that they would vote yes (i.e. excluding the 2.9% who would not vote), there are a few trends to note. In particular, regarding age as a correlative variable 73.8% of those declaring their intent to vote yes were between the ages of 21 and 50, with 23.8% being in the 21-30 age group, 21.4% in the 31-40 age group, and: 28.6% in the 41-50 age group.

Perhaps the most intriguing revelation is seen at the opposite ends of the age spectrum where an interesting age-voting correlation can be deciphered. What can be seen is that on the basis of a similar sample size (i.e. 6 in the under 20 age bracket and 5 in the over 60), the results are virtually inverted at the extremities of the scale. For example, fewer of the 83.3% of under 20's (theoretically) would vote yes on independence, whereas 80% of those over 60 would vote no. A caveat, the responses given by the under 20 and over 60 age groups represent a combined 5.4% of the total responses given, but an interesting conclusion all the same, which should convey to SNP and Labour, the two parties most likely to form Scottish governments in coming

years, the need to interface strongly with both age groups, but in the longer term with the former.

In terms of gender, both males and females favoured the no vote (78.9% and 72.8% voting this way respectively), though females (despite having the smaller sample size) were more likely than men (25.9% to 17.1%) to vote for independence. This is perhaps a reflection of the results obtained from Section (b) above (policy voting patterns), and consolidates the notion that a vote for the SNP is tantamount to a vote for independence. Yet, a reasonable percentage of those who voted for the SNP did not vote for independence, and is worthy of further exploration, which is outside the scope of this research (i.e. why would someone vote for SNP and yet not vote for independence in a referendum?).

Looking at the sector of employment and job description sections (as outlined in questions 27 and 30c), only a few clear trends are identifiable yet unambiguous. Of the sectors of employment which, individually, constitute over 10% of the survey, the education sector favoured the no vote by a margin of 71.4% to 23.8%; the hotel (over 50 bedrooms) sector by 88.8% to 7.4%; and the public sector by 78.7% to 19.1%.

In terms of job description, all were heavily predisposed to voting no except for those involved in education (as students, lecturers, etc) who were more divided: 41.9% favouring a yes vote, 58.1% favouring no

It is obvious; therefore, that the majority of respondents would vote no at a referendum on Scottish independence, and that the demographic breakdown of those

people is quite diverse. The most interesting aspect of this is in relation to age, and a larger sample of those under 20 and over 60 could have assisted in proving the hypothesis that it was these age bands which were most likely to vote yes and no respectively. Nevertheless, it is a fair reflection to note that women, those involved in the education sector, and members of ASVA displayed a greater propensity to vote for independence.

h) DID VOTERS THINK LIKE THEIR PARTY?

On the basis of first past the post voting intentions (and as a generality), it was also thought worthy of exploring if politically there was an identifiable trend, i.e. did all Labour voters think alike, and did all SNP voters think alike? For example, the party list voting intentions, where 72% of SNP supporters and 71.9% of Conservative supporters showed their support for a separate ministry. SNP supporters were also much more likely, predictably, to vote yes than no for independence, though by a surprisingly thin margin – 62.2% to 31.1% with 6.7% stating they would not vote. The members of the remaining parties (under both voting systems) would have voted overwhelmingly against independence. In both votes, Conservative supporters were the only respondents who were, on the whole, most satisfied with their ATB structure (66.7% and 62.5% respectively), yet were 100% against a tourism tax. Such results suggest that party loyalty and ideological thinking are not necessarily mutually exclusive and certain behaviours may be attributed to the way in which people vote.

i) SKILLS

As the enterprise network was committing vast sums of monies to skills development, and yet the take up and outcomes extremely disappointing, it was thought of interest

to determine which type of business was most likely to participate in training initiatives. For example, 50% of businesses had participated in schemes such as Welcome Host and Scotland's Best, 58% in Investors in People (IIP), and 39% in Scottish Vocational Qualifications (SVQs). These initiatives, incidentally, are explained more fully in Chapter Five.

The various more well known initiatives are analysed below:

Welcome Host

Taking the six most frequently mentioned initiatives it was noted that respondents from the public sector were the most frequent participants in Welcome Host (22.1% of all participants), followed by hotels over 50 bedrooms (17.6%), and the education sector (11%). However, as a proportion of the intrasectoral vote, these figures represented 63.8%, 88.9%, and 71.4% respectively.

Scotland's Best

Participants in Scotland's Best were again drawn predominately from the public sector (23.6%), and hotel (over 50 bedrooms) sectors (19.1%). These proportions represented 44.7% of all public sector respondents, and 63% of these from hotels over 50 bedrooms.

Green Tourism Business Scheme

Of the 25 respondents taking part in the Green Tourism Business Scheme 24% were from hotels of 10 to 19 bedrooms, 20% from hotels of 50 bedrooms or over, and 16% from the public sector. Alternatively, however, of those taking part in the scheme,

there were 50% of all the hotels with 10-19 bedrooms, 18.5% of hotels with 50 bedrooms or over, and 8.5% of those from the public sector.

Scottish Vocational Qualifications (SVQs)

SVQs were most popular in hotels of 50 bedrooms or over (24.45% in total and 70.4% of all sectoral respondents), hotels 20-49 bedrooms (4.39%), hotels 10-19 bedrooms (11.55%), and education (11.55%). Though hotels with 10-19 bedrooms comprised only 11.5% of the SVQ participating total, this was translated into 75% of all the respondents from this sector. A smaller percentage (10.3%) of the public sector took part in SVQs.

Investors in People (IIP)

The sector most often taking part in Investors in People was hotels over 50 bedrooms (21.4%), public sector (17.9%), and education sector (10.3%). Additionally, it could be noted that 92.6% of all hotels of 50 bedrooms or over and 91.7% of all hotels of 10-19 bedrooms had taken part, though only 44.7% of the public sector and 57.1% of the education sector.

Excellence Through People

The BHA's Excellence Through People initiative was used predominately by hotels of 50 bedrooms or over 45.5% of the total, though only 55.6% of the sector in general, and no one sector was a heavy user of the initiative.

j) ISSUES

Table 8.14 reveals the outcomes when the respondents were asked to rank nine issues in relation to the importance they attached to them. 31% placed reorganisation of the ATBs as the least important issue, and less than 1% as the most important. Yet, 18% scored structure the second highest in order of importance to funding. Although this

Table 8.14. Rankings of 9 issues of importance/non-importance to Scottish Tourism.

Issue	% Importance / Rank		% Least Importance / Rank	
Funding	37.5%	1	2.8%	7=
Structure	18.18%	2	7.9%	4
Reorganisation	.82%	9	30.68%	1
Quality	15.34%	3	2.8%	7=
IT	1.7%	8	19.31%	3
Skills	3.97%	6	5.11%	5
Training	6.25%	5	3.4%	6
Marketing	10.79%	4	2.8%	7=
C&G	3.4%	7	25%	2

scored a low priority, questions 14 and 15, which are concerning satisfaction with the present area tourism board structure, took the opposite form, and are worthy of further exploration. The following suggestions, therefore, aim to account for this apparently anomalous phenomenon.

Firstly, looking at the issue comparatively, it may be proposed that meaningful comparisons based on results obtained from question 11 are void due to the dispersal of opinion throughout the issues on a case-by-case basis. What this means is that, by attempting to gauge and thence cross-tabulate the extent or strength of an opinion (as is the case in question 11) with what are essentially closed questions (as is the case in question 14 and 15), we are comparing a very definite variable with a multifaceted, fluid one in which only the foremost value is exposed. Resultantly, a wealth of cumulative opinion-strong, but not as strong as that which is being used in our cross-tabulations is neglected. Secondly, again speaking in comparative terms, it is possible

that the structure of the question may have somewhat obscured the true meaning behind the answers.

For example, although re-organisation of the ATBs has been identified as having the least value, it would be somewhat dangerous to conclude that on the basis of a lower ranking, the ATB issue carries relatively little or no importance. The results obtained from question 11, therefore, are not necessarily indicative of a wholesale rejection of the notion that the new Scottish parliament should become involved in some way with the ATB issue.

It was also important to determine whether or not there was a geographical split over the issues. For instance: among respondents from HIE and SE, and in the combined areas, funding was interpreted as the most pertinent issue for the Scottish parliament to address (47.6%, 35.9% and 43.5% respectively). However, responses for issues, b), d), e), f), g), h), and i) were not as illuminating, and no one issue emerged as a clear favourite for rankings 2 – 8. Issue c), re-organisation of the ATBs, however, allows us to define the opposite end of the spectrum, as respondents from all three areas ranked this issue ninth by margins of 26.3% (HIE), 29.7% (SE) and 33.3% (both). In addition, the issue of IT was not seen as being a priority, receiving a particularly high proportion of “8” and “9” rankings in all three areas.

What is implicit in the above statistics, and which was a remarkable indictment on an industry where the pace of change globally was being driven by information communications technology, is the fact that the industry viewed ICT as the least important issue. This leads to the conclusion that, as has already been discussed in

section one, Scotland-wide, funding was seen as the most crucial issue for the new parliament to address (whether by public or private means was still to be determined). Re-organisation of the ATBs and the issue of IT were seen as the least relevant, though it was unclear as to exactly how important, hierarchically, the other issues were perceived by the survey's respondents.

k) PROFESSIONAL LICENSING OF TOURISM OPERATORS /BARRIERS TO ENTRY/COMPULSORY (STATUTORY) REGISTRATION

The question of whether there should be professional licensing of tourism and hospitality businesses and, moreover, compulsory (statutory) registration is a contentious one. For example, should all operators be required to demonstrate they have appropriate qualifications and experience prior to opening or managing a business, and should such businesses be allowed to operate without complying with statutory registration requirements?

The response revealed that 59% of respondents were in favour of professional licensing of operators. A further 9% were in favour if the arrangement was based on qualifications only and 3% if experience were the only requirement, with 29% opposed to this. Furthermore, although 35% of respondents were opposed to Classification and Grading, 65% were supportive of it.

Question 20 developed the theme, asking should operating a business be subjected to compulsory registration. Although 6.34% were unsure, and 26.82% were still opposed, 64.39% were supportive of compulsory registration of all tourism businesses in Scotland.

Of further interest is an analysis of these results in terms of gender and sector. Although the total male and female responses were consistent (within 2.5% of each other), what is not immediately clear is why 13.1% of the respondents would support compulsory registration and not Classification and Grading, or 6.34% Classification and Grading as opposed to compulsory registration, and would be worthy of further research.

The BHA and ASVA responses are of particular interest. For example, of the BHA respondents 75.51% were in favour, 22.44% opposed, and 2.04% undecided. Interestingly, though, 87% of female BHA respondents as opposed to 73% of BHA males were supportive of compulsory registration. The ASVA response conveyed a similar trend, 70% of females as opposed to 64% of male ASVA respondents in favour of compulsory registration.

Another interesting aspect was the negative response derived from those hotels with 50 bedrooms or over where a surprisingly high 38% were opposed to compulsory registration. Furthermore, 54% of the total of such hotels were BHA members of which 43% were opposed to compulsory registration, and 47% to a combination of qualifications and compulsory registration.

These questions were posed on the basis that empirical evidence suggests that too many people in responsible positions in tourism businesses have little or no qualifications and experience, and that in comparison to other industries too few people enter the industry from school with qualifications. In other words, there is little barrier to entry to the tourism industry, and many people have risen quickly through

the ranks without gaining a professional or educational qualification, and are disinclined to measure their businesses against industry standards. As a result, they are neglectful of encouraging those they employ or who report to them to involve themselves in upgrading their skills or attaining qualifications that will enable them to improve their performance or progress their careers. The best minds and most ambitious, most effective managers appear to prefer to work in other industrial sectors. This is due to a number of industry shortcomings such as not yet having achieved the prominence in education, or the professional status that has been attained by other sectors of the economy. Nor is it yet a valued, a recognisably dynamic occupation in which to be involved in, or in which to carve out a career. The result is that the industry in Scotland has failed to realise fully its enormous potential, in terms of growth, jobs or economic impact. It is also perceived as fragmented, low value, lowly skilled and as a job, in many instances, rather than a career (Wood, 1996). Also something that someone will do reluctantly until something better comes along.

Somehow, or other, ensuring that those who own or manage a business, hold positions of responsibility or an influence on their staffs' careers possess either recognised formal training, or qualifications appears to the majority of those involved in the industry reasonable. The above results would appear to show that while not wishing to raise barriers to entry to the industry, which would raise issues such as the European Convention on Human Rights, or to stifle enterprise/entrepreneurship or career progression, a significant majority of the industry wished to see those working within it taking more responsibility for their own development. This applied particularly to those opening new businesses, but with little or no previous experience. By doing this and extending the C&G scheme, it was hoped that standards across all sectors of the

industry would be improved. The implications of not pursuing this course of action will mean difficulty in maintaining or improving standards of quality, service and hospitality.

D) THE EURO

A further question, in relation to the Euro, also produced an interesting response 31% wished it introduced at the earliest possible moment, 53% preferred to wait until it has been established that the European Monetary system works, while 12% were opposed to it under any circumstances.

What this shows, is that there is little real opposition to the Euro from the Scottish tourism industry. Perhaps mindful of the exchange rate, the industry feels that the equalisation of both the Euro and interest rates throughout Europe will be more advantageous to the industry than the present situation, where the high-level pound exchange rate is damaging to the industry. There is also a feeling of inevitability about its introduction that it is going to come sooner or later, so why wait?

m) SURVEY POLICY OUTCOME

Taking all of the responses into account, the following is the policy the respondents wished of the party that would form the government in the new Scottish parliament in 1999:

Table 8.15. The policy outcome as derived from the survey respondents.

What the respondents wanted from the new Executive
One body – STB (VisitScotland) to be responsible for all aspects of tourism
Minister with exclusive responsibility for Tourism
ATB restructure coinciding with LEC Network
Central funding of ATBs from STB through government
No tourism tax
STB's relationship with BTA to remain
The Classification and Grading Scheme extended to every tourism business
Tourism businesses to be subject to compulsory (statutory) registration
Professional Licensing of tourism and hospitality operators
A revision of the Licensing Laws

At this juncture it is worth pointing out that the researcher did not test the proposition that Scotland should have an alternative mechanism to an NTO. For example, one might ask the questions why should continued public sector financial support be forthcoming, or why wasn't the entire available budget dedicated to marketing, therefore increasing the influx of tourists and letting the industry provide the quality of services etc., which would satisfy the market? Neglect of such radical alternatives was done on the basis of earlier research which did not reflect an overwhelming desire for alternatives other than those discussed earlier, but this may be worthy of further research.

Comparing this policy with the one that evolved from the interviews with politicians and experts reveals three explicit policy variances (see Chapter Seven, Table 7.12) and a policy that is less conventional than the politicians/experts. For example, the industry differed with the politicians and experts in that it wanted STB (VisitScotland) to be responsible for all aspects of tourism, the ATB network to coincide with the LEC network and the introduction of compulsory registration.

SUMMARY

The economic significance of tourism to the Scottish economy is emphasised by the fact it injects substantial revenue into the Scottish economy and supports a significant number of jobs. But, it is a diverse industry with many different facets to it. This can result in a vast range of opinions, which sometimes diffuses the real issues. However, what is clear is that the research carried out soon after SHIC 1999, reveals, for the first time, within reason, what the industry wanted from its politicians, and also how the industry thought politically, about the Euro, and about independence.

CHAPTER NINE - A CASE STUDY - THE BRITISH HOSPITALITY ASSOCIATION'S SCOTLAND COMMITTEE'S APPROACH TO THE SCOTTISH PARLIAMENTARY ELECTIONS, BEFORE AND AFTER

INTRODUCTION

This chapter consists of a case study of a Scottish tourism interest group, the British Hospitality Association (BHA) Scottish Committee. Case studies, by definition, are neither descriptive nor divorced from theory; they are a valid way to test theories (Rhodes 1999: 20). For example, this study concerns a group of individuals comprising the BHA Scottish Committee in the late nineties who, as a group working within a wider network, found themselves in a unique opportunistic position, particularly in relation to influencing policy, in an unparalleled period in Scottish tourism's history.

John (1999: 75-76) claims the study of such groups in the policy process needs to be complemented by a theory of rational action by the political actors within such associations and organisations. This is as opposed to being based solely on the role of groups. In developing this theme, John (1999: 81) maintains that relationships within a network can be measured by finding out how dense it is, for example, by examining to what extent the actors are linked to each other, as in the BHA's Scottish Committee Elite, described in Table 9.1.

Although John's advice is persuasive, this case study represents only one aspect of the thesis's methodology and is accordingly more modest in intention. Instead, it explores the manner in which the BHA in Scotland, mainly through the elite described below, endeavoured to influence tourism public policy in the lead up to the elections for the

new Scottish parliament in 1999. It is thus loosely framed within a policy network approach.

Table 9.1. BHA Scottish Committee Elite 1999/2000.

Organisation	Paul Murray-Smith	Peter Taylor	David Clarke	Peter Lederer	Lawrence Young	Willie Wood
BHA	Chair 1994/6	Chair 1996/8	Chair 1999/00	Member (resigned 1999)	Chair 2001-	Chair 1998/9
STCG	Member (for STF)					
STB Board/ VisitScotland/ ATB	Advisory Member of STB Board			STB Board Member	ATB Director	
SE/HIE			LEC Board Member		LEC Board Member	
STF	Chairman	Committee Member	Council Member		Council Member	
TTS			Member	Chairman	Member	
HtF	Chairman Scottish Chapter	Scottish Chapter Member	Scottish Chapter Member			Scottish Chapter Member
HCIMA	Fellow	Fellow	Fellow	Fellow	Fellow	
Springboard			Chairman			
BHA Council UK	Council Member 1997-	Council Member 1996/98. Chairman 2001-	Council Member 1999/00		Council Member 2001-	Council Member 1999
Tourism Cluster Group			Chairman		Member	
New Skills Group	Member			Chairman		
New Tourism Strategy Implementation Group	Member	Member		Member		
SHIC 1999		Committee Member	Committee Member			Chairman

This chapter, therefore, explores explicitly:

- the stated main purpose of the BHA in the UK;
- the stated main purpose of the BHA Scottish Committee. (It was re-named the BHA Scotland Committee in September 1999, coinciding with the then Secretary of State for Scotland, Dr. John Reid, re-naming the Scottish Office the Scotland Office to avoid any confusion with the Scottish Executive);
- the membership;

- the BHA in Scotland in the late nineties;
- the BHA in Scotland as a political interest group;
- the influence individually and collectively of the BHA elite;
- the researcher's involvement in the BHA;
- the BHA in Scotland's tourism manifesto/briefing document; and,
- the Scottish Hospitality Industry Conference (SHIC).

