Shift of Power in Contemporary Governance and Critical Aspects towards Tourism Development

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Abstract

Governance is a key term in this paper. It describes a process resting upon three dimensions: decision-making, authority and accountability. Governance has seen major changes in the last century. This shift is presented by new methods by which society is governed – sometimes referred to as minimal states, corporate governance, new public management or contemporary governance. Part of this paper examines the development of contemporary governance in historical terms to provide better understanding of current governance issues, used in the findings of this paper. The research in this paper analyzes four strategic reports on tourism in Iceland, published in the last decade in order to examine how principles of governance manifest in discourse on tourism policy in Iceland and what are the critical aspect put forth by stakeholders. A list of governance frameworks focusing on hierarchies, communities, network and markets is listed and findings matched to governance frameworks to which Icelandic authorities adhere. The result is explored in the light of how transferring mobility of powers between different actors can affect democracy and the development of the tourism sector and utilization of its natural resources. This is put in context to the current era in tourism in Iceland, the fact of almost exponential growth in the sector last decade and that tourism in Iceland still lacks a long-term policy. The study reveals some negative hidden aspects that can occur in the governance process, and a lack of framework in working procedures leading to, for example, democratic deficiency. When the outcome is transferred to the development of tourism, it reveals uncertainty for resource utilization of nature resources in Iceland and future development of the tourism sector.

Key Words: Governance, tourism, networks, hierarchies, state, private, natural resources, democracy.

Ágrip

Stjórnsýsluhættir eru lykilhugtak í þessu verkefni. Stjórnsýsluhættir er ferli sem stjórnast af þremur megin þáttum; ákvarðanatöku, valdi og ábyrgð. Stjórnsýsluhættir hafa breyst mikið á síðustu öld. Þessar breytingar hafa fyrst og fremst einkennst af nýjum aðferðum í stjórnsýslunni og stjórnarháttum fyrirtækja, minni afskiptum ríkis, og auknum afskiptum frá utanaðkomandi aðilum. Hluti af rannsókninni í þessu verkefni, beinist að því að skoða þróun nútíma stjórnsýsluhátta í sögulegu samhengi til að öðlast betri skilning á nútíma stjórnsýsluháttum og mögulegum áskorunum sem geta komið upp í stjórnsýsluferlinu. Verkefnið greinir fjórar stefnumótandi skýrslur í ferðaþjónustu á Íslandi, gefnar út á síðustu tíu árum, í þeim tilgangi að skoða hvernig stjórnsýsluhættir birtist í orðræðu um stefnumótun ferðaþjónustu á Íslandi og sérstaklega áhrif hagsmunaðila í því samhengi. Stjórnsýslukerfi með áherslu á stigveldi, samfélagsgerðir, tengslanet og markaðsaðferðir (markets) eru kynntar og niðurstaða rannsóknarinnar mátuð við það stjórnsýsluhætti sem íslensk stjórnvöld aðhyllast. Niðurstaðan er skoðuð í ljósi þess hvernig tilfærsla valds á milli mismunandi eininga innan stjórnsýslunnar getur haft áhrif á lýðræði, þróun ferðaþjónustu og nýtingu á náttúruauðlindum. Niðurstaðan eru sett í samhengi við mikinn vöxt greinarinnar síðasta áratug og þástaðreynd að Ísland skortir langtíma stefnu í ferðamálum. Rannsóknin beinir augum að neikvæðum þáttum sem geta birst í stórnsýsluferlinu og skorti á aðhaldi sem getur m.a. birst í það vanti upp á gagnsæ vinnubrögð í stjórnsýsluferlinu. Niðurstaða rannsóknarinnar leiðir einnig í ljós ýmsa óvissuþætti sem geta myndast í nútíma stjórnsýslu sem getur haft veruleg áhrif á auðlindanýtingu og þróun ferðaþjónustunnar.

Lykilorð: Stjórnsýsluhættir, ferðaþjónustua, tengslanet, stigveldi, ríki, einkaaðilar, náttúruauðlindir, lýðræði.