The rationale for employing a policy network approach as opposed to alternative theories is firstly that it focuses more on institutions and the links between them, both internally and externally. Secondly, it also enables description of the processes by which the BHA manages these complex relationships. Thirdly, according to Rhodes (1999: 29), a network approach provides a link between micro-levels of analysis, dealing with the role of interests and government (in particular policy decisions), and the macro-level of analysis, which focuses on the broader questions about the distribution of power within modern society.

A policy network approach has, however, its detractors. Bennington and Harvey (1994, from Rhodes 1999: 12), for example, claim that policy network theory has certain weaknesses such as excluding analysis of policy outcomes; a view reinforced by John (1999: 85) who claims that the concept is hard to use as the foundation for an explanation unless the investigator incorporates other factors, such as the interests, ideas and institutions, which determine how networks function, a caution heeded here. Marsh and Rhodes (1992a: 262-264), in contrast argue that there is nothing in network approaches that prevent the analysis of policy outcomes. It can also be argued that policy networks of resource-dependent organisations (STF/BHA/ASVA)

typify the British policy process (Rhodes 1999: 29-45, Pyper and Robins 2000: 28-34 or John 1999: 66-9). Therefore, adapting it to the process of devolution introduces an intriguing dimension.

THE BRITISH HOSPITALITY ASSOCIATION (BHA)

History

The BHA originated in December 1906 when the *Caterer* (now *Caterer and Hotelkeeper*) circulated a questionnaire to support the formation of an industry Association. The questionnaire was the result of the 1906 election of Campbell-Bannerman's Liberal Government, which swept to power with strong temperance support, pledging to suppress the widespread drunkenness of the day. Campbell-Bannerman's manifesto had promised sweeping licensing reforms, meaning that the number of UK public houses would be reduced greatly and those that were left with licenses, including hotels, were to pay large sums to compensate the public houses the government chose to close (Bacon, personal communication, 24.5.2001).

The following April the *Caterer* published a manifesto signed by 130 hotelkeepers calling for a national organisation to represent them in overcoming the Liberal Party's proposals. Most of this support came from the provinces, as with a few notable exceptions the large London Hotels were indifferent to the idea. One exception was Dudley James, proprietor of Morley's Hotel, which stood in Trafalgar Square, the site of the present day South Africa House. The inaugural meeting of the Association, chaired by James, took place on 30 April 1908. Before the end of the year the Association had been registered as the Incorporated Hotel Keepers Association, and by 1908 due to the Association lobbying the then Chancellor of the Exchequer, H.H.

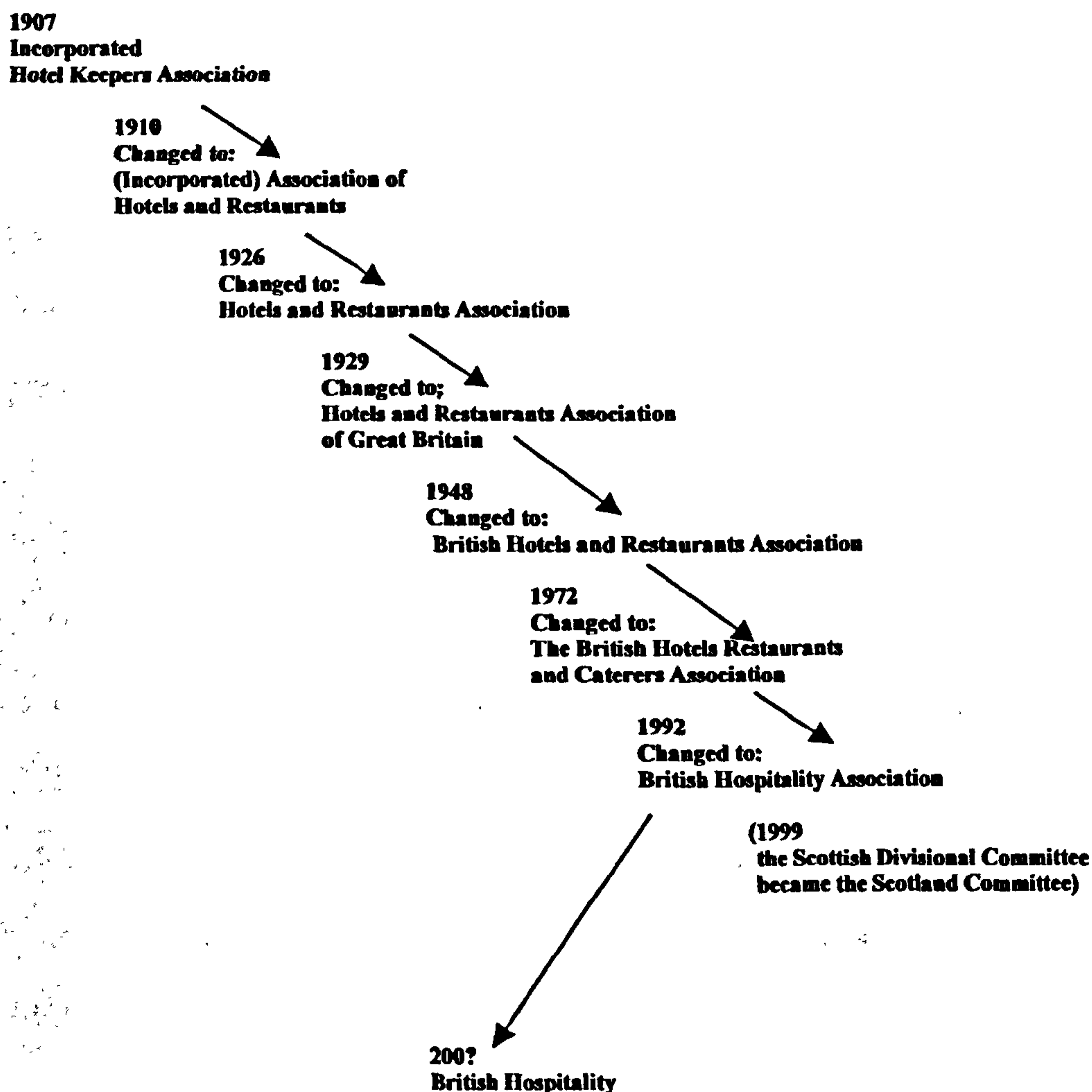
Asquith, and Herbert Gladstone, the Home Secretary, and son of the former Prime Minister, that bona fide hotels should not be categorised with public houses, Asquith accepted the Association's case, and the Licensing Reform Bill was amended. However, the Association continued to oppose the Bill and the end of 1908 had seen it thrown out by the House of Lords (Bacon, personal communication, 24.5.2001).

By 1910 the Association had become the Incorporated Association of Hotels and Restaurants, a Limited Company, and still retains the same Company Registration No. 109030 from that time. As early as the 1920's the Association had formed nine regional Divisions, increasing to eleven when in 1929 a further two were formed in Scotland. This structure, with minor amendments, remains to this day. However, its name was changed in 1926 to the Hotels and Restaurants Association and again in 1929, this time to the Hotels and Restaurants Association of Great Britain, when Scotland became a member. In the post war years the Association played a major part in the formation of the British Travel Association, later to become the British Tourist Authority. It was also instrumental in setting up the International Hotel Association (now the International Hotel and Restaurant Association (IHRA)) (Bacon, personal communication, 24.5.2001).

Until 1948 the Association had represented only licensed hotels, but that year it merged with the Residential Hotels Association that had been formed in 1916 for unlicensed establishments. The new body was named the British Hotels and Restaurants Association. In 1972 the Association merged with another body, the Caterers Association of Great Britain and thus acquired yet another name: the British Hotels, Restaurants and Caterers Association, or BHRCA as it was more familiarly

known. This name continued until 1992 when, in order to give it a new emphasis, its name was again changed to the current title: the British Hospitality Association (Bacon, personal communication, 24.5.2001), which Bob , the BHA Chief Executive, expects fully to become British Hospitality through time, amalgamating with the British Restaurant Association and others (Cotton, personal communication, 3.9.2001).

Figure 9.1. BHA, from Hotel Keepers Association to the present day



Although it clearly does not determine policy outcomes, the existence of a policy network both influences the affects upon policy and reflects the relative status, or even power, of the particular interests in a broad policy area (Rhodes 1999: 29). In the

UK, the BHA reigns supreme as *the* tourism policy network. For example, apart from representing Hotels, Restaurants and Catering for more than 90 years it is also the UK's national association for the industry, representing over 27,000 establishments. As such, it advises both the government and businesses on all aspects affecting the operation of the UK hospitality industry. Of equal significance is the fact that it also lobbies government on behalf of the interests of its members.

In a UK sense, by 1997 Westminster elections, membership had grown to include every significant hotel group and contract catering company, and every motorway service operator in the UK, as well as many independent hotels and restaurants. It had also developed an important new partnership with the Hotel and Catering International Management Association (HCIMA) to promote its 'Hospitality Assured' programme that complemented BHA's own 'Excellence Through People' programme.

By 2001, BHA increased its influence through its affiliation with the National Council of Hotel Associations throughout the UK, which had a membership of 5,000 hotels. It is also currently negotiating an amalgamation of the British Restaurant Association (BRA), which will consolidate its position (Cotton, personal communication, 3.9.2001). However, this is proving more difficult than anticipated, and Cotton's vision of an organisation that will be re-named British Hospitality is on hold until the BHA and the BRA can sort out the differences that are keeping them apart (Cotton, personal communication, 3.9.2001). Nevertheless, Cotton is determined that such differences can be resolved and, in terms of sheer numbers alone, this, in effect, will give it greater significance in its attempts to influence government on policy across a broad spectrum of governmental departments.

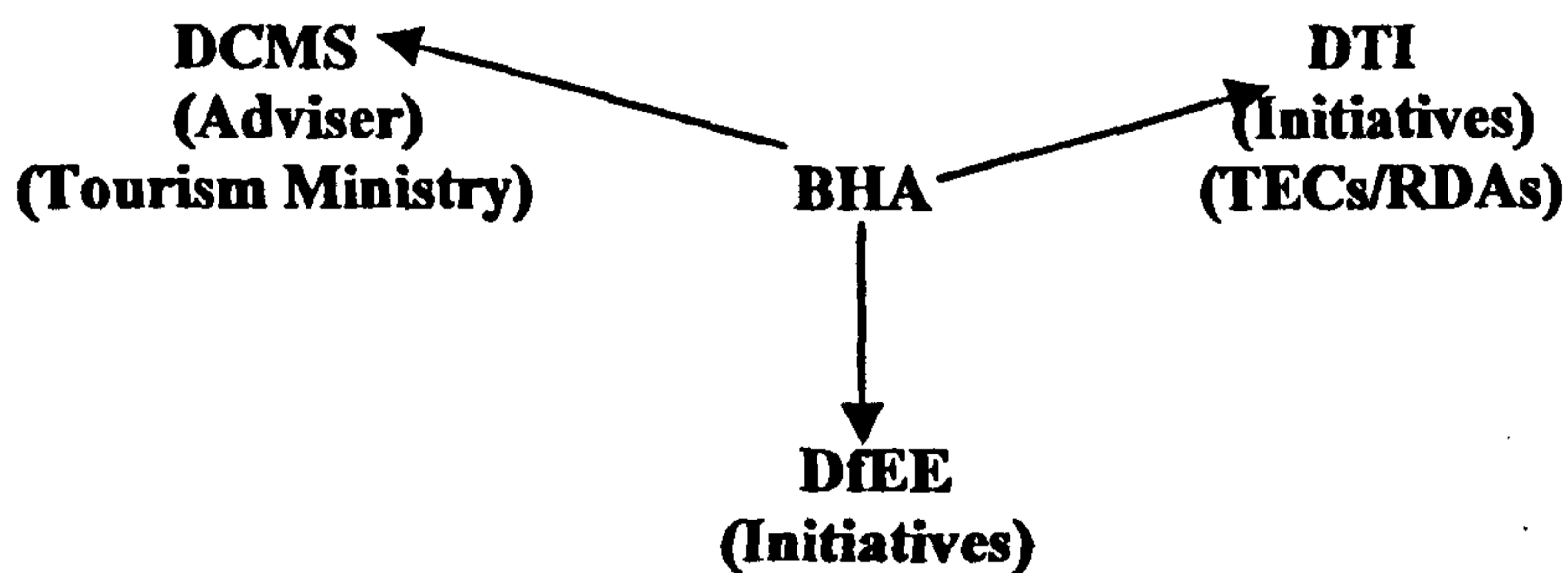
Purpose

The BHA's stated main purpose is to ensure the views of the industry are represented at Westminster and Brussels, and now Holyrood (and Wales), in a way that is forceful, co-ordinated and coherent, and in a manner that will provide the most favourable environment in which its members' businesses can flourish. The BHA *Members' Yearbook*, (BHA, 1999) claims that government; civil servants and members of parliament increasingly look to the BHA as the authoritative voice of the industry. For example, it has been involved, in an on-going basis, with the Labour government in a wide range of discussions on policies that affect its members. Among these has been the introduction of the statutory national minimum wage where the BHA concentrated its efforts on influencing the level applied, while stressing the importance to the industry of such related issues as live-in accommodation. The BHA also took the lead in assisting the government to develop its Welfare to Work/New Deal programme by organising a unique industry conference to launch the programme and targeting 40,000 New Deal opportunities for young people (BHA *Annual Report* 1997). Current initiatives relate to influencing government legislation on licensing in a bid to curb under-age drinking, new rules on adolescent working and parental leave, and working with the Food Standards Agency, an initiative that may eventually lead to commercial kitchens being licensed: a form of compulsory registration. It has also recently received £1.5 million from government, matched by private industry funding, to form an industry forum which will look at best practice, and too see how this can be disseminated across the sector to raise industry productivity (B. personal communication, 3.9.2001).

Politics and the BHA

The BHA has demonstrated considerable success in improving the industry's relationship with the Westminster government across departments as described in Figure 9.2: which is evidence of a policy network approach. For example, in England, the association works closely with the Department for Culture, Media and Sport (DCMS), which includes the Tourism Ministry, where it is fortunate in having an adviser permanently seconded. It also works in partnership with the Department for Education and Employment (DfEE), and the Department of Trade and Industry (DTI), which is responsible for the Regional Development Agencies (RDAs), which interface with the tourism industry. In 1998, the DTI funded a grant of £340,000 towards the BHA's Excellence Through People project that purported to encourage its members to improve its workforce's employment conditions and opportunities. This is evidence of

Figure 9.2. BHA Political Policy Network



the change brought about in Whitehall in the nineties by the emergence of governance, meaning that instead of policy implementation and control being the preserve of isolated organisational units, there has been the development of linkages between organisations. For example, those listed above. Such initiatives could not be carried out without the input of a range of partners (Pyper and Robins, 2000: 290), including the BHA.

Policy networks

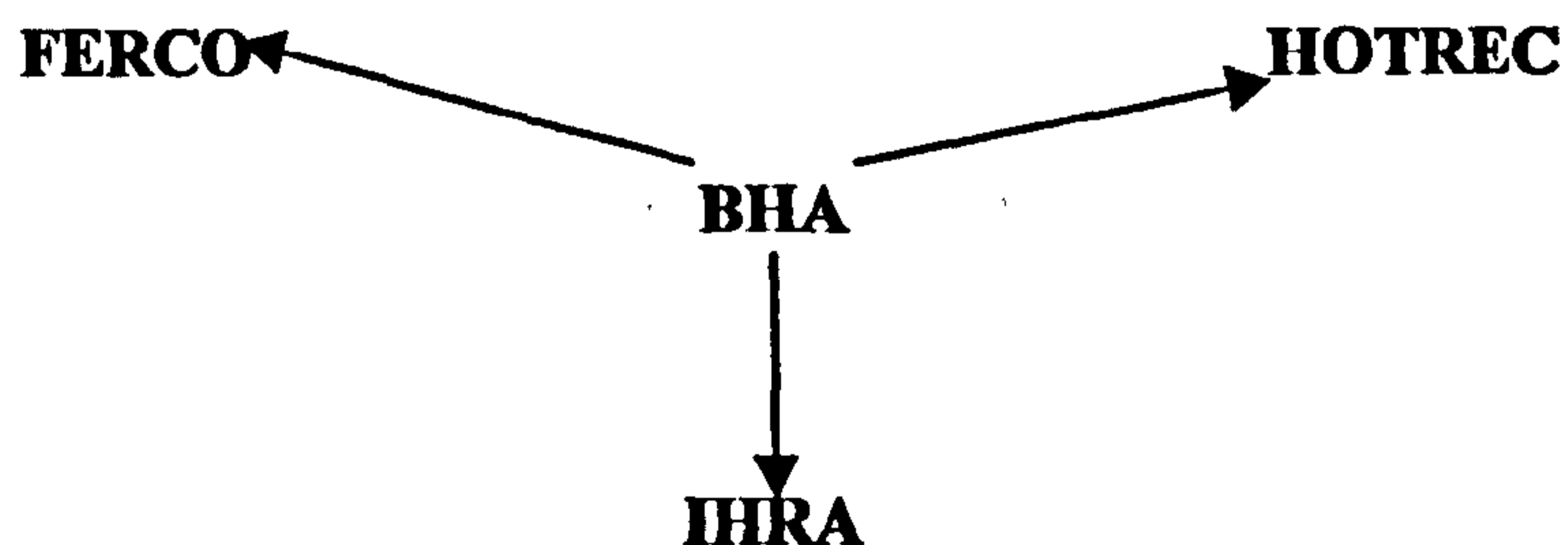
However, the BHA has a wider responsibility to its members and interfaces with other policy networks. In Europe, for example, it is a member of FERCO, the European Federation of Contract Catering Associations, and HOTREC, the organisation of European Hotel and Catering Associations, which is lobbying Brussels on behalf of the whole European industry to harmonise VAT throughout the EU. If this is successful, the UK is most likely to gain as only Denmark has a higher standard rate of VAT, as is described in Table 9.2.

Table 9.2. VAT, Deloitte Touche Study (in a BHA Briefing Document, Hospitality and Government in Scotland). (1999).

EUROPEAN HOTEL ACCOMMODATION VAT RATES			
COUNTRY	%	COUNTRY	%
AUSTRIA	10	IRELAND	12.5
BELGIUM	6	ITALY	10
DENMARK	25	LUXEMBOURG	3
FINLAND	6	NETHERLANDS	6
FRANCE	5.5	PORTUGAL	5
GERMANY	16	SCOTLAND/UK	17.5
GREECE	8	SPAIN	7
		SWEDEN	12

Believing that it is also important to maintain links with overseas policy networks so

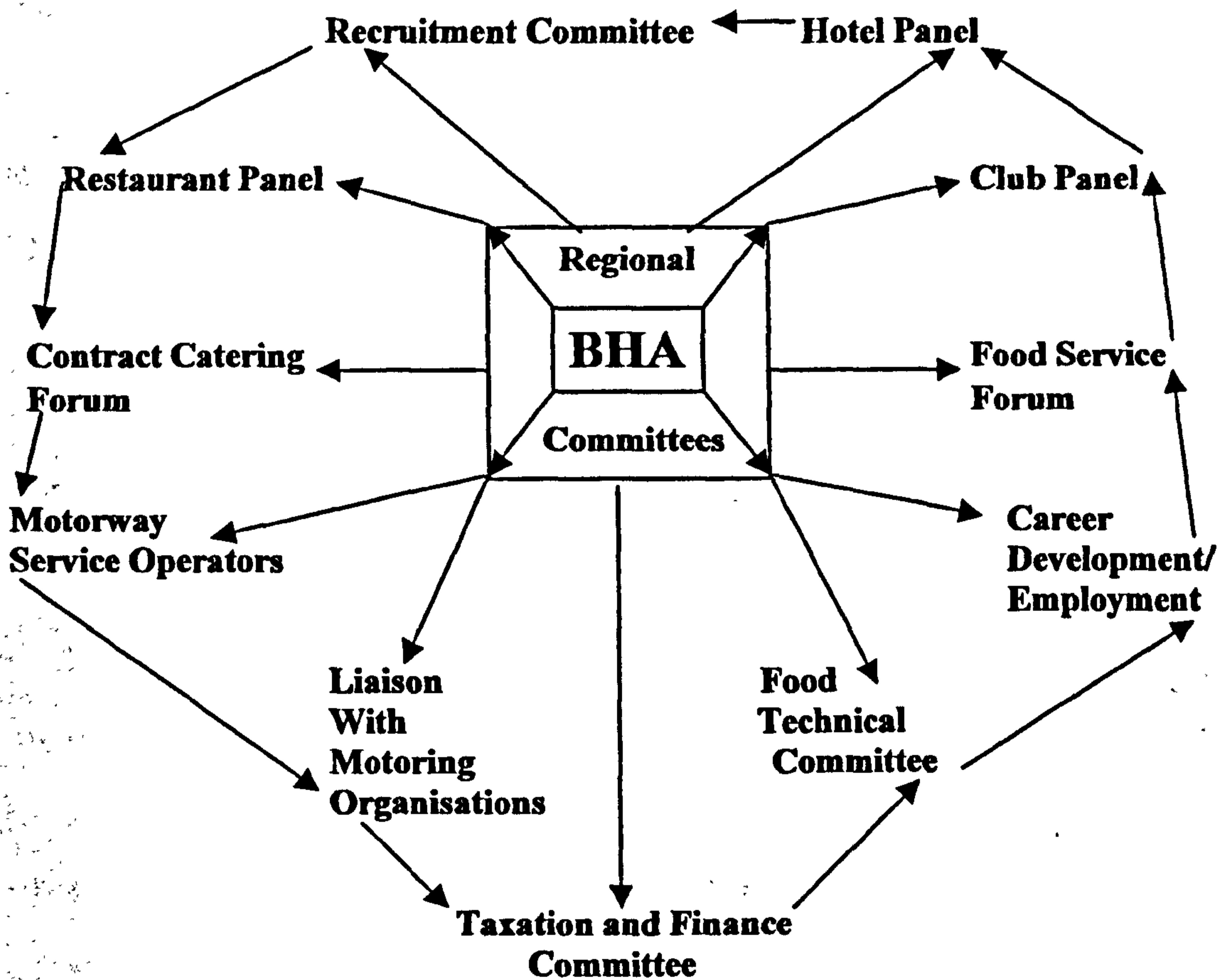
Figure 9.3. BHA/Overseas Policy Network



that its view is heard not only in European but also in international affairs (Figure 9.3.); it is also a member of the aforementioned International Hotel and Restaurant Association (IHRA), (BHA *Yearbook*, 1998).

The BHA's strategy is that it effectively works through various panels and committees. These are comprised of members from across Britain, and are in themselves a series of policy networks (see Figure 9.4.). Among these are the

Figure 9.4. BHA UK Connectivity



Restaurant Panel, and Club, and Hotel Panels, Contract Catering, and Food Service Forums, Motorway Service Area Operators, Career Development and Employment, Liaison with Motoring Organisations, Food Technical, Taxation and Finance Committees, and the newly formed Recruitment Committee. With the proposed

absorption of the Local Hotels Associations (LHAs), a new LHA Panel may be constituted. However, perhaps most influence is brought to bear on the BHA through various regional committees of which the Scotland Committee, the focus of this case study, is one.

THE BHA IN SCOTLAND

Scottish tourism contains a pattern of policy networks in which the value and culture of decision-making elites sustain a distinct set of institutions and relationships (Moore and Boothe 1989, cited in Brown et al, 1996). Within this are the tourism elite who comprise the BHA Scotland Committee, and among which are found a number who appear to influence tourism policy-making in Scotland, both inside and outside the BHA.

The Committee

One of the organisations recognised by government and purporting to represent the industry, the Scottish Tourism Forum (STF), of whom the BHA was an important component, as has already been discussed in earlier chapters, appeared to be on a sabbatical during 1998. During this time, it reviewed both its structure and strategy, particularly in relation to how it dealt in future with influencing tourism public policy.

For example, at an STF meeting on 9th October 1998, members agreed to become a much more strategic unit, which would influence heavily the Scottish Tourism Coordinating Group (STCG) chaired by the new minister responsible for Tourism, Lord Macdonald, and on which the STF Chairman sat. Among the bodies who were members of the Forum and who suddenly began to realise the implications of the new parliament to their members, and also the opportunity provided by STF's inactivity

during their deliberations, was the then Scottish Committee of the British Hospitality Association (BHA): a highly active member of the Forum.

Since renamed the BHA Scotland Committee, the Committee consisted at that time of members, who were in the main Hoteliers and Restaurateurs, representing all the regions of Scotland, under a Chair who, in the normal course of events, serves for two years. Table 9.3. is a list of the members over the duration of the case study, some of

Table 9.3. BHA Scotland Committee Members during time of research.

NAME	BUSINESS
Ann Russell Chair (1992-1994)	Proprietor, Rufflets Country House Hotel, St Andrews
Paul Murray-Smith, Chairman (1994-1996)	Ex-MD Scottish Highland Hotels, MD Eurohostels
Peter Taylor, Chairman (1996-1998)	MD Town House Hotels, Edinburgh
Willie Wood, Chairman (1998-1999)	GM Swallow Hotel, Glasgow
David Clarke, Chairman (1999-2001)	MD Beardmore Conference Hotel, Clydebank
Laurence Young, Chairman (2001-)	MD Freedom of the Glen Family of Hotels
Alistair Clarke	Proprietor, Old Manor Hotel, Fife
Charles Cormack	GM, Cringletie House Hotel, Peebles
Gavin Ellis	Proprietor, Knockomie House Hotel, Forres
Patrick Elsmie	GM Old Course Hotel, St. Andrews
Michael Fink	Proprietor, Western Isles Hotel, Tobermory
Roddy Campbell Henderson	MD Savoy Park Hotel, Ayr
Russell Imrie	Director, Bruntsfield Hotel, Edinburgh
Bill Kerr	GM Malin Court, Turnberry
Stephen Leckie	MD Crieff Hydro
Peter Lederer	MD Gleneagles
Bill Legg	CE Scotland's Hotels of Distinction
Chris Longden	MD Ballathie House Hotel
Charles Marshall	GM George Inter-continental, Edinburgh
Alastair McMurrich	Director Thistle Hotels
Larbi Allali	GM Caledonian Hilton, Edinburgh
Elisabeth Miles	GM Poolewe House Hotel, Poolewe
Diane Millar	GM Marriott, Glasgow
Ken Millar	GM Turnberry Hotel and Golf Courses
Neville Petts	MD Dalhousie Castle
John Sloggie	Proprietor, Castle Venlaw Hotel, Peebles
Norman Springford	MD Apex Hotels, Edinburgh
James Thomson	MD The Witchery by the Castle, Edinburgh
Roddy Whiteford	GM Cameron House, Loch Lomand

whom have now left, including the chairs. But another Chair worth mentioning is Bob Nimmo, who was Chair from 1990 to 1992, who put a lot of effort into establishing the BHA's forerunner organisation in Scotland.

They are among the most active in the industry and, as is demonstrated by the table, include the owners, Managing Directors, Chief Executives and General Managers of some of the most prestigious Scottish tourism properties, although there is not always a correlation between 'active' and 'prestigious'. However, a number played a very important part in representing the BHA's views in the lead up to the Scottish election, and since. How they did this is discussed later in the chapter.

The Membership

There has always been scope for alternative political and social value systems in Scotland (Brown et al, 1996: 94). However, it is disappointing that despite the growth in BHA membership in England, in Scotland, of around 16,000 tourism businesses registered with their ATBs, less than 400 were in membership of the BHA in 1999. Having said that, the above membership does not take into account those companies which operate multiple businesses or whose head offices are registered in London or south of the border, and yet manage businesses in Scotland, of which there is an increasing number. For example, Stakis which has been taken over by Hilton Hotels or Scottish Highland Hotels which has become Paramount Hotels. In fact BHA Scotland claims to represent in total 3000 establishments with an estimated 40,000 employees (2001). These numbers are also explained by the fact that the Scottish membership comprises businesses whose strategic focus is recognised as being aligned to the aspirations the Scottish Executive has for industry. Such businesses are

the benchmark by which the public sector agencies, and hence the Scottish Executive measures the standards of the tourism industry in Scotland. As a result, the BHA in Scotland works closely with partner organisations such as SE, HIE and STB who the BHA claim (BHA, *Members' Yearbook*, 1999) recognise the BHA as a progressive organisation with whom they can do business. In consequence, the BHA in Scotland, albeit now mainly as a component part of STF, is consulted by the Scottish Executive on a variety of tourism initiatives, sponsored by the public sector, particularly those relating to hospitality. However, in terms of numbers, its membership of 400 businesses is less than 2.5% of Scottish tourism businesses (or 18.75% if including all establishments), and it could be argued wields a disproportionate influence on public-sector tourism policy decision-making.

It is also interesting in that this is the inverse situation to the tourist board membership in Scotland, where there are significantly more businesses in membership of the ATBs, and in consequence many more are classified and graded than south of the border. This begs the question of those businesses down south as to why they prefer to be members of BHA than tourist boards, and those businesses in Scotland whose preference is in the main their ATB as opposed to BHA. Perhaps a subject of future research.

The BHA in Scotland in the Late 1990s

The present day BHA in Scotland evolved from the Hotel and Restaurants' Association of Great Britain which had been formed in 1929. By 1949 John 'Bertie' Thomas Loudon, the father of the present secretary, John Loudon, succeeded his father's secretary Kathy Kelly as its secretary in Scotland during which time (1972) it

became known as the British Hotels, Restaurants and Caterers' Association (BHRCA). By 1987 Loudon had succeeded his father, and in 1992 BHRCA became the British Hospitality Association (BHA) (Loudon, personal communication, May 2001). Since then he has guided the BHA administratively in Scotland through the massive challenges faced by the industry it purported to represent.

Loudon, along with Paul Murray-Smith, Peter Lederer, Peter Taylor and before them John Lauchrie of Stakis played a pivotal role in transforming the BHA in Scotland, as individuals often do in network approaches, from an organisation whose principles were basically sociable to one that was strategic. As much as its existence pre-Murray-Smith's Chairmanship reflected the times in which it operated, this sybaritic image was not well-received by the majority of politicians, whom the BHA needed to influence. With support from Lederer and Taylor, and with the administrative expertise of Loudon, Murray-Smith was instrumental in organising the first Scottish Hospitality Industry Conference (SHIC), which was held in 1995, and in bringing new skills to the Committee by recruiting a number of new members, among them the researcher. Along with others such as those mentioned above plus Willie Wood, David Clarke, and Laurence Young, Murray-Smith reinforced the main purpose of the BHA in Scotland. This was that government, civil servants and members of parliament recognise the association as the authoritative voice of the Scottish hospitality industry (BHA *Members' Yearbook*, 1999).

As is often the case within the context of network theory, because of his BHA success Murray-Smith progressed rapidly to the higher echelons of the Scottish tourism industry. Apart from being Chair of STF, which entitled him to sit on the STCG, he is

also on the Council of the UK BHA, a member of the new Strategy Implementation Group, a member of the New Skills Group, Tourism People, Chair of the Scottish Chapter of the Hospitality training Foundation (HtF), and an advisory member of the STB/VisitScotland Board. All of this puts him regularly in contact with politicians at the highest level, along with their civil servants, which fortifies his own position in Scottish tourism.

Since Murray-Smith *et al* re-vitalised the BHA in Scotland it, undoubtedly, had considerable success in improving the industry's relationship with the Westminster government. However, because tourism was ultimately UK policy, the BHA in Scotland during this time had little success in influencing tourism policy in Scotland. It has also found this difficult both in the lead up to and post-devolution. For example, just as its political antenna was beginning to function in the lead up to the election, around the time of SHIC, STF, through Murray-Smith, re-emerged as *the* policy network with which the Scottish Executive was prepared to do business at the macro level. This means that, in terms of influencing STF the BHA's main objective in its participation in a wider policy network is to ensure that its purpose is not diluted, nor its member's quality standards eroded by a diminution of tourism standards in Scotland, or standards of living eroded by ever increasing legislation. Access to this objective is not only achieved through Murray-Smith's position on STF, but also through entrée to a wider policy network afforded to the BHA through him by his influence, and by the influence wielded by Lederer, Taylor, Clarke and Young.

Devolution has also had an impact on the relationship between the BHA in Scotland and the BHA down south. Although there is still a very close association, this alliance

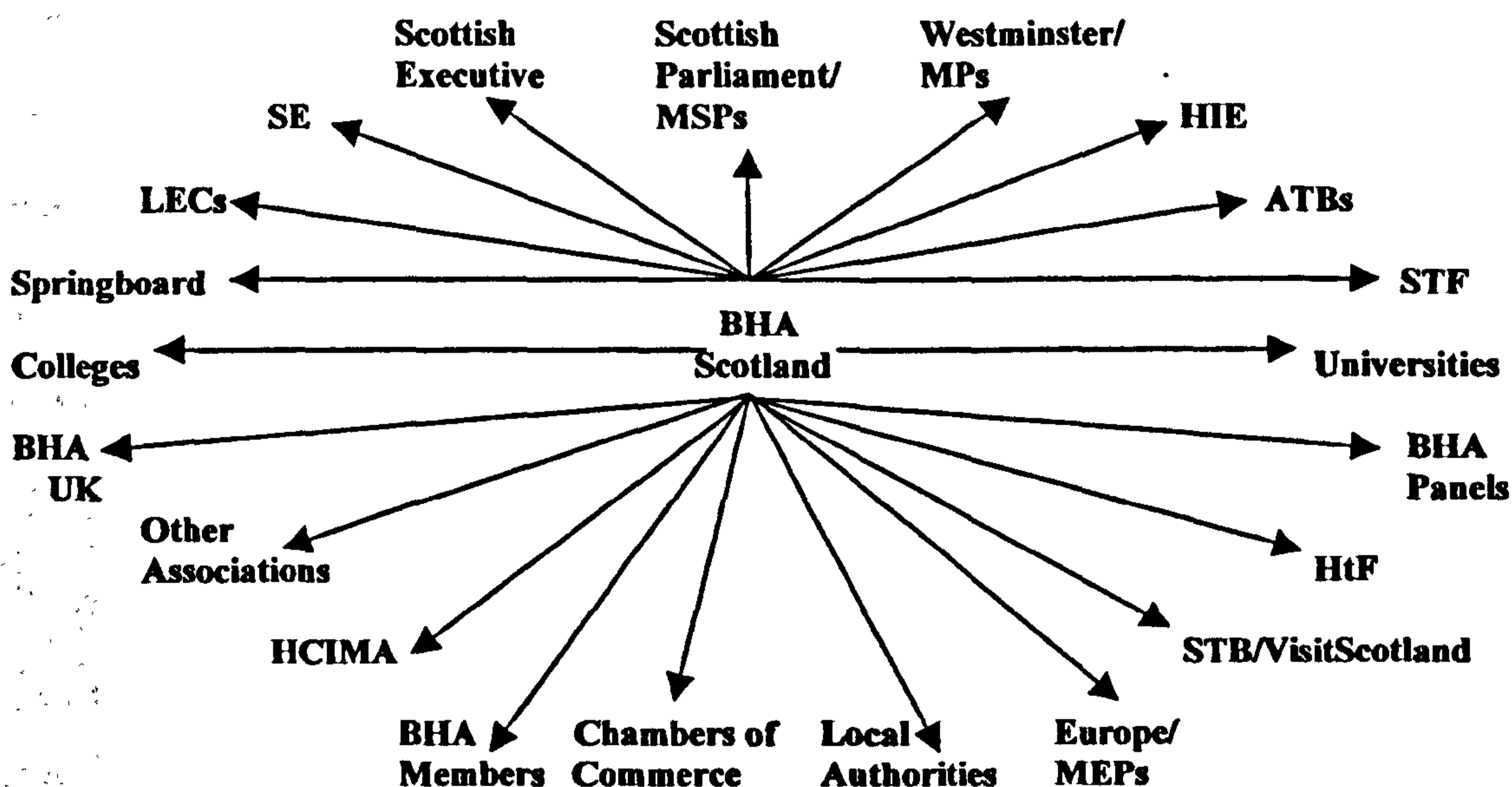
is more complex, to the point that because tourism is a devolved matter, the Scotland Division of the BHA is almost autonomous. Nevertheless, the UK BHA Chief Executive, Bob Cotton, and his Deputy, Martin Crouchman, work closely with the BHA Chairman and Secretary in Scotland and attend all BHA Committee meetings, and other meetings, continually endeavouring to integrate the diverse geographical and sectoral goals. Also, although there is distinct agreement between Scotland and the BHA on subjects as diverse as harmonisation of the grading schemes, skills initiatives and on improving perceptions of the industry, distinct differences remain. For example, while it was important to the BHA in Scotland during the 2000 fuel crisis, to lobby for a reduction in fuel prices, particularly in rural areas, at Westminster the UK BHA is lobbying to influence the government's entire fiscal policy on tax and VAT. Nevertheless, and although tourism is devolved, the BHA in Scotland's strength as opposed to STF which has no wider alliances, is both its relationship with the BHA down south, and the quality and depth of its membership.