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1 Introduction

1.1 Contemporary governance

This study focuses on governance and differing approaches in the policy-making process. It examines the mobility of power, i.e. how power is transferred from government to different units within the administration, such as governments, municipalities, institutions, organizations, corporations and non-governmental organizations (NGOs) and public-private partnerships (PPP). This form refers to a cooperative arrangement between the private and public sectors and is descriptive for a mobility of power characterizing contemporary governance. Contemporary governance, a fundamental concept in this study, is a process where sovereign power is given to more than one actor, which are then given the opportunity to participate in the decision-making process. This form of contemporary governance is then put in context of tourism governance and how it can possibly affect the future development of the tourism sector in Iceland. Therefore, this thesis seeks to answer the following research questions:

- How does the principles of contemporary governance manifest in discourse on tourism policy making in Iceland?
- What are the critical aspect put forth and underscored by stakeholders in discussion of tourism policy making in Iceland?

1.2 Lack of long term policy

Governments in Iceland have, for a long time, sought to form a tourism policy in Iceland. The first attempt was made in the seventies by Checchi & co., an American consultant company, that did a comprehensive report on opportunities for developing the tourism sector in Iceland. Several other attempts have been made by the government since then. The main reports focusing on making a tourism policy and long-term development are six in all and span from the time period 1972-2016 (Jóhannesson, 2012). Meanwhile, the number of visitors in Iceland has been growing more than in any other country in the world, with about 30% growth annually for the last seven years (Ollivaud, Guillemette and Turner, 2018).

With such a growth, governments are urged to respond to the growing number of visitors and in 2014, the Minister of Industry and Commerce (who is also the minister of tourism in Iceland), and the Icelandic Travel Industry Association made an agreement on forming a long-term policy for tourism in Iceland. A working group and a steering group were established to analyze the sector. After commitment to that work, it appeared that the foundations for making a long-term policy were too weak, due to unclear and complex administration and a complex legal framework, as well as lack of data (Ministry of Industry

and Innovation & The Icelandic Travel Industry Association, 2015). This led to the establishment of the Icelandic Tourism Task Force in agreement between the Icelandic Association of Local Authorities and the Icelandic Travel Industry Association (SAF), with the main goal of laying the foundations for making a long-term policy in tourism in Iceland. This work began in 2014 and is meant to be completed by 2020 (Ministry of Industries and Innovation & Icelandic Travel Industry Association, 2015).

Meanwhile the National Audit Office (2017), released a statement that the work of the Tourism Task Force that was supposed to lay the ground for a long-term tourism policy in Iceland; had not yet yielded the desired results, pointing out that tourism administration in Iceland was still unclear: roles within the administration were still blurred and not in accordance with the current tourist travel regulations.

Without a long-term tourism policy in this era, the goal of the study is to reveal governmental policy in tourism, by performing a content analysis on four major tourism reports made by governments and private consultancies in the last decade in order to detect the main theme in each report. The analysis of the reports is meant to provide insight into the discourse and how it impacted development of the tourism sector and the way they reflect current principles of tourism governance in Iceland.

The four reports used in the research of this paper are listed below in chronological order:

- The long-term strategy for the Icelandic tourism industry report, made by Pannell Kerr Forster (PKF) which is a British consultant business (PKF, 2013).
- The future of tourism in Iceland, made by the Boston Consulting Group (BCG), an international consultant company (Boston consultant group, 2013).
- The Road Map for Tourism in Iceland report is published by the Ministry of Industries and Innovation and the Icelandic Travel Industry Association (SAF). (Ministry of Industry and Innovation & Icelandic Travel Industry Association, 2015).
- The future of tourism in Iceland 2030, is a report made by Klynveld Peat Marwick Goerder (KPMG), an international consultant company (KPMG, 2016).

In the following chapters, the theoretical background serves as an overview of the brief history of changes in governance and the main reason for change, followed by listing how critical issues of contemporary governance can affect the development of the tourism sector.

After performing the content and discourse analysis, they are discussed based on critical issues of governance and compared with current issues prevailing in Icelandic tourism. Finally, future prospects are discussed in the context of tourism governance with suggestions for improvements.