The BHA in Scotland as a Political Interest Group

Since we are adopting a network approach to the case study here is an example of a network approach in terms of the BHA. For instance, John (1999: 78) claims researchers now use the network metaphor and research technique to describe and explain relationships between decision-makers as they operate in various policy sectors. The implications of this for the BHA in a Scottish context, is that such relationships are complex and include not only its connection with the BHA at UK level, but also with government in Holyrood and Westminster, STF, STB, SE, HIE, ATBs, Springboard, HtF, HCIMA and so on (Figure 9.5). There are also the relationships within the BHA that bring their own tensions and, as Hall (1999: 51)

claims; the behaviour and attitudes of people in networks cannot be explained without reference to the power relationships existing among them. The various relationships are now described.

Figure 9.5. BHA Scotland Policy Network



The Scotland Committee, chaired at the outset of the case study investigation by Peter Taylor, Managing Director of Town House Hotels, who is now Chairman of the UK Council of the BHA, met three times annually. It had various groups working on issues, individuals representing Scotland on UK panels or committees, and the Scotland Chairman sitting on the BHA UK Council, on which Murray-Smith also sat. The implications of the new political environment that would be created by devolution were not slow to dawn on the Committee of the BHA in Scotland. For example, not only would tourism policy be devolved to the Scottish parliament, STB, SE and HIE would come under direct control of the Scottish Executive, and there would also be a Parliamentary Committee that would have the ability to influence tourism policy. It was therefore imperative to engage with representatives of all the

political parties, while continuing to develop relationships with the public bodies that would soon have new masters, and with other cross-sectoral organisations. Such changes would also provide opportunities to influence policy. In fact, although never specified, there was an implicit determination within sections of the BHA Committee that its more high-profile members should position themselves for whatever post of influence became available after the elections. Murray-Smith, soon after, for example, became involved in the review of STB, then an advisory member of the STB Board, while Lederer in 2000 became head of the new Skills Group, Tourism People, then Vice-Chairman of STB and in 2001 Chair of VisitScotland, STB's successor organisation. Clarke also chaired the new tourism group that worked on the tourism cluster strategy, and was for a time on the Board of Scottish Enterprise Dunbartonshire, while Lederer was on the steering group of the new tourism group, and Murray-Smith and Taylor group members. Meanwhile, Young became Chairman of the BHA in Scotland, took his seat on the BHA Council, continued to be extremely influential in his heartland; the highlands, and brought new thinking to BHA via new Committee members such as Paul Bean of Marriott, Anne Stokes of Robert Gordon University, Joe Longmuir of Heritage, Lynn Abernethy of Solutions and so on.

Although Murray-Smith is entitled to take much of the credit for the BHA's reformation, he could not have done this without the support of Lederer. Despite his complicity in the abortive appointment of Rod Lynch, he was held in awe by many of his colleagues. Mindful that the tourism industry in Scotland had long been somewhat unsuccessful in lobbying the Scottish Office or even Westminster, Lederer claimed this was because the Scottish tourism industry (unlike for example, the farming industry) did not always make it clear what it was it wanted from government or from

the agencies associated with government, and sometimes did not convey which part of the industry's views they were representing (personal communication, 1998). For instance, despite the presence of BHA, STF, ASVA, and other associations, until STF re-invented itself in the wake of the election, and notwithstanding the influence of Lederer and/or Murray-Smith, the industry in Scotland had always lacked a cohesive voice and a clear, strategic policy. This was compounded by the fact that it appeared to be content to let the public sector agencies take the lead on initiatives that were vital to the industry e.g. Ossian, and which would have been better served being industry-led. Devolution and the formation of the new parliament were, therefore, seen as an opportunity for the tourism industry policy networks to change things, and for individuals associated with the BHA in Scotland such as Lederer and Murray-Smith to assume prime positions of influence.

STF/BHA

The definition of a policy network is a cluster or complex of organisations connected to one another by resource dependencies (Benson 1982: 148; from Rhodes 1986a: Chapter 2). Not only is this applicable to the STF/BHA relationship it is also pertinent to those relationships BHA has with STB, SE and HIE. For example, Rhodes distinguishes five types of networks ranging along a continuum from tightly integrated policy communities to loosely integrated issue networks. The others are professional networks, intergovernmental networks, and producer networks. However, their membership and the distribution of resources between members also distinguish these networks (Rhodes 1999: 37-39). Clearly, BHA/STF may be recognised as a professional network as it represents the interests of a particular profession: the hospitality industry, as is STF in representing the wider industry.

In representing many of the finest Hotels and Restaurants in Scotland, and also the Contract Catering Sector, the BHA's Scottish Committee was duty bound to support fully the aims and objectives of the newly reinvigorated STF, particularly as its former Chairman, Murray-Smith, chaired STF, which included all sections of the tourism sector. In this position, he had influential support from Lederer, Taylor, Young, and Clarke. However, according to Murray-Smith in a verbal report to BHA, after becoming Chairman, he had found that the various sectoral representatives on STF all had organisational priorities, which were often put before a common purpose, and that this overshadowed anything he was trying to achieve (personal communication, 1998). This meant that for a considerable period of time in 1997/98, as it underwent an in-depth review, and which also coincided with the devolution vote and the lead up to the new parliament, STF's political activity being somewhat marginalised. Consequently, the BHA, already reasonably successful down south and, to a certain extent, in Europe, particularly concerning lobbying Westminster, Brussels, and Strasbourg, encouraged its then Scottish Committee to become the main voice of the industry.

However, the re-emergence of STF as a Scottish tourism industry force, which coincided with the recruitment of a new Chief Executive, Ivan Brousinne, and the formation of an inner council, meant that BHA's short-lived, but all the same important foray into influencing politics has since been reversed. Coincidentally, although the BHA in Scotland appeared also to have dissipated, consciously or unconsciously, its political edge, it has appointed a lobbyist, Robbie McDuff of Strategy in Scotland, to raise its profile at Holyrood. Regardless, STF is now,

undoubtedly, the substantial political voice, albeit with a small *p*, of the tourism industry policy network in Scotland.

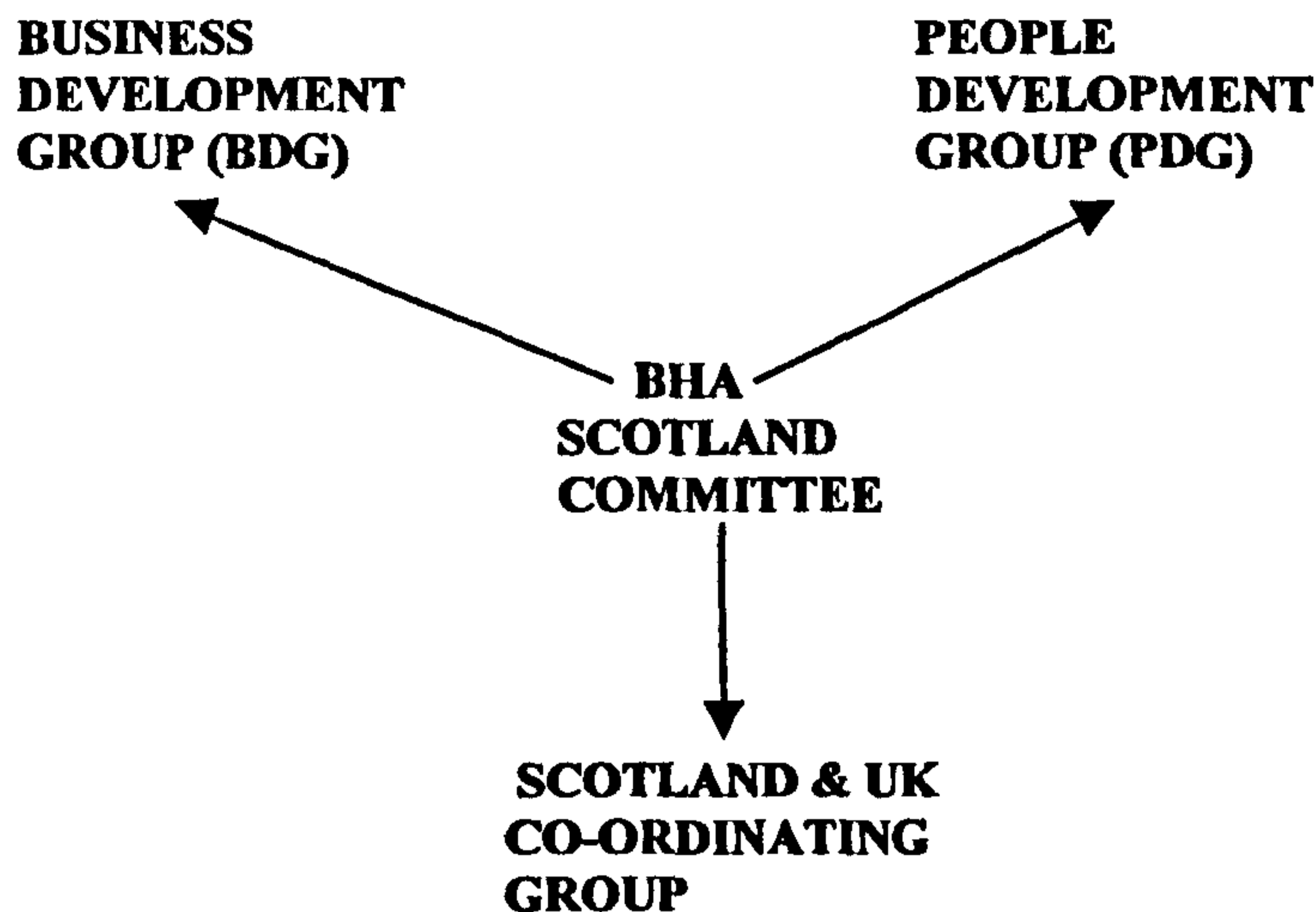
RESEARCHER'S INVOLVEMENT IN THE BHA

Consideration was given to this section being part of the methodology, but on balance it was thought that due to the researcher's deep involvement in the BHA it would be advantageous to the thesis that such material be discussed at this juncture. For example, the relations between researcher and the research he or she is carrying out range from being a neutral observer to becoming fully part of the life of the participants. Take the researcher's own involvement with the BHA, and what this involvement brought to the research. He participated in numerous meetings, other related activities, and was in almost constant contact with the membership and his colleagues, and with those organisations and participants in the policy network. Yet, previously, as a member, he had little contact or influence on the BHA, and in fact had been unaware of its existence. Unwittingly, and through extensive work in tourism in Ayrshire and in a wider sense in Scotland due to Investors in People, of which he was a great advocate, by 1996 he came to the attention of many of those on the BHA Scottish Division Committee. By then, Murray-Smith, who was stepping down as Chairman, had suggested him as a new Committee member. Soon, he became the Chair of the BHA's Education Sub-Group, and when David Clarke took over the BHA Chair in 1998, and introduced new sub-groups, Chair of the Business Development Sub-Group (BDG – Figure 9.6.).

However, by the winter of 1999, he was made aware that he was to become Chairman of Enterprise Ayrshire in April 2000 (on becoming a subsidiary of SE its name was

changed to Scottish Enterprise Ayrshire), the local LEC, and had to step down from the BDG due to the demands of his new post. Since then his attendance at BHA

Figure 9.6. BHA Scotland Sub-groups 1999/2000



Committee meetings had been sporadic. Although still privy to minutes and to other information, this meant that the researcher's involvement in the BHA and influence on it was at its height in the lead up to, during and a few months following the Scottish parliamentary elections: much of which coincided with planning for SHIC.

Yet, in January 2001, at Laurence Young's invitation and endorsed by the BHA in London, he became the Vice-Chairman, meaning that should the BHA decide to re-politicise itself, should he choose he could be in a very influential position in the lead up to the 2003 Scottish parliamentary elections. Since then he has also been invited to become an advisory member of the SE Board, which widens further his involvement in a network of contacts at fairly high levels. For example, this Board consists of among others, Sir Ian Robinson ex-CEO, Scottish Power, Professor Neil Hood of Strathclyde University, Brian Souter of Stagecoach, Campbell Christie ex-STUC

Secretary, Jim Sillars, Belinda Robertson, Ian Ritchie, Michael Cantlay, Robert Crawford and so on.

It is worth considering the researcher's involvement with the BHA and the credibility this brings to the research. For example, Clandinin and Connelly make the claim (1994: 418) that as a researcher begins work on a new project, he, or she often talks about beginning a new story, a story of enquiry, and thinking about an inquiry. In narrative terms, this allows us to conceptualise the inquiry experience on several levels. In this example, although involved with the BHA at the time, the researcher did not have the case study in mind when setting out on the research. Nor was he at the time minded to recognise the BHA in the thesis as any more than any other part of the Scottish tourism infrastructure. However, what became obvious very quickly was the rich seam of material that the researcher's involvement in the BHA would bring to the research. This was in terms of the views of both the participants in the BHA, and also their desire to influence the policy of the incoming Scottish Executive: a situation that the researcher to an extent, engineered. It also gave him access to participants in a major conference (SHIC 1999), which he influenced heavily in both political participative and student attendance terms, that otherwise would have eluded his research, and which resulted in a survey, the outcomes of which have already been discussed in the previous chapter. This consolidated the fact that his participation in the BHA has been advantageous to this research, his research has been advantageous to the BHA, and that as researchers and participants come together, no matter the level of contribution, they are all engaged in the narrative process.

The researcher's involvement with the BHA and what this brought to the research as it developed made it much more credible because of the various facets of the relationships he had built up with the participants. Take those mentioned above. Due to their positions, contacts, networking and influence, such relationships were of prime importance. Being a BHA Committee member gave the researcher unprecedented access to such people, all of whom were extremely well connected, in a tourism sense, at the highest political levels, and with whom he could consult on a personal level, about all manner of tourism-related subjects. Without membership of the Committee this would have been much more difficult, nigh impossible. Similarly, his SE responsibilities afforded him monthly access to Cantlay. Clandinin and Connelly (1994: 424) claim this also meant that when the veil of silence was lifted, and that the researcher knew that through this research he had something to say, and felt the power of his voice; he had to find a way of saying what *he* wanted to say. What is more, as Geertz claims (1988: 424), there is no more difficult dilemma for a researcher than sorting out how to be in his or her text. Being there in the text, he claims, is much more difficult than being there in the field researching. Being there in the text marks each of us as writers and constitutes our research signature. The dilemma to which Geertz (1988: 424) refers is the predicament that researchers find themselves in: how lively should our signature should be, how explicit, how, without exaggerating the researcher's role, the impact on the research is not overly influenced by the researcher's involvement in the research.

Of course, the signature and its expression in discourse create an author identity. In gaining a voice and a signature for it, the researcher puts his or her stamp on the work (Clandinin and Connelly, 1994: 424). In this context the researcher's voice and

signature were to be found in two important BHA initiatives in the lead up to the devolution vote in 1998 and also after this in between times to 1999 in advance of the parliament:

- a) the Committee becoming more politically-minded, including issuing a manifesto; and,
- b) politicising the BHA Scottish Hospitality Industry Congress (SHIC 1999).

(In this context, he was also responsible for the initiative that meant that a small but significant part of the audience was students – 10.4%).

THE BHA IN SCOTLAND'S TOURISM *MANIFESTO*

As Elliott claims (1997: 10), no study of management and tourism can neglect the reality of politics and power. Politics is about the striving for power, and power is about who gets what, when and how in the political and administrative system, including the tourism sector. An example of the involvement of tourism in politics, and of the study of the process commenced on 27 May 1998. Peter Taylor, MD of Town House Hotels, chaired the then Scottish Division of the BHA meeting at the Beardmore Conference Hotel, Clydebank. Noting the influence that the farming industry had through being politically motivated, the committee approved a strategy that meant that its Scottish Hospitality Industry Congress (SHIC) should have a significant political content. At this same meeting, it was also agreed that the BHA in Scotland should engage in writing a tourism manifesto for Scotland, to let the various parties know what the industry expected of them. Following the meeting the researcher who had been instrumental in the politicisation of both SHIC and the

committee's approach to the election, e.g. the manifesto, realised the *real* possibility of this thesis.