2 Governance & Mobility of Power

2.1 Definitions of main terms

Governance is a fundamental concept in this study. The complexity of the concept makes it difficult to capture in one simple definition, but it describes a process resting upon three dimensions: decision-making, authority and accountability. Even though the concept is commonly used, many attempts have been made to define it. It is known for capturing a new notion of public-private partnership (PPP) and leaving governments out of the governance process (Rotberg, 2014). Public Private Partnership (PPP), describes cooperative commitment between private business and the state. The concept represents a new generation of management reforms, focusing particularly on contemporary economy and political imperatives for greater efficiency and quality (Andrisani, Hakim & Savas, 2002).

The following definition includes some of the main factors which characterize contemporary governance:

> A relatively stable horizontal articulation of interdependent but autonomous actors
> that interact and negotiate in a decision-making process. The negotiation takes
> place in a regulative, normative, cognitive and imaginary framework and becomes
> a self-regulated act by stakeholders (Sørensen & Torfing, 2007).

Dredge (2015) interprets contemporary governance as an establishment and a development of co-ordination between business, civil society and the state, an effort to steer the socio-economic system. The term crosses through multiple disciplines, and is found in planning, democratic theory, public management, law and regulations and other disciplines, where scholars have sought to describe contemporary governance strategies (Jessop, 2016).

Today the term governance has become known for being messy or slippery, leading to confusion (Sørensen & Torfing, 2005). The decision-making process in governance can, hence, be negotiated and processed between governments, markets, networks, actors, informal or formal organization and exist within a specific territory. It can be controlled through values and norms by performing actors, who are given power to affect the discourse and from there become established into the legislation system (Dredge, 2015). The following section traces historical changes in governance in order to gain a deeper understanding of the term and, in particular, how it can have impact on various aspects of the society that still lack broader understanding, especially in terms of power relationships.

2.2 Leading Changes

2.2.1 Historical

Governance has seen major changes over the past few decades with the decreasing power of the state. This change ushered in a new form of governance of society, referred to as corporate governance or new public management (Kickert, Klijn & Koppenjan, 1997).

The turning point, a shift from sovereign power to contemporary governance, can be traced to the severe budget cuts brought on by the oil crisis in the seventies resulting in deregulation, cutbacks, privatization and withdrawal from government intervention and welfare projects in the United States and Western Europe. The most significant change occurred during the presidency of Ronald Reagan in the United States, consisting of his anti-governmental approaches, and that of the British Prime Minister Margaret Thatcher, who were both known for not only articulating the core ideological claims of neoliberalism but also for implementing the ideology into public policies. Neoliberalism refers to economic liberalization, privatization, deregulations and free trade as well as reduction of governmental spending and emphasis on the private sector in economy and society (Steger & Roy, 2010).

This development was further approved with the failure of hierarchical approaches, which included a shift from the public sphere and a turn to advanced marketization. This in turn initiated growing interest in liberal democracies and strengthened the neoliberal concept of "less state" and "more market". As such, more focus was placed on problem-solving by self-organization networks, i.e. a decision-making process not controlled by state authorities but instead by various actors invited by governmental actors to the process. There was thus a shift from government to governance in hierarchical authority networking in the social field, all in the name of efficiency, followed by change in the hierarchical network (Jessop, 2016).

Facilitating competition and keeping pace with economic development sustaining a revision of the welfare state became one of the priorities in the governance process. Terms like decentralization and deregulation were commonly used and manifested in the discourse, while in the meantime the legitimacy of the state continued to decline (Kickert el al., 1997). Many western governments began a strategic retreat from affairs which were until then considered exclusively governmental. This was a time of governmental distrust and lack of confidence in governmental affairs, and the state was for the first time regarded as a failure, obliged to bring new forms of governance into place (Koppenjan & Klijn, 2004).

Fundamental societal problems including pollution, crime, recession, transportation and so on were on the rise and were seen as too broad for problem-solving by governments alone. Therefore, the old ideas of the state steering society were about to end, at least on the previous scale (Kickert el al.,1997). The focus was on tackling issues that governments, businesses or civil society could not handle on their own. Contemporary governance, therefore, became a more complex, multi-level activity with new actors invited into the governance process, state actors, and civic society, all aiming to solve problems and find new societal opportunities (Amore & Hall, 2016).