Among those chosen to formulate this manifesto were Lederer, Murray-Smith, and Loudon, then a solicitor with MacRoberts of Edinburgh, and the researcher. This meeting took place on 22nd June 1998 at SHH's Head Office, Glasgow, where a draft manifesto was produced.

A further revision took place when the decision was taken to describe the manifesto as an information document titled Hospitality and Government in Scotland: a Briefing Document 1999. In it, Willie Wood, General Manager of the Glasgow Swallow, who had become Chairman of the BHA in Scotland in succession to Taylor, was quoted as saying: 'The hospitality and tourism industry is the most successful and dynamic sector of Scotland's economy. With appropriate government policies, the industry will be able to enhance the position. Our industry thrives on innovation and entrepreneurs. We need the space, encouragement and freedom to grow. The policies we outline in this information document if adopted by the new Scottish parliament will make a major contribution towards enabling hospitality and tourism to meet its full job-creating potential' (1999).

Previous elections necessitated the BHA in Scotland participating in a UK-wide manifesto over which it had little control or influence. Devolution meant that for the first time, it had the opportunity of cataloguing what it wanted from a government for Scotland. Therefore, the points to which we will refer below, and to which every BHA member was asked to allude to when asked by politicians or the media what it was

that the BHA wanted from the new Scottish parliament, were the ones that carried an overall consensus. This meant that either more controversial ones were suppressed or diluted. Among these was outright compulsory registration, Quality Assurance applying to every single tourism business and recognisable qualifications for those in positions of responsibility: all aspects of policy supported by the responses of the SHIC delegates to the researcher's questionnaire (see Chapter eight).

The following is what the BHA in Scotland wanted of the new government:

- **STRUCTURE / FUNDING** - The BHA in Scotland was not convinced that the structure as it stood was the most effective and efficient way for Scotland to market tourism or to improve the product, skills or strategic challenges facing the industry. It wanted to be engaged in helping to form a true partnership between industry and Government with appropriate funding.
- **TAXATION** - In common with other sectors of the industry the BHA believed that the current Value Added Tax (VAT) rates for tourism services were punitive and adversely affected tourism levels. The rate of VAT, for instance, at 17.5%, was the second highest in the European Community. In addition, while VAT is a reserved matter, for Westminster politicians to debate in the first instance, then for Strasbourg and Brussels politicians, it was important that the new Scottish parliament recognised the issues involved. An example of this was a study by Deloitte Touche referred to in Table 9.2. The UK rate of VAT at 17.5% is the second highest in the European Union, meaning that Scotland is competing at a disadvantage with other major EU tourism destinations, such as France, Spain,

Greece and Italy. In fact, a report, again by Deloitte Touch, in 1998, estimated that a reduction in the present UK VAT rate to 8% within four years would create about 50,000 additional jobs in the UK, produce a net gain to the Treasury and reduce the balance of payments deficit. (Deloitte Touche, 1998)).

- **GRADING AND CLASSIFICATION** – The BHA in Scotland supported fully the introduction of grading and classification across all aspects of the hospitality and tourism industry, and saw it as a means by which compulsory registration could be achieved amicably. It was particularly keen to see the scheme extended to all food outlets and was disappointed that the intended food-grading scheme has been put on hold.
- **DEREGULATION** - Whilst supportive of deregulation and not wishing to put up barriers, the BHA in Scotland was of the opinion that individuals or companies should be unable to open up a tourism and hospitality business or to operate one without having satisfied various requirements in relation to experience, qualifications, expectations and legislation. It was felt, however, that the increasing burden of red-tape and legislation was cumbersome and as empirical evidence showed that not all countries bound by European legislation actually enforced their companies to comply with such legislation, while the UK government did, this put Scottish tourism operators at a disadvantage.
- **NATIONAL PARKS** – There was a common wish to see National Parks established by 2004, but not at the expense of other tourism areas in terms of displacement or reduced funding, or for the motorist accessed only by road tolls.

Expectations of such parks were also that environmental considerations were paramount and that they would not be 'Disneyfied'.

- **LICENSING** - The BHA pressed for a complete review of the Licensing Law to bring it in line with changing customer needs that would reflect the current society in which we live.
- **CONSULTATION** - Whilst encouraging employer consultation the BHA in Scotland did not endorse works councils or formal collective bargaining. It was concerned that this would both stifle growth and employment and that the industry would be unable to both react to changing markets and be flexible enough or have a multi-skilled workforce.
- **PLANNING** – There was an overwhelming view that planning laws and procedures under the new parliament should reflect the economic and employment benefits of new and growing tourism business as for many years it had been a area of real upset and contention. Matters were made worse by inconsistency area to area.
- **SKILLS DEVELOPMENT** – The BHA in Scotland felt strongly that further and continuation of incentives to train staff was necessary. The BHA encouraged such initiatives. It encouraged its members to become an "Investor in People" or participate in the BHA's "Excellence Through People" initiatives. Also to provide vocational qualifications, to support life long learning, to be involved in the New

Deal and support Springboard UK, and asked that government recognised operators who were supportive of skills development.

- **TRANSPORT** – The BHA recognised that there was an opportunity for Scotland to integrate its transport systems linked to England and mainland Europe by upgrading and extending the A77, A1, A74 and A9. (The researcher had to fight for the inclusion of the A77 in the manifesto. Twelve months later, Sarah Boyack MSP, Minister for Transport announced that the A77 was being extended in 2002 from Malletsheugh to Fenwick – a triumph for the then Ayrshire Economic Forum).
- **CONTRACT CATERING** – Although no-one from the contract-catering sector ever attended Committee meetings, it was a strong element of the southern membership and the sector had a strong presence in Scotland. Therefore, in common with its southern counterpart, the BHA in Scotland supported continuation of public sector partnerships for commercial and contract catering companies.

SCOTTISH HOSPITALITY INDUSTRY CONGRESS (SHIC)

At the researcher's behest, BHA's political imperative was driven by the plans that the BHA in Scotland was making for its bi-annual conference, the BHA Scottish Hospitality Industry Congress (SHIC) that was to be held in Edinburgh on 1st March 1999. This was the third SHIC: the others took place in 1995 and 1997. However, it was quite coincidental that this was to take place two months before the elections that

decided who governed Scotland for the first four-year term of a Scottish parliament.

In effect, in political terms, SHIC could not have been timelier.

Due to the forthcoming election, the SHIC Committee took the decision, which was opposed by a small faction, to become political, with a small 'p'. Among the most active members of the SHIC Committee are those listed in the following table, Table 9.4.

Table 9.4. SHIC Committee 1999.

NAME	COMPANY
Willie Wood (SHIC Chair)	Swallow Hotel, Glasgow
David Clarke	Beardmore Conference Hotel
John Loudon (Secretary)	Dundas and Wilson, Solicitors, Edinburgh
Kerry Bottomley	The Herald, Glasgow
Alistair Clarke	Old Manor Hotel, Fife
Roddy Whiteford	Cameron House, Loch Lomond
Patrick Elsmie	The Old Course Hotel, St. Andrews
Peter Taylor	Town House Hotels
Charles Marshall	George Inter-continental Hotel, Edinburgh
James Thomson (Dinner Organiser)	The Witchery by the Castle, Edinburgh
Ann Russell	Rufflets Country House Hotel, St Andrews
Bill Kerr	Malin Court, Turnberry

Wood chaired this meeting which was held at the Herald's offices on 12th May, 1998.

At the meeting, it was agreed that the leading politicians from the four main parties would better serve the industry and the conference by making a short presentation on their party's proposals for Scottish tourism policy after devolution. Of the politicians suggested all agreed to participate except Donald Dewar MP, the then Scottish Secretary of State, who delegated the responsibility to Lord Macdonald. The others were Alex Salmond MP Convenor of the SNP; Jim Wallace MP Leader of the SLD; and, David McLetchie the new Scottish Conservative Leader. Kirstie Wark of the BBC's Newsnight programme chaired the debate.

Seven hundred and two delegates attended SHIC; the largest tourism conference held in the UK that year, 10% of these students. For the BHA it was testament to its then prime position in the Scottish tourism firmament, which will never be the case again, and is perhaps best remembered for the manner in which the audience, during questions to the politicians, took them to task. For Wood, the then Vice-Chairman, it was a tour de force of organisation, and for the Herald which sponsored it; it was an opportunity to invade the territory of its greatest rival the Scotsman. For the researcher, however, who had little idea of the possibility it would afford him when appointed to the SHIC Committee the previous year (Spring 1998), it provided the best opportunity of all. It enabled him to research what it was that the Scottish tourism industry wanted from the politicians: which is described in Chapter Eight.

SUMMARY

The case study clearly identifies how it can influence future policy within the policy network, plus the dangers of power elites and organisations. To draw it to a conclusion the question that may be uppermost in the reader's thoughts is if the BHA did influence the eventual tourism policy as effected in A New Strategy for Scottish Tourism (2000), or The Scottish Tourist Board Management Review, Report and Recommendations (2000)? For the researcher, there is an alternative to these questions. Did either in any way reflect the outcomes of his survey emanating from SHIC?

Unfortunately, the evidence from the case is that the BHA had no direct influence on the eventual policy outcomes, nor did the above strategy or review reflect the wishes

of those who attended SHIC and participated in the survey as is evidenced in Chapter Eight.

However, in taking the case study to a theoretical level there are other more positive outcomes. Through involvement in STF, and despite the criticisms of it, this case study has established that a policy network approach explores complex relationships as they shift and change, as is evidenced by the manner in which the BHA operated in the election environment, and afterwards. It has also demonstrated, as John (1999: 91) claims, an understanding of how policy is often processed by small groups of organisations and individuals in the policy sector. What the BHA members have to be wary of, however, is that the conventional account of policy networks treats them as an instance of private government which destroys political responsibility by shutting out the public. For example, by creating privileged oligarchies (Lederer, Murray-Smith etc) they are conservative in their impact because the rules of the game and access favour established interests (Marsh and Rhodes (1992a: 265).

Having established this, the reader may also ask why research the BHA in a policy network context when there were many other like-minded organisations in Scottish tourism. The answer is that it would have been impossible and impracticable to follow the progress of every tourism membership organisation and the manner in which it dealt with the advent of devolution. The researcher, therefore, believes firmly that while the research carried out by him on the BHA, including the SHIC conference, may not represent the view of the tourism industry in Scotland wholly in the lead up to devolution, the fact that this is the part of the industry that is more aligned to quality and strategic purpose than any other part, and is recognised by government as

being so, renders the research findings valuable not only to the future of the industry and those who work in it in Scotland, but also to the politicians and civil servants who will set policy over the next few years.

As a footnote, the author is now of the opinion that if STF had been functioning fully in the year before the lead up to the election, as an organisation it would have been equally as interesting as investigating the BHA. It is clear that it is now the most influential voice of the tourism industry private sector in Scotland, and future research might wish to encapsulate how it has propelled itself into prime position.

CHAPTER 10 -CONCLUSIONS

INTRODUCTION

This thesis investigated fully Scottish tourism public policy towards the end of the 20th and the beginning of the 21st centuries. Based on a study of the attitudes of tourism industry professionals towards their industry's future, combined with a quest for a more appropriate tourism public policy for Scotland, its progression was theoretical, descriptive and investigative, and recognised that although the outcomes of this research suggest a new public policy for tourism in Scotland such a policy will be unsuccessful in isolation. For example, if Scotland is to aspire to a truly world class tourism destination, the Scottish Executive through complementary public policies will also have to improve transportation, communication, connectivity and access, and Scotland, as a nation, will have to address cultural, societal, educational and attitudinal behaviours.

At the outset this thesis delineated the theoretical setting in which it was to be framed, and proposed an integrated framework, a heterogeneous one, which recognized that although the constituent parts of Scottish tourism policy were irrevocably interrelated they were also profoundly fragmented. In addition, the institutions, elites and the various associated Scottish tourism and economic development bodies were influenced heavily by the constraints of devolution and external influences e.g. Westminster's reserved powers, European legislation and globalization. Furthermore, elites associated with the institutions and interest groups vied to influence decision-making, in the process themselves becoming institutionalized, inadvertently impeding change. This led to the descriptive chapters which investigated fully the various aspects of Scottish tourism

public policy towards the end of the 20th and the beginning of the 21st centuries, and revealed that Scottish tourism policy and decision-making processes, and the context and environment in which the tourism industry in Scotland operated at that time were extremely complex. This included a critique of tourism in Scotland, plus informed decisions as to the choice of the most appropriate methodological approaches to the collection of data that described the process of this research. This methodology was in essence a 'tiered' one, meaning that each outcome built on the previous one in order to elucidate further our knowledge of the hypotheses, propositions and circumstances. This led to the investigative chapters such as the interviews and the survey, both of which captured the essence of governance, and where the questions that comprised the interviews were derived from the literature review embodied in the descriptive chapters.

The case study that followed explored the BHA in Scotland in terms of policy network theory (Rhodes 1999), combined with the roles of influential individuals connected to the BHA, and consequently to the networks and institutions in which they operated, illustrating precisely how institutionalism and networking approaches were evident in Scottish tourism. It also addressed Marsh and Rhodes (1992a: 265) position that by creating privileged oligarchies, and being conservative in their impact, the rules of the game and access favoured established interests, an important point. This culminated in an analysis of the research outcomes; all of which lead to the key points and the main issues articulated elsewhere in this chapter. Furthermore, these points and issues can be explained in terms of their relation to each of the three methodologies; the heterogeneous and policy networks approaches; and, to the forces of institutions, processes and people.

For example, how these correlated with one another combined with their implications for Scottish tourism, and for complementary public policies. In effect, this also addressed Crozier's (1964: 107) position, that the behaviour and attitudes of people and groups within an organization cannot be explained without reference to the power relationships existing among them. Such relationships were evident in the BHA, and brought tensions in terms of the individual's complementary roles e.g. Peter Lederer as first a Director of STB then Vice-Chairman and Chairman of VisitScotland, Paul Murray-Smith as Chairman of Scottish Tourism Forum (STF), Peter Taylor in his roles with BHA and STF.

CONTRIBUTION TO KNOWLEDGE

This thesis which encompasses up to and including the Scottish post-devolution period constitutes an original contribution to knowledge. Its particular significance perhaps lies in the fact that the research embodied in the thesis has been conducted during conceivably the most fascinating and unpredictable period for the Scottish tourism industry. For example, it reviews the development of Scottish tourism in terms of the evolution of institutions, organisations and elites involved in Scottish tourism administration, and analyses how recent policy initiatives have evolved and been perceived by members of the industry. Furthermore, it explores Scottish tourism from a political policy perspective, and contains, as far as it is possible to ascertain, the first survey of both expert and operator opinion about contemporary policy issues on Scottish tourism. In addition, it places the recent economic performance of the Scottish tourism industry in a wider international context. Lastly, and perhaps most importantly, its

originality in contributing to knowledge is substantiated by the fact that no such integrated contemporary account of tourism and tourism public policy in Scotland had existed until now.

THE CONCEPT OF THE THESIS

This thesis evolved from a desire to understand and explain more fully the dominant issues and controversies in Scottish tourism in both the lead up to devolution, and for a brief but nonetheless important post-devolution period. However, as explained in Chapter Six, this thesis did not propose a crude positivistic testing of hypotheses. Nevertheless, investigative hypotheses, propositions, and circumstances that were examined were considered important to framing the thesis.

In essence, the thesis attempted to display an understanding and explanation of the relationships of tourism public policy formulation, tourism policy-making, tourism policy-making decisions, to the various fractious organizations within the panoply of Scottish tourism, all in the context of both pre-and post-devolution. It also attempted to understand and explain the personalities involved, their relationships, the constraints within which tourism operated, the external influences and so on.

In adopting a heterogeneous approach, this thesis correlated with and encapsulated social and economic processes that were rapidly changing and evolving over time. The one exception, which has already been alluded to, is that which applied to Chapter Nine, the case study. In order to capture the mechanics of the processes and the dynamics of the

people who primarily influenced the BHA Scottish Committee, and consequently its approach to tourism policy, the researcher ultimately adopted a policy network approach, which was vindicated by the outcomes of the case study. For example, it focused on the links between people, institutions and networks, described the processes by which these complex relationships were managed and, in consequence, provided a connection between the micro-level of analysis, and the macro-level of analysis.

The research also revealed that the industry's performance in relation to Scottish tourism public policy during this time was being measured more than ever against a background of global societal change, and also areas over which it had no control e.g. 'foot and mouth', and international terrorism in America. In consequence, Scottish tourism businesses had to take into account the important transformational forces in the world and the resultant likely implications of this for their future, and, just as importantly, the affect this had upon those who were considering it as a career and on whom, along with the customer they served, ultimately the future of Scottish tourism depended.

Furthermore, due to tourism's growing international economic and social importance, combined with the new parliament's powers to question and influence many aspects of the Scottish economy, a large section of the tourism industry in Scotland had a desire to be measured and valued against other sectors in terms of viability, sustainability and long-term growth. These, combined with other measures such as recognition of tourism's ability to absorb unemployment emanating from the demise of industries whose products were nearing the end of their life cycle, were factors that the industry believed would

place it mainstream of economic and societal concerns. However, although tourism became much more visible due to devolution the recognition the industry desired in terms of policy, funding and decision-making, as evidenced by the research, was to the industry in comparison insignificant to that of other industries e.g. farming, fishing: another cause of the industry's frustration with politicians. This was compounded by 'foot and mouth' where the impacts on tourism appeared not to be taken as seriously as its impact on farming, and ultimately the terrorist bombs in Washington and New York, the outcome of which on tourism in Scotland has still to be ascertained, but could be cataclysmic.