Consequently, there was an emergence of new terms like network governance and policy network emphasizing the arrival of new actors into governance. With the above shift towards governance, it became a product of economic, political and social activity representing an increase in the number of actors among different dimensions of society (Koppenjan & Klijn, 2004). The next section focuses on some of the main changes in governance brought about because of those developments.

2.2.2 Governance Reform

Now governance had reformed and did not stand any longer for the traditional role of the public sphere, i.e. guarding the wellbeing of the citizens. In the old model of governance, the traditional political archetype of elected representatives had led to monopolization of almost all the governance processes and power to pass law into legislation. Contemporary governance, on the contrary, aims at involving more actors into governance, providing stakeholders with the autonomy to govern, sometimes referred to as *governance networking* (Sørensen, 2006). This led to new emerging concepts, such as co-guiding, co-steering with greater emphasis on overall co-operative and collaboration methods in general, and less state intervention for achieving policy goals. As, a result, new actors (e.g. collective actors, organizations, institutions and networks) were getting power for influencing the decision-making process asymmetrically. Asymmetrically because even though relationships are considered to be reciprocal in nature, in power relationships there will always be a greater degree of influence of one actor over the other (Castells, 2013).

When governments reduced governmental intervention in this way, the responsibility was handed over to a greater extent than before to private and public sectors and networks of various kinds (Dredge, 2004). As such, business strategies gained more value in governance with the aim of lowering cost and increasing efficiency, a key term in contemporary governance (Kickert el al.,1997).

2.2.3 Critical aspects of contemporary governance

The advocacy for the need for new forms of governance was based on arguments of enhancing democracy and adjusting to procedures of globalization, a shift towards more justice etc. However, scholars and other critics have raised questions about whether contemporary governance has achieved those goals. Replacing state power with contemporary governance is still undefined and comprehensive knowledge is lacking on how it may impact societal development. Also, there is a lack of available means to perform this new mode of governance used by politicians (Fukuyama, 2013). While governance and the policy-making process does not only introduce new procedures, it is however a statement by governments which indicates how authorities are going to work with industries and various actors, who they will invite to the decision-making process and which actors will be handed more power (Jóhannesson, 2012). The next section seeks to analyze in more depth the issue of democratic deficiencies in the governance process and changes when new actors are being invited into the governance process, often referred to as governance networks.

2.3   Meta-governance and democratic deficits

Contemporary governance or meta-governance and goals of coordination can prove extremely difficult to accomplish, because they exist in a loose fashion, not requiring any formal arrangement. The role of the politicians and their perspectives are poorly defined. The goal of meta-governance was to raise awareness on the negative aspects in the neo-liberal views, values and norms that prevailed in the seventies. Today those values, along with the paradigms that have underpinned contemporary governance since then, are being questioned in the meta-governance literature (Sørensen & Torfingen, 2005).

The focus of meta-governance is on better contextualization of the different regimes of governance and how it affects hierarchies of contemporary governance. The literature shows that despite less sovereign power from the state, the state still holds lots of power, even though the power is governed in a new way through a larger number of different actors. Therefore, the responsibility factor should remain strong. This, however, is not necessarily the case (Amore & Hall, 2016). From a meta-governance perspective, new governance practices have replaced state power where the shadow of a hierarchical authority is now forced to strengthen the neoliberal hegemony, serving other actors with particular interests (Sørensen & Torfingen, 2007). From a meta-governance perspective, if a system in the political era prospers more than others, it hinders transparency and thus lowers accountability. It might even contribute to the establishment of an intermediate level of sub-elites that can enhance individualism, thus undermining democratic principles (Sørensen & Torfingen, 2005).

Another factor to consider from a meta-governance perspective is the risk of some politicians serving small interest groups or individuals and becoming focused on Interest-based, single-issue politics. Politicians rarely have the power to influence public administration in a direct way but do, however, recite and have the power to influence the public policy process, implementing regulation and reinforcing the political dialogue with other political leaders. Also, politicians now have power to influence inclusion and/or exclusion of stakeholders in the governance network. Sørensen & Torfingen (2005) argue that the actors of meta-governance are most often selected by an exclusive group of administrators and politicians, promoting an un-democratic process which carries the risk of excluding actors with better knowledge on the issue being dealt with.