THE CHARACTERISTICS OF THE THESIS

The specifics of decisions in regard to Scottish tourism policy-making, from agenda setting to policy implementation were multifarious, and the relationships across the many organizations involved in Scottish tourism, as has been demonstrated throughout this thesis, were highly complex (John 1999: 196). In consequence, during the thesis's research Scottish tourism policy could not be separated from the milieu in which it evolved (Hall 1999: 191). To make sense of this complexity, and has already been alluded to, this thesis adopted a heterogeneous approach that aligned the most appropriate characteristics of contemporary theories and synchronized them with the environment in which Scottish tourism operated. In consequence, the component parts such as the institutions, processes and people within this approach related in every respect to each of the three methodologies.

In specific terms this thesis proffered an informed analysis of the state of Scottish tourism in a global context at the Millennium, reviewed the arrangements of Scottish tourism both post and pre-devolution; and commented on how recent policy initiatives have evolved and been perceived by members of the industry. It also reviewed the development of Scottish tourism to this point in terms of the evolution of institutions and organizations involved in Scottish tourism administration, up to and including the immediate post-devolution period, and placed the recent economic performance of the Scottish tourism industry in a wider international context. Furthermore, it took account of the impact of devolution on Scottish tourism, sought opinion from influential politicians and tourism experts, contained a survey of operator opinion about contemporary policy issues on Scottish tourism, and presented a case study of a Scottish tourism interest group, the British Hospitality Association (BHA) Scotland Committee.

From the outset it was clear that the research had to be synchronous with the complex environment in which Scottish tourism operated. For example, one important initial outcome of the research, which remained constant throughout, was the industry's lack of confidence in the Scottish Office/Scottish Executive's ability to demonstrate a strategic public policy focus for Scottish tourism. This was despite the government's 1994 Scottish Tourism, Strategic Plan (STCG, 1997), Scottish Tourism Strategic Plan Progress Report (STCG, 1997) and Policy and Financial Management Review of the STB (STB, PFMR, POS, 1998), all of which nevertheless endeavoured to confront the very real challenges that Scottish tourism faced. To compound matters further, following the May 1999 Scottish parliamentary elections, consultation with the industry, and the subsequent

publication of A New Strategy for Scottish Tourism (STB/PriceWaterhouseCoopers, 2000), the Scottish Executive compelled Scottish tourism to continue to operate within the framework of a policy little altered from that laid down by its predecessors e.g. Conservative Scottish Office post-1997, and a Labour Scottish Office 1997 – 1999, but within a global environment that had changed dramatically.

The research outcomes as they emerged were convoluted further by the nature of this policy and its relationship to the wider Scottish economic development policy, and to other complementary policies, some derived from Holyrood (devolved), others from Westminster (reserved). For example, unlike other subjects in political science, the study of policy focuses on the whole political system and its external environment. Also, whereas studies of legislatures, political parties, bureaucracies and local authorities focus on decision-making in one political institution, or compare how political institutions work, the study of public policy follows a 'slice' of political action in a particular sector of activity (John 1999: 196) as this thesis does in regard to tourism. This was complicated further in that no one Scottish public body dealt in its entirety with Scottish tourism. Instead, component parts were the responsibility of various public sector institutions e.g. STB/VisitScotland, BTA, SE/HIE, ATBs, LECs, local authorities, Scottish Natural Heritage, Forest Enterprise, Historic Scotland, Scottish Arts Council, Scottish Museums Council and sportscotland.

Paradoxically, and contrary to the evidence revealed by the research that the tourism industry in Scotland was treated indifferently by its politicians during this time, the

research's progress was invigorated ironically by the activity that took place in the tourism and economic development spheres post-devolution. Although this activity failed to materialize in a new tourism public policy, the fact there was much more focus on tourism than would have otherwise been the case pre-devolution, and that politicians were more accessible to the industry, had raised expectations of the Scottish Executive that it was never able politically to meet. That such expectations did not eventually materialize in terms of changes in policy, funding or structure led to further industry disillusionment at the Scottish Executive's inability to confront the real issues tourism faced. This was exacerbated by the negative impacts upon the Scottish tourism industry that occurred just as the research was being drawn to finality e.g. the debacle over the appointment of the new STB/VisitScotland Chief Executive, foot and mouth, and the terrorist bombings in New York and Washington.

Meanwhile, in August 2001, the Minister for Enterprise and Lifelong Learning, Wendy Alexander MSP, through www.scotexchange.net (Time to look again at the new strategy for tourism in Scotland, 2001) issued a new challenge. She believed it was the right time to look again at the national tourism strategy stating, "*Eighteen months on and in the wake of Foot and Mouth Disease (this was in advance of the terrorism strikes), we want to listen to your views (the industry) on what has happened since the national strategy was produced in February 2000, and look forward to what the future priorities should be*".

The views of tourism businesses were being sought in a number of ways - at grass roots level through ATBs and through the Scottish Tourism Forum, trade associations and national agencies. Businesses and individuals could take part by either: completing the template online, printing the template, completing it and mailing it back to VisitScotland, or responding through their ATB, trade association or direct through the Scottish Tourism Forum. This exercise was in advance of the successor to SHIC, Scotland United, a tourism conference to be held in Edinburgh in November 2001, and in which the BHA is one of a triumvirate of organizing partners; the others being STF and VisitScotland. Although her predecessor's previous consultation achieved little consensus, and that rumours abounded that Alexander was about to be replaced by the parliament 'fixer' Tom McCabe MSP, a former council leader, expectations of this one and of Alexander who, if still in her post, is making the keynote speech at the conference in response to the consultation are high. The BHA's response, in particular, which was drafted by the researcher, but much changed in the final submission, after consultation with the elite, is based on much of the research for this thesis, many of the issues similar to those discussed later in this chapter. However, the BHA in London watered down the researcher's draft considerably, reinforcing his view that the elite were not ready for radical change, meaning that if they were opposed to it then the minister would not even have the opportunity of considering it.

KEY POINTS

Throughout, it was important to the researcher that the three methodologies illuminated the research questions. In consequence, a number of recurring themes emerged from the

methodology, which from the point-of-view of the theory(s) adopted, were most relevant to the research. These were:

- deep dissatisfaction with the arrangements for the administration of tourism in Scotland;
- incompatible views at operator, institutional and policy-making level on the applicability of Scottish tourism's institutions and structures to the 21st century; and,
- disagreement on both tourism's contribution and importance to the Scottish economy.

To understand the intensity and depth of feeling behind these, the research required to clarify to what factors such feelings could be attributed, and if such deep dissatisfaction, incompatible views and disagreements could be resolved. For example, in Chapter Three we asked how deeply embedded institutionalism was in Scottish tourism policy-making. In response, the research outcomes were quite clear. Institutionalism was intrinsic to the Scottish tourism infrastructure and along with structure and fragmentation were contributory factors that rendered Scottish tourism too slow to change and adapt to the demands placed upon it by globalisation. Furthermore, the elite that grew around the institutions, who since the inception of devolution had some, albeit limited, influence over the tourism agenda, compounded this. However, although opposed to radical change, there is no evidence that this small coterie, although analogous in itself to an institution, was suppressing change. Indeed they were the instigators of the above

conference which was designed to change things. However, by having become part of the establishment, by colluding with MSPs, MPs and others they were still effectively and inadvertently impeding the fundamental change that the industry desired, much of which was due to their, and the industry's, innate conservatism.

THE MAIN ISSUES

In the first twenty-four months of the parliament, the industry's frustration with the Scottish Executive's inability to demonstrate a strategic public policy focus for tourism in Scotland combined with widespread disillusionment at its disinclination to initiate major structural change, led to an inexhaustible preoccupation with the continued existence and futures of STB/VisitScotland, and the ATBs, and interrelated processes such as funding, membership, ATB network structure, and TICs. Concern was also evident at BTA's relationship with Scottish tourism e.g. as tourism was devolved why was a cross border authority still partly responsible for marketing Scotland overseas? There was also strong feeling that the Scottish Executive was indifferent to the Scottish tourism industry. This was evidenced by the fact that following the 1999 parliamentary elections it chose not to dedicate a ministry to tourism. Although such a theme took two years to materialize, following devolution, the possibility of a dedicated tourism ministry being the BHA's 'big' theme for the 2003 Scottish parliamentary elections was evidenced by the fact that this was proposed at the July 2001 BHA Committee meeting in Edinburgh as being the central, or even the only theme of the BHA Scotland's manifesto for the 2003 Scottish parliamentary elections. In a different context, that of the thesis research responses, more contentious were the proposals that there be a tourism tax, compulsory registration of

tourism businesses and the need for a professional qualification to operate such businesses.

Further concerns were expressed in terms of the 'raw material' entering the tourism industry: or those already in employment; in terms of their levels of education, attitudes and aspirations. In addition, a number of those interviewed were of the opinion that Scotland did not yet have the appropriate culture and society to create an environment in which a tourism industry could truly aspire to be world class, and that this was compounded by its poor transport infrastructure, communication, connectivity and access: areas of concern that require complementary public policies to address.

Furthermore, the fragmentation of the industry and the Scottish Executive's unaccommodating response to the relevance of Scottish tourism's institutions and structures to the new Millennium were compounded by the conflicting views expressed at all levels of the industry. For example, in his inaugural University of Abertay Dundee Lecture (28 June 2001), Professor Derek Reid was of the opinion that public bodies and all others involved in tourism had their own agendas, objectives and priorities, and by behaving in an insular fashion, they were dissipating the potential of the industry, and the optimal use of scarce public financial resources. In consequence, he suggested a need for the Scottish Executive to play a much more active and engaged role with Scottish tourism, a view that found expression during the interviews for this thesis, and would appear to be widely held.

There was also the role of the various interest groups, many of which, including the BHA, came together under the umbrella of the Scottish Tourism Forum (STF): a vehicle established to give a coherent voice to the industry. For example, initially representing the industry on the STCG, and ultimately on the organisation that superseded the STCG, the Strategy Implementation Group. On the contrary, when McLeish consulted with the industry for his 2000 tourism strategy, apart from a collective response from STF, which had been hard fought, he also received discrete responses from each of its constituent parts, many stating different views to that which was stated in the STF submission. To compound matters further, many individuals involved with the interest groups that constituted STF submitted their own thoughts, many again at variance with the views of both STF and their immediate interest group affiliation. This was replicated throughout the consultation. For example, at a meeting of the LEC Chairs in July 2001, McLeish defended the familiarity of his new strategy stating that during the consultation no coherent policy emerged: every interest group, every institution, every operator appeared to want different things of him, there was no consensus with the outcome evidence of a top-down approach to policy-making. The researcher clearly recalls the minister saying that if he were to re-define the map of Scottish tourism, he would not start from here (personal communication 5.7.2000). A subsequent conversation with one of his civil servants revealed that as much as McLeish's initial instincts had been to tear up everything relating to tourism and start again, which was what a substantial part of the industry wanted of him, he did not have the heart or inclination (personal communication, 5.7.2000). The end result was a strategy that was, as Professor Reid claimed, largely an aspirational document, that fell short of tackling issues such as funding, structures or the

prioritisation of change (28 June 2000). This confirmed Peter Lederer's statement in Chapter Nine that the tourism industry in Scotland had long been somewhat unsuccessful in lobbying the Scottish Office or even Westminster because it did not always make it clear what it wanted from government or from the agencies associated with government, and sometimes did not convey which part of the industry's views they were representing (personal communication, 1998).

In fact, the extent of the general problem of obtaining a mutual coherent voice from the industry and the Scottish Executive remained constant throughout the thesis. The fragmentation of this relationship was intensified further in that following a consultation that raised expectations of change; the industry was compelled to operate within an environment that had been created for it by a policy with which in terms of structure, funding and strategy it had little empathy.

In consequence, in the context of endeavouring to understand Scottish tourism public policy, how institutional and networking approaches could be seen in Scottish tourism and its correlation with governance, such issues were specifically the most relevant, interesting and constructive ones from the conclusions derived from the three methodologies, and which related to the key points of the research.

THE IMPLICATIONS OF THE FINDINGS FOR SCOTTISH TOURISM

In adopting a heterogeneous approach the ability to understand and explain the processes behind the dominant issues and controversies in Scottish tourism in both the lead up to

and for a short time after devolution enabled us to make sense of the complex environment in which the Scottish tourism industry operated at that time. It also brought an ability to the research to deal with a number of issues pertinent to Scottish tourism during an era of rapid and uncharted change, particularly the networks, the individuals involved in them in their pursuit of specific agenda, and the interaction between the various private and public sector Scottish tourism organizations such as Scotland's prime public sector tourism organization, STB/VisitScotland.

STB/visitscotland

This research brings into question the tensions that exist in Scottish tourism between businesses that create economic wealth and employment, and those that are family or life style businesses, yet which in their own disparate ways are equally significant to the fabric of Scottish tourism and to every day Scottish life e.g. the disproportionate influence of the smaller operators on the Area Tourist Board network.

Such tensions are compounded further by the divergence of quality, products and service across these sectors, and although it has little control over many of these aspects STB/VisitScotland, as opposed to the Scottish Executive, is irrevocably held responsible for their failings by politicians, visitors, and the general public and the industry.

For example, Henry McLeish MSP, the then minister responsible for tourism, at the launch of his new department's strategy in February 2000, said: *"I want a modern, focused, skilled and enterprising industry dedicated to providing the high quality of*

service our visitors demand. An industry that is confident, aspirational and ambitious."

Nevertheless, thereafter, he appeared reluctant to initiate the changes many in the industry expected of him, reflected by the responses of this survey's respondents, and which might have regenerated the then STB. For example, some months earlier his vision for the tourism industry was one that was to be *"deep in the framework of an enhanced Scottish Enterprise Network."* (1999). Yet, Wendy Alexander MSP, when she became responsible for tourism in 2000, condoned the STB review that appeared to take a contrary view to McLeish, *"that the STB should request that the Enterprise and Lifelong Learning Department clarifies that responsibility for tourism strategy and policy lies with the STB, and reallocate the existing costs incurred in the enterprise network to the STB"* (STB, 2000). In effect, there was no integration with the Scottish Enterprise Network, nor was there, as the industry appeared to want, according to the survey, an undertaking for STB/VisitScotland to be responsible in its entirety for tourism. What is more, some of the contents of the review outcomes left a need for clarification. For example:

- Who really is STB/VisitScotland's customer: the industry or the tourist?
- What will be STB/VisitScotland, SE and HIE's future strategic relationship?
- How are the ATBs to be funded in future?
- Is there a possibility that ATBs instead of a geographical orientation be product focused?
- How is STB/VisitScotland addressing the inclusion of businesses that choose not to be Classified and Graded?

- Will VisitScotland package activities itself, in competition with Scottish businesses?

That these questions remained unanswered following the review was compounded by the fact that the industry had thought that through its responses to his 1999 consultation it had made clear to McLeish that a policy status quo was unsustainable, advice that he ultimately rejected, further evidence of a top-down approach. As a result, the industry's confidence in McLeish was diminished, and later on, when he became First Minister and Alexander succeeded him, her inability to demonstrate a strategic tourism public policy focus for Scottish tourism paralleled his and conveyed to the industry an implacable Scottish Executive indifference to it, the sole recompense being that, as was discussed earlier, she is once more consulting with the industry.

ATBs

Due to its idiosyncrasies the ATB network is one with which many operators within the tourism industry are preoccupied e.g. those whose continued reason for membership is reliant upon their TIC directly filling their bed spaces or, alternatively, those who were frustrated at the imbalance of influence on their ATBs of certain tourism sectors whose impact in terms of employment and the economy was to them negligible; or those who had lost confidence in their ATB's ability to market their immediate area.

That ATBs should exist at all is another issue. The research revealed that although there was support for a complete re-structuring, nobody advocated the demise of the ATBs, nor

was there one consensus as to how they should be re-structured. As one interviewee claimed, their total demise would most probably have seen a proliferation of unstructured and unaccountable local tourism bodies formed throughout Scotland, some more competent than others, accountable to no-one, worsening an already deteriorating situation.

ATB Funding

That the existence of ATBs during the period of the research was in jeopardy was a symptom of the process of inherent long-term funding problems. This was compounded by the fact that the proportion of ATB public sector funding was almost twice that of the private sector. The fact that public expenditure funding was diminishing and that there was no prospect of this being supplanted by the private sector was a matter of growing concern for many local tourist boards, and perhaps the real challenge for the industry in the future is whether *it* should create, manage and fund local tourism organizations.

Setting aside the public sector/private sector funding anomaly, the reality for many ATBs was that despite the change in funding suggested by A New Strategy for Scottish Tourism (Scottish Executive, 2000), and Scottish Tourist Board Management Review, Report and Recommendations (STB/PriceWaterhouseCoopers, 2000) ATB funding remained wholly inadequate. This is despite the fact the strategy recommended that local authorities gave budget guidelines to the ATBs on a three year-rolling programme. This was combined with the implicit threat that failure to do so would mean that funding would be centralised with the local authorities' grants being reduced accordingly to compensate. However,

there was no precedent to the calculation criteria that would relate to this funding, and as it also failed to guarantee ATBs adequate levels of funding; ATBs throughout Scotland were still in crisis. This meant that when councils prioritised expenditure preserving local authority jobs and services was placed before awarding funds to tourism.

There was also, of course, the resource time taken in securing such funding. For example, the ATB network spent as much time in negotiating for a diminishing resource with the funding agencies as it did on its primary function of attracting tourists. This was compounded by ATB membership of the new LEFs. For example, some Chief Executives and their Chairperson attended two or more such meetings, and were engaged in the many task forces that evolved from the LEFs. Again, time consuming, costly, and a catalyst for duplication, a predicament LEFs were designed to eradicate.

There has also been little evidence of ATB performance being measured, and the research suggests that a funding model similar to the LECs where they draw down funds from the centre, fulfilling quotas, meeting targets and being benchmarked against performance should be considered. In addition, operators buying into advertising and promotional campaigns, as opposed to membership fees, would enhance the monies available to ATBs.

ATB Membership

Resource implications apart, this leads us to perhaps one of the most fundamental issues arising from the research, and which will remain as long as the ATBs are membership

organizations reliant upon the subscriptions of a large majority of their members whose continued reason for membership is dependent upon their ATB TIC directly filling their bed spaces. For example, if public sector monies invested in tourism by the Enterprise Network were granted mostly to businesses, who saw quality, skills development, training, and ICT as important to their businesses, and whose reliance on their ATBs for directly filling their bed spaces was minimal in comparison to their own marketing strategy, why did such businesses have so little influence on their ATBs, and consequently on STB/VisitScotland, and in a wider sense, Scottish tourism? To invest large resource in terms of Enterprise Network support and other public sector initiatives, yet to allow the ATBs to be driven by the influence of businesses that thought diametrically to those that embraced modern business principles, and contributed little to the creation of economic wealth or employment (e.g. not paying business rates or VAT), was to sections of the industry anomalous, and caused polarization and fostered resentment.

ATB Network Structure

From the research undertaken, the most efficient and effective ATB model would depend on many inter-related variables such as the source of funding, the geographical area, market segment, product streams, the definition of responsibility and so on. Consideration might also be given to city tourist boards, reflecting the growing popularity of cities as prime tourism destinations. Nevertheless, either there were too many or too few ATBs, or alternatively they could have been structured coterminously, aligned with the LECs on the basis that the LEC structure was right, that is.

It is also worth considering the point that if at some future date the Scottish Executive decided to introduce a Tourism Tax, a number of the present less densely populated ATBs could not generate sufficient income from such a tax to sustain their area's individual needs. As suggested by Friel, among others, there might be a need if such a tax was introduced to reduce the number of ATBs to single figures (Friel 1995, Wilson 1998).

Tourism Information Centres

The success or otherwise of their ATB TIC was another fundamental issue. For many ATBs they were one, if not the main roots of their funding problems and, as has already been alluded to, sectors of the industry's expectations that they should fill their every bed space was wholly unrealistic and problematical.

Even although the survey did not reveal conclusions as to how TICs should operate in future, a view emerged that the TIC network was not only too costly to maintain, it was also restrictive and its services and products could have been delivered by other means e.g. via existing tourism businesses such as hotels, visitor attractions, shops etc., which could register to become TICs, or even Post Offices. Their staff would be trained to handle enquiries locally, and through an 0800 number or the web, reserve accommodation for guests nationally, receiving commissions for doing so. The advantage to the customer would be that through time almost every tourism-related business would be able to furnish visitors with up-to-date information and make forward reservations. Through time this could also mean travel and entertainment. The advantage to the

business is a much more knowledgeable staff, and the ability not only to make commissions, but also to attract business through being a source of local and national information. While the savings to ATBs could be significant the customer would experience a much more effective and efficient service.

BTA

Just over half the respondents thought that the existing arrangement regarding STB and BTA marketing Scotland abroad should have remained. However, as was advocated by one of the interviewees, due to devolution and the fact that BTA purported to be a cross-border authority there was a case for arguing that this situation no longer had any political relevance to Scottish tourism. Another highlighted the need for a reappraisal of the relationship due to the supposed London bias of BTA e.g. its remit is to attract tourists to Britain and then apply re-distributive marketing using London as the gateway city (2001), a remit that leaves Scotland at London's behest.

Long-term speculation of a BTA London bias apart, according to the Prior Options Study (final report, 1998: 18) in the late nineties Scotland ranked 8th in the world for tourism receipts per head of population derived from overseas income, yet this income was less than a third of Singapore and a quarter of Austria. Significantly, however, with the exception of Spain and Italy who were also listed in the top ten, none of the countries featured were large countries. It could, therefore, be construed from this survey that the income derived from tourism was of greater significance to small economies than large ones. For example, Scotland's tourism receipts per capita, based on the above criteria,

were \$539, compared to England's \$358, 51% more. The simple conclusion that can be drawn from this is that in comparison to their relative positions on exporting, so the Scottish economy is more dependent on tourism than the English economy, an extremely important point in terms of the influence wielded from Westminster on the BTA, on the manner in which BTA markets Britain and consequently Scotland, and on tourism policy in the UK in general.

A Ministry of Tourism

For many countries, the greater the importance of tourism to their economy, the greater the involvement of the public sector institutions and the stimulus governments are prepared to give to attract inward investment, to the point of there being a government ministry with sole responsibility for tourism. In such countries it is often the case that planning powers with respect to tourism are devolved to local government, while the executive arm of government is transferred to a quasi-public body in the form of the National Tourist Office (NTO) (Wanhill, 1998). In Scotland, as in the UK as a whole, while planning powers are devolved to local authorities and there is a public body responsible for tourism, tourism is part of a much wider ministry. This situation, as has been revealed in this research, created an environment in which there were irreconcilable views regarding the seriousness with which successive governments took the industry.

The industry view in Scotland was that somewhat reluctantly; government encouraged reasonably high public investment in tourism, yet refused to recognize it by setting up its own government ministry. Instead pre-devolution subjugating it within an economic

development ministry, for example, as the Scottish Office did in consigning it to the Industry Ministry, or the Scottish Executive in assigning it to the Enterprise and Lifelong Learning Ministry. Post-devolution, the lack of a ministry devoted solely to the industry is construed by many Scottish tourism operators as evidence that the Executive does not value it highly enough.

This was borne out by two thirds of those surveyed for this thesis. They were of the opinion that there should be a minister with exclusive responsibility for tourism in the new parliament, e.g. why should fishing, a much smaller industry in terms of employment and its contribution to the economy have more dedicated resource, or agriculture vastly more civil servants?

The Executive's view is that evidence of the seriousness with which it is taking the industry is that the promotion of tourism takes place as part of general economic development not only within FEDS but also deep in the framework of an enhanced Scottish Enterprise/Highlands and Islands Enterprise Network. Also, that such integration offers tourism the ability to take advantage of a wide range of economic development activities and initiatives from which it would otherwise be distanced.

Nevertheless, such diverse and irreconcilable opinion as revealed by the research is further evidence that despite the McLeish tourism strategy or the recent review of STB, or the publication of FEDS, there is fragmentation of the public bodies responsible for Scottish tourism. To a majority of the industry, this could be resolved by establishing a

dedicated Tourism Ministry, a Minister of Cabinet status, and the formation of one organization responsible in its entirety for tourism, a policy change that would put Scottish tourism at the heart of economic development. Furthermore, persevering with a system that is a major contributory factor to the industry's poor performance, to the poor perception of tourism as an industry in Scotland, and consequently to Scotland as a tourism destination is, to many operators, incomprehensible.

Tourism Tax

That the Scottish Executive should treat the tourism industry more significantly than in the past is substantiated by the fact that tourism is designated to be one of the major economic 'drivers' of the 21st century (Boskin, 1996: 3 - 11). At the time of the research it generated revenue of \$4.4 trillion, world-wide, which represented 10% of global GDP, and provided 8% of total world employment (some 200 million jobs) (Douglas, 2000). This figure is forecast to continue to expand at 2-3% per annum until 2010 when it will reach \$10.0 trillion, generating a further 100 million jobs worldwide. The significance of this to Scotland is quite clear. Tourism is an important part of the Scottish economy, with a potential in the next decade of generating £3 billion in output (6% of Scottish GDP). However, this is unattainable without significant investment, particularly in marketing, product development and skills development, which, on evidence of current tourism public policy, will not be financed from the public purse to the sustainable levels needed.

Although the answer may be a Tourism Tax, this proposal had little support from the experts, the BHA or the survey respondents (although this number increased slightly

when it was suggested that the tax might be hypothecated). Instead, their expectation was that the new parliament continues to provide the resource required for marketing and supporting the tourism infrastructure, a situation, as we have already described due to other more emotive demands, that may be untenable, and therefore why a tourism tax in the longer-term, may become its only viable funding alternative for the industry.

For example, even in the crudest calculations such a tax could at a 2.5 % levy be more than £65 million. This sum equates extremely favourably with the existing £3.5 million invested in the ATB network by STB/VisitScotland, the £19 million grant aid from government to STB/VisitScotland, the £7.5 million contributed by local authorities and the unspecified monies that the LECs invest in tourism. Not only that, this could be a net saving to the Executive of at least £30 million which could be contributed towards health, transport, education etc.

Compulsory (Statutory) Registration

The industry has a fundamental problem in influencing those businesses whose service levels and quality thresholds are more evocative of the 19th than the 21st century. The recent poor performance of Scottish tourism demonstrated how much ground the majority of Scottish tourism businesses have to make up to compete in global terms. This is why many operators involved in wide-ranging improvement initiatives, and who reaped the benefits, are frustrated by the poor perception of Scottish tourism; much of this derived from poorly managed businesses, and as a result are supportive of the Scottish Executive taking a firm form of action. Among the suggestions to overcome the problems is some

form of compulsory (statutory) registration, be it through a more widespread classification and grading of businesses or professional licensing of operators (see below) or a combination of both.

For example, of those surveyed, on average two thirds agreed that all tourism businesses should be subjected to Compulsory Registration, were supportive of the STB's Classification and Grading scheme being extended to absolutely every business that was considered as being in the tourism sector, and of the professional licensing of all tourism businesses where all operators had appropriate qualifications and experience.

Although Compulsory Registration is contentious and in itself will not resolve the problem in the short-term, it would mean through time that to open or maintain a business, as in certain other industries, service level agreements, skills levels and quality thresholds would need to be sustained. Aligned to Classification and Grading, it is also a statement of the minimum standards and facilities the customer should expect.

Of course there are a number of difficulties with such a scheme. For example, as has already been discussed in Chapter Five, Altnaharra, Ceilidh Place, The Cape Wrath, Skibo Castle or Braidwood's, some of the finest Scottish hospitality properties refuse to be Classified and Graded. If Compulsory Registration were introduced would they be forced out of business if they refused to comply? Also, any large national or multi-national employer refusing to participate, if threatened with closure, would jeopardize numerous jobs. MSPs/MPs might also be compelled to oppose compulsory registration if

it meant their local businesses being closed or jobs being lost in their constituencies, in particular rural ones.

Scottish Tourism Professional Qualification

Riewoldt (1998) claims that the virtualization of work and leisure is increasing mobility and fragmenting living conditions. As a result of changing preoccupations, settings, jobs and attractions the temporary dominates everyday life. The consequence of this is that the 21st century guest is even more discerning and sophisticated than his or her 20th century counterpart. Above all, what counts most to guests is the atmosphere, the hotel, restaurant, guesthouse, visitor attraction's ambience being its chief attraction and its defining quality in an increasingly competitive market place, with the key concepts individualism and diversification. So much of this ambience is derived not from aesthetics but from the manner in which those involved in the tourism industry deliver their service quality and is the maxim by which they and the environment in which they work are judged. However, there is still a fundamental problem in influencing many proprietors and managers of the need to address skills development, staff conditions and remuneration. The poor performance, lack of vision and dereliction of strategic thought of many such businesses demonstrates how far Scotland had as a destination to go to compete in global terms. Many Scottish tourism businesses, for example, choose to treat staff conditions and skills development as a low priority. This also exposes the failure to date of all the agencies involved to do something about this. Such businesses are the least likely to take up the initiatives they need most, yet which would benefit both their businesses and staff enormously, and ultimately their customers. This is why many others

involved in wide-ranging improvement initiatives, and who have reaped the benefits, are supportive of some form of compulsory qualification becoming an industry norm. This would dispense with tourism businesses being purchased by those who have little or no previous experience, which contributes to a high turnover of businesses and over-capacity in some areas. Although controversial, it will mean training and developing staff properly, rewarding them accordingly, providing good conditions in which to work, offering them career progression and above all valuing them. Even being prepared to lose them when a better opportunity comes along: an opportunity that would not have otherwise materialized but for the skills they had developed in their current situation.

In essence, this research argues that as tourism is one of Scotland's largest industries, the Scottish Executive needs to afford it a higher priority. For example, by 2001 its employment had increased to 193,000 (8% of the workforce and 15% of the Highlands & Islands workforce), paying the wages of more people than the oil, gas and whisky industries combined and employing over four times more than agriculture/fishing. Furthermore, for every £1 VisitScotland spends on promotion £12 is generated in return on behalf of Scotland's tourism industry (scotexchange.net, August 2001).

But, where does Scottish tourism go from here? For example, will the September 2001 tourism consultation outcomes reflect the industry's desire for fundamental change as evidenced by this research, or will Alexander replicate her predecessor's position that there is no overall consensus as to what to do with the Scottish tourism industry, therefore making change only incremental? There are also a number of other unanswered questions

revealed by this research. But nevertheless were outside the thesis's remit, and which also remain unanswered.

FURTHER RESEARCH

During this thesis's progression issues came to the fore that were, unfortunately, outside its scope. Nevertheless their exclusion should not render them unworthy of further research. Of these, four are of particular interest: political values; policy networks; interest group dynamics; and, how tourism is perceived by the political parties.

Political values

Hall (1999:47) claims that to argue that the formulation of tourism policy is not influenced by various interests and values is also to ignore that government involvement in tourism is political. This is an interesting point for this thesis has raised a number of questions in relation to the relationship between individuals' political values and policy development. For example:

- Why would a tourism professional vote for SNP and yet not vote for independence in a referendum? Was he or she more attracted by SNP's tourism policy than its ideological independence policy?
- For an industry that is traditionally conservative with a small 'c', why was the Scottish tourism industry much less inclined to vote Conservative in 1999 than in 1997? What occurred in these two years that precipitated this change? Was it in relation to a general trend towards Labour and away

from the Conservatives, or was it a result of the industry thinking, despite its political instincts, that it would fare better by embracing Labour's tourism or economic development policy?

- What values were held ideologically by ASVA members that made them more inclined to vote SNP; or BHA Conservative, than any other interest group?

If these questions are indeed influenced by ideological thinking e.g. systems of belief about social and political issues that have strong effects that structure and influence thoughts, feelings and behaviour (Brown, 1973), what do they mean in terms of the industry's political values? Kerr and Wood (2000), for example, claim that such questions are germane to most complex democracies, as the political values of those involved at all levels of the tourist industry are an important and under-researched topic for further investigation.

Policy networks

Tourism is typified by great diversity and a large number of organizations and interests all of whom are reliant upon one another for exchange of resource or information. In consequence, they form close dependent relationships within a policy sector which result in the formation of policy networks (John, 1999: 83).

In consequence tourism policy-making will attract to the policy network diverse institutions with disparate interests. However, although some of the organizations will be

involved in almost all of the issues others will only participate in issues that are of interest to them. This can involve a process of great complexity (Elliott, 1997: 71), and much negotiation and, as we have already witnessed (McLeish's consultation), little consensus.

Policy networks are influenced by external events. For example, change manifests when a new government is elected or when there is an economic change (Marsh and Rhodes, 1992a). Therefore, what is of interest here, in terms of future research, is how such tourism policy networks form and change over time, and which of the component parts in terms of both the public and private sectors wield most influence, and at what junctures in the policy process?

An example is featured in Chapter Nine, Figure 9.4. It outlines a tourism policy network in Scotland; in effect the recognized tourism community. In an ideal world policy-making should evolve from such a network which includes most interests. In practice that is not the Scottish tourism industry's experience. Further research might clarify why.

Interest group dynamics

Governments have gradually accepted the importance of tourism at least economically, but they have been much slower to accept their responsibilities for the problems posed by tourism development (Elliott, 1997: 10), and are becoming more reliant upon the cooperation of partnerships, particularly of interest groups.

Of particular interest here is the detailed dynamics of interest group formation, such as the BHA. For example:

- forming as BHA did in 1906 as the result of the election of a government which had promised sweeping licensing reforms, meaning that the number of UK public houses would be reduced greatly and those that were left with licenses, including hotels, were to pay large sums to compensate the public houses the government chose to close; and,
- changing as the BHA did in 1910, 1926, 1929, 1948, 1972 and 1992 (Bacon, personal communication, 24.5.2001).

Was it the BHA's initial success in this context that propelled them to tackle other issues they deduced as disadvantageous to the industry, or were the implications best characterised in terms of the consequences for policy of social actors' location in a political milieu as mediated by their professional interests (Kerr and Wood, 2000)?

Political parties' perception of tourism

As international tourism involves the movement of people from one country to another, or even from one continent to another, a number of governments are encouraging the development of tourism to further their political objectives, and as international tourist arrivals continue to grow, there is little doubt that the political aspects of tourism development will increase in significance, in both the developed and developing nations of the world. In Spain, for example, a huge tourism growth success story, it is often

suggested that the Spanish government encouraged tourism development to broaden the political acceptance of Franco's regime, similarly Marcos in the Philippines, and now Korea and Taiwan (Youell, 1998: 8-9). Although the Scottish Executive has no apparent substantial vote-winning need to broaden its acceptance through tourism development, there is growing recognition by it and by its rival political parties of the importance of tourism to the Scottish economy, and of the interest it can generate in the media particularly when it gets it wrong e.g. the premature appointment of the short-lived VisitScotland CEO Rod Lynch. However, although we are aware of negative approaches to tourism such as neglecting to recognize tourism e.g. failing to name a tourism minister following devolution, what we are not sure of how tourism is perceived by the political parties, and what elements go into their policy pronouncements, and this could be worthy of further research.

Further research - in summary

As we have already discussed (Chapter Six), no study starts *de novo*. In general each study rests on earlier ones and provides a basis for future ones. Investigators that build their studies upon work that has already been done have a better chance of contributing to knowledge than those who start anew. The more links that can be established between a given study and other studies or a body of theory, the greater the scientific contribution (Pizam, 1994: 93-94). It is hoped, therefore, that in particular someone picks up from where this research has left off and investigates how tourism is perceived by the Scottish political parties, and what elements go into their policy pronouncements, as it is very

important to the future of the tourism industry in Scotland and that those who are in power understand better and fully the complexities and future needs of the industry.

IN CONCLUSION

This chapter, therefore, draws to a conclusion the research for this thesis. In doing so, it acknowledges the Scottish tourism industry during the period of the research was dependent upon numerous inter-related factors that were dynamic, complex and variable, many of which were outwith its control. It was also fragmented in terms of its infrastructure, institutionalized and unintentionally disadvantaged by the small elite that had grown around the institutions and, as a consequence was slow to adjust to the challenges of globalization and devolution. This was compounded by the fact that there were also irreconcilable views at operator level in terms of the aspirations of the various sectors, and incompatibility of the aims and objectives of rural, urban and city destinations. The fact that Scotland was on the periphery of Europe meant it was also difficult and expensive to access. Above all it was disadvantaged by its politicians' inability to demonstrate a strategic tourism public policy focus for Scottish tourism and disinclination to initiate major structural change.

Adapting a heterogeneous approach enabled us to understand better the processes that contributed to making such a convoluted environment and also the mechanisms by which tourism public policy-making in Scotland was derived. However, it was also important to substantiate how relevant this approach was to our understanding of the way in which tourism policy decisions were implemented in Scotland. Such an approach, therefore,

encapsulated the intricacies, tensions and opportunities of devolution, and was the most appropriate means by which this thesis could explain the nuances, complexities and vagaries of Scottish tourism policy.

Equally applicable is the case study's policy network approach in terms of its focus on the links between people, institutions and networks, the processes by which these complex relationships were dealt with and the changes they were undergoing. Furthermore, as change defined the nature of modern tourism policy either in its own context or in tandem with other extraneous factors, capturing the transformation that was taking place globally and the impact this was having on Scottish tourism was one of the real challenges of the research. It was also clear that that the Scottish Executive had to learn to live with policy networks (Rhodes 1999: 59). The challenge for governments was to understand these new networks and devise ways of steering them and holding them to account (Rhodes, 1999: 110).

Ultimately, the research posits that Scottish tourism cannot prosper within the existing policy, environment and structure, and has hypothesized the means by which many of Scottish tourism's deficiencies may be resolved. It also assumes widespread improvement if the perception of the industry as a low paid, low skills industry could be cured; consistent product, skills and service quality achieved; transportation, communication, connectivity and access improved; and cultural, societal, educational and attitudinal behaviours addressed. These factors, combined with the Scottish Executive taking a strategic public policy focus for tourism in Scotland, and initiating major structural

change, could set Scotland on the way to aspiring to a truly world class destination i.e. the Organization for Economic Co-operation and Development (OECD) top quartile as in studies such as *Measuring the Role of Tourism in OECD Economies* (2000).

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Appendix

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2. Do you think there should be a Minister with exclusive responsibility for Tourism in the new parliament? (place an x against your preference):

Yes	64.87%	No	33.65%
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3. If you answered no to Question 2, should Tourism be part of the responsibilities of the Minister of:

Industry?	56.52%	Enterprise?	20.28%	Culture?	2.89%
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Heritage?	1.44%	Other (please specify)	18.84%	(Industry / Enterprise)	76.8%
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4. If the election for the new Scottish parliament were to take place tomorrow, how would you vote? (in the first-past the post vote):

Lab	37.07%	Cons	12.68%	LibDem	17.56%	SNP	20.48%	Others	.96%	Don't know	11.21%
-----	--------	------	--------	--------	--------	-----	--------	--------	------	------------	--------

5. If the election for the new Scottish parliament were to take place tomorrow, how would you vote? (in the second vote – where candidates will be selected from party lists):

Lab	24.87%	Cons	16.09%	LibDem	23.41%	SNP	22.43%	Others	1.95%	Don't know	11.21%
-----	--------	------	--------	--------	--------	-----	--------	--------	-------	------------	--------

6. How did you vote in the 1997 Westminster election?

Lab	31.21%	Cons	22.92%	LibDem	13.65%	SNP	11.21%	Other	1.95%	Didn't vote	19.02%
-----	--------	------	--------	--------	--------	-----	--------	-------	-------	-------------	--------

7. Do you think devolution will lead to independence?:

Yes	38.53%	No	61.46%
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8. If you answered 'Yes' to Question 7, do you think the consequences for Scottish Tourism of independence would be:

Better?	60.75%	Worse?	37.97%
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9. If there were a referendum on independence tomorrow, what would you do?:

Vote Yes	19.02%	Vote No	79.51%	Not Vote	1.4%
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10. Both STB and BTA market Scotland abroad. Under the new Scottish administration, who should do this?:

Remain as now	54.14%	Be the sole responsibility of STB	37.56%	Be the responsibility of BTA	2.92%
---------------	--------	-----------------------------------	--------	------------------------------	-------

11. Rank the following issues in terms of the importance you think the Scottish parliament should attach to them (from 1 the highest to 9 the lowest):

	Most Important	Least Important
a) Funding	37.5%	2.8%
b) Structure	18.18	7.9%
c) Re-organisation of ATBs	8.2%	30.68%
d) Quality	15.34%	2.8%
e) IT	1.7%	19.31%
f) Skills	3.97%	5.11%
g) Training	6.25%	3.4%
h) Marketing	10.79%	2.8%
i) Classification and Grading	3.4%	25%

12. Would you be supportive of a Tourism Tax being introduced by the new parliament?:

Yes	6.8%	No	92.68%
-----	------	----	--------

13. If you answered no to Question 12, would it make a positive difference to your view if all of the monies raised by a tourism tax were devoted wholly to the industry?:

Yes	34.73%	No	57.89%
-----	--------	----	--------

14. Are you satisfied with the present area tourism board structure as applied to your area?:

Yes	40%	No	54.14%
-----	-----	----	--------

15. If you answered 'No' to Question 14 would you:

(a) Wish to revert to the previous 32 ATBs?	15.31%
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(b) Wish to see a reduction in the number of ATBs to a value in single figures?	43.24%
---	--------

(c) Other option (please specify)	36.93%
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16. If possible, would it be better that the ATB areas and LEC areas coincide, not overlap?

Yes	85.85%	No	6.34%
-----	--------	----	-------

17. Would you be supportive of the professional licensing of all tourism businesses (including hospitality businesses) whereby all operators would be required to have appropriate qualifications and experience?:

Yes - qualifications and experience	58.5%
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Yes - qualifications only	9.2%
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Yes - experience only	3.4%
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Other option (please specify)	15.12%
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18. Would you be supportive of a revision of Scottish Licensing Laws with a view to liberalising them?:

Yes	79%	No	19%
-----	-----	----	-----

19. Would you be supportive of the STB's Classification and Grading scheme being extended to absolutely every business that was considered as being in the tourism sector?:

Yes	64.39%	No	35%
-----	--------	----	-----

20. Would you agree that all tourism businesses should be subjected to compulsory registration?:

Yes	66.82%	No	26.82%	Don't know	6.34%
-----	--------	----	--------	------------	-------

21. At present, the Scottish Tourist Board is responsible for the strategy and marketing of the tourism industry: the Scottish Enterprise Network for economic development, skills and training. Do you think:

a) It should remain as it is?	25.85%
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b) Tourism should be incorporated into the Scottish Enterprise Network?	32.68%
---	--------

c) The STB should be responsible for all aspects of Tourism?	40.97%
--	--------

22. Should the UK join the Euro:

(a) At the earliest possible moment?	30.73%
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(b) Once it has been established that the European Monetary system works?	53.17%
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(c) Not at all	12.19%
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23. Is your business / employment in?:

Highlands & Islands Enterprise area	10.24%	Scottish Enterprise Area	61.46%
-------------------------------------	--------	--------------------------	--------

Business / employment in both areas	11.70%	Other (please name)	19.02%
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24. Which of these organisations are you a member of?

ADRLS	0	ASSC	2.9%	ASBBO	0	ASVA	14.14%	ATCO	0	BHHPA	487%
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BHA	23.41%	BITOA	5.85%	BUAC	487%	CPTS	0	NCC	487%	SCA	4.39%
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SDMA	1.46%	SFSB	487%	SLTA	6.82%	SYHA	3.9%	Other (please specify)	15.12%
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25. If any, to which Area Tourist Board do you belong?

GGCVTB	14.14%	D&G	.97%	ELTB	10.24%	PTB	5.85%	A&I	8.28%	A&G	4.87%
A&A	5.85%	A&D	1.46%	FIFE	1.46%	BORDERS	4.39%	HOST	6.34%	WITB	1.95%

26. If you are not a member of an Area Tourist Board, why is this?: **No analysis carried out**

27. Which sector are you employed in?

Visitor Attraction	4.71%	Education	13.67%	Self-catering	1.41%	Bed and Breakfast	0.94%
Restaurant	1.88%	Timeshare	0.47%	Travel Trade	3.3%	Transport operator	2.8%
Camping/Caravan	0.47%	Guest House	0.47%	Retail	0.94%	Training Provider	6.6%
Hotel (less than 9 bedrooms)	0.94%	Hotel (10 to 19 bedrooms)	5.18%	Hotel (20 to 49 bedrooms)	6.1%		
Hotel (50 bedrooms and over)	11.79%	Public Sector	21.69%	Other (please name)	16.5%		

28. Have you participated in any of the following initiatives?

Welcome Host	50%	Scotland's Best	50%	Green Business Tourism Scheme	11%
SVQs	39%	Investors in People	58%	Excellence through People	
Hospitality Assured		Other (please specify)			

29. Any other comments?:

These responses are included in the appendix.

30. About you: a) are you male? 60% or female? 40%

b) In regard to age, are you:

under 20?	2.8%
between 21 & 30?	16.82%
between 31 & 40?	24.51%
between 41 & 50?	39.42%
between 51 & 59?	13.94%
over 60?	2.4%

c) Please tick the phrase that best describes your job:

Owner	10.24%
Owner/Manager	8.29%
Senior Executive	42.43%
Unit Manager	9.75%
Deputy/Assn't Manager	3.41%
Education	7.8%
Student	10.24%
Other (please specify)	7.8%

INTERVIEW GUIDE FOR POLITICIANS OF THE FOUR MAIN SCOTTISH PARTIES

Minister for Tourism

1. Will your party have a Minister / Shadow Minister for Tourism?
2. If so, will Tourism be his or her only portfolio?
3. If so, what will be the other portfolios?

Scottish Tourist Board

4. Under your government will the STB survive?
5. If so, will it remain in its present form?
6. If it will not remain in its present form, what form will it take?
7. If the STB is not to survive under your government, will another organisation take its place or, for instance, will it be integrated with the SE / HIE Network or become local council's responsibility?
8. If the STB survives, will there still be 14 area tourist boards?
9. Have you any plans to reduce this number, amalgamating a few, for instance, Ayrshire and Dumfries and Galloway into the South-West of Scotland?
10. In relation to Area Tourist Board funding in Scotland, has your party any plans to fund the Area Tourist Boards differently from present?
11. If so, by which means?
12. Would the STB (if it survives) still retain a relationship with the British Tourist Authority?
13. If not, how would you market Scottish Tourism abroad?
14. What do you think of the STB's Green Tourism Business Scheme?

Local Government

15. Under your government will tourism's relationship with local government change?
16. Has your party any plan, when in government, to hand over the LEC's existing funding for tourism to local councils?
17. If so, how would you ensure this money was actually used for Tourism?

Scottish Enterprise

18. Will tourism's relationship with Enterprise Network change?
19. Would your party be in favour of Scottish Tourism being marketed in line with other industries such as engineering, textiles etc., under a single scheme such as Scotland the Brand?
20. How would you, if you were Minister for Tourism, want the industry to interact with you? By one overall body?

Tax

21. Have you any plans to introduce a bed tax, or other tax relating to tourism?
22. If so, what percentage are you considering?
23. If so, what assurance would there be that the bulk of these monies would go to Tourism, and not to other areas?
24. Would your party consider lowering the rate of VAT on Hotel / Tourism products?

Classification and Grading / Registration / Licensing

25. Is it your intention to alter the existing classification and grading scheme to cover all catering outlets?
26. Have you any plans for a food-grading scheme (similar to AA's Rosette scheme) to be integrated with the annual classification and grading visit?
27. Is registration of tourism businesses a possibility?
28. Does your party agree that deregulation should be improved in Tourism?
29. If the Tourism industry wishes positions of responsibility going to only those who are fully professionally qualified, how would your party implement this?
30. Have you any plans to revise the existing licensing laws?

Transport

31. Assuming you are in favour of an integrated transport system for Scotland, what will this mean?
32. If so, what will you do about it, particularly links to England and hence the Continent?
33. Does your party support the view that absolutely everywhere in Scotland be designated a Tourist area, instead concentrating resources on areas that can truly justify such status?

SKILLS

34. What plans do you have for a wider use of IT in Tourism?
35. What does your party think of the industry's current skills level?
36. How will your government encourage more skills development of Tourism staff?
37. Given that the government wishes to ensure closer liaison with education to meet industry's future needs, what will you do to support this?

INTERVIEW GUIDE FOR TOURISM EXPERTS

Minister for Tourism

1. Should there be a Minister for Tourism in the new Scottish parliament?
2. If so, should tourism be his or her only portfolio?
3. Which of two ministries should tourism and hospitality be included in – Industry or Heritage?
4. If there is a tourism and hospitality committee in the new parliament, should the membership be solely SMPs, or should the industry be allowed membership?

Scottish Tourist Board

5. Under a New Labour government (either in sole power or in a coalition with the Liberal Democrats), do you think the STB will survive in its present form?
6. Under an SNP government do you think the STB will survive in its present form?
7. If it will not remain in its present form, what form do you think it will take under New Labour / under the SNP?
8. If the STB survives, do you think there will still be 14 area tourist boards?
9. Would you be supportive of reducing this number, amalgamating a few, for instance, Ayrshire with Dumfries and Galloway into the south-west of Scotland, or becoming part of Greater Glasgow?
10. In relation to Area Tourist Board funding in Scotland, do you have any suggestions for how the Area Tourist Boards could be funded differently, and more successfully, than the present?
11. Do you think that the STB or its replacement body will still retain a relationship with the British Tourist Authority?
12. If not, how would you market Scottish tourism and hospitality more effectively abroad?

Local Government

13. Under a New Labour government (in or out of a coalition with the LibDems) do you think tourism and hospitality's relationship with local government will change?
14. Under an STB government, do you think tourism and hospitality's relationship with local government will change?
15. Is it likely that whoever is in government will hand over the LEC's existing funding for tourism to the local councils?
16. If so, how could it be ensured that this money is actually used by the strapped-for-cash councils for tourism and hospitality?

Scottish Enterprise

17. Will Scottish Enterprise / HIE survive under a Labour or Labour / Libdem Government
18. Will Scottish Enterprise / HIE survive under an SNP Government
19. Whoever is in power – will tourism and hospitality's relationship with Enterprise Network change?
20. Would you be in favour of Scottish tourism and hospitality being marketed in line with other industries such as engineering, textiles etc., under a single scheme such as Scotland the Brand?
21. How would you, if you were Minister for Tourism, want the industry to interact with you? By one overall body, for instance?

Tax

22. Would you be supportive of the introduction of a bed tax, or other tax relating to tourism and hospitality?
23. If so, what percentage would you be supportive of?
24. If a bed tax is introduced, what assurances would you seek that the bulk of these monies would go to tourism and hospitality, and not to other areas?
25. Would you be supportive of lowering the rate of VAT on hotel / tourism and hospitality products?

Classification and Grading / Registration / Licensing

26. Would you be supportive of a scheme whereby the classification and grading scheme covered absolutely all catering outlets?
27. In your opinion, is registration of tourism and hospitality businesses a possibility?
28. Do you agree that deregulation should be improved in the tourism and hospitality industry?
29. Would you be supportive of positions of responsibility in tourism and hospitality businesses (hotel managers, licensees etc.,) going to only those who are fully professionally qualified and experienced?
30. Would you be supportive of plans to revise the existing licensing laws?

Transport

31. Assuming you are in favour of an integrated transport system for Scotland, what will this mean?
32. If so, what do you think the successful party will you do about it, particularly links to England and hence the Continent?
33. Do you support the view that absolutely everywhere in Scotland be designated a tourist area, or should we instead be concentrating resources on areas that can truly justify such status?

Skills

34. What would expect of the successful party in regard to the wider use of IT in tourism and hospitality?
35. For instance, will Project Ossian ever get off the ground?
36. What do you think of the industry's current skills level?
37. How would you encourage the government to encourage more skills development of tourism and hospitality staff?
38. Given that the government wishes to ensure closer liaison with education to meet industry's future needs, do you think they are doing enough to support this? Or, do you think this is more the industry's responsibility?

THE WORLD'S MOST EXPENSIVE DESTINATIONS.

City	Total %	Total % Rank
Delhi	27.14%	52
Prague	22.94%	51
Copenhagen	21.81%	50
Buenos Aires	20.81%	49
Cairo	20.68%	48
London - ergo Glasgow/Edinburgh	19.55%	47
Vienna	19.49%	46
Brussels	19.04%	45
Chicago	19.01%	44
Istanbul	18.54%	43
Montreal	18.23%	42
Tel Aviv	17.97%	41
Santiago	17.76%	40
Stockholm	17.63%	39
Bombay	17.49%	38
Vancouver	17.45%	37
Frankfurt	16.72%	36
Mexico City	16.70%	35
Munich	16.44%	34
Johannesburg	16.37%	33
New York	15.89%	32
Nairobi	15.78%	31
Toronto	15.58%	30
Beijing	15.32%	29
Athens	14.86%	28
Miami	14.69%	27
Los Angeles	14.53%	26
Helsinki	14.34%	25
San Francisco	13.94%	24
Rome	13.74%	23
Auckland	13.71%	22
Amsterdam	13.45%	21
Honolulu	12.71%	20
Rio de Janeiro	12.64%	19
Paris	12.20%	18
Zurich	11.94%	17
Sao Paulo	11.86%	16
Boston	11.74%	15
Manila	10.97%	14
Jakarta	10.85%	13
Bangkok	10.49%	12
Geneva	10.28%	11
Barcelona	10.24%	10
Seoul	10.13%	9
Madrid	10.01%	8
Sydney	8.39%	7
Osaka	7.52%	6
Tokyo	7.33%	5
Kuala Lumpur	5.75%	4
Taipei	5.51%	3
Singapore	4.61%	2
Hong Kong	2.88%	1

Table 9.3. www.wttc.traveltext.msu.edu