In addition, from the theoretical standpoint of meta-governance, network-based policy processes have unstable characteristics, where interest and preference are never fully introduced, constituted or understood, mainly because often the process is performed within a determinate discursive format, randomly tackling topic after topic. In the end, it is often the actors, given the opportunity for representing a particular issue, that have a self-interest in the subject and hence the power to shape their own interest and preference for an audience. Even in a discussion open to the public of cases where NGOs are participants, the discourse can still be vague and colored by beliefs of the one presenting them, infecting the discourse and the decision-making process within the top of governance hierarchies (Sørensen, 2006).

2.3.1 Political Intervention

According to a study from Denmark on how politicians are viewed from a meta-governance perspective, there are high expectations for them to both do the "rowing" and the "steering" on the boat and therefore have a tendency to become isolated on the top of the pyramid, losing contact with the public and having minimum knowledge of the details of the issue being dealt with. This has the capacity to diminish the legitimacy of democratically elected governments (Sørensen, 2007).

Meta-governance highlights the importance of self-regulated methods with actors as perpetrators who have in advance decided upon how to shape particular issues and direct them in places where it is more likely that their interests will benefit.

Those who are invited in the policy process have access on the shaping of, for example, the future of nature destinations. It is a common belief that improving the democratic system and governance networks should be a high priority for politicians. This priority has to be continued with responsibility for the democracy anchor we need (Sørensen & Torfing, 2005).

Research and the analysis of the literature of governance and network theories suggests that it is a highly political process in the field of policy-making. The goal of the network is to build a relationship or a frame for community engagement and collaboration, in other words, an open process for sustaining democracy. Research focusing on examining network relationships has pinpointed the need for continuing that work because recent studies have found that the decision-making process disempowers some interests and involvement of some actors can be minimized (Dredge, 2017).

However, to sustain democracy equity and justice, there is a need for a comprehensive understanding of the governance process. Collaboration and negotiation are sometimes not possible due to political differences between actors and other conflicts. Therefore, explicit analysis of these networks is necessary for providing beneficial knowledge in terms of seeking more meaningful engagement that ensures that diverse communities of interest get to be heard (Dredge, 2017). That being said, the system cannot be improved until it is fully understood or defined. This is not doable unless we have analytical model where different actors in the decision-making process can be measured by the characteristics of their behavior and the ability to explain their actions. The system should aim at broadening the democratic audit to look into external relations that shape its political environment and traceable facts where decisions are made, in order to determine whether this enhances democracy or hinders it. It is important to make sure the governance network is in line with the needs of the public, the environment and the political majority of elected assemblies (Sørensen & Torfing, 2004).

3 Governance Networks & Tourism Development

3.1 Some Challenges of governance networks

This section focuses on governance networks and the challenges that arise when more actors are invited to the decision-making and policy-making process. Network governance has been difficult to define. Still, its main characteristics are commonly believed to be preconditioned for innovation and the capacity of establishing clusters of interest between different stakeholders that form a coalition of action. The system is maintained to promote actors' "interests" in society (Dredge, 2006).

Networks are useful tools in providing understanding in structures and social interrelations, they can be formal or informal, and are characterized by various actors being moved in and out of the engagement process with issues being worked on. Furthermore, they operate in different spatial scales and over different times. The challenge in networking is that its structure and patterns and the strength of linkages and connections between actors are dynamic and always changing. From a network theory perspective, networks can be investigated from many different views depending on the interest of the researcher herself (Dredge, 2006).

Despite growing attention in the network policy analysis literature, there is still no agreed upon academic approach. Hence, there is a strong argument for the necessity of diving further into the understanding of the interplay between different actors in the networking process. This understanding is fundamental because this process will be manifested in different spatial scales and may very well serve to increase or decrease the participation of different actors and influence democracy in the process (Dredge, 2006).

Here the goal is to gain more comprehensive understanding of the struggle occurring in networks and between stakeholder interests as well as to focus attention on the undemocratic objective that can emerge in tourism networks - ideas very new in the literature field of governance. Attempts are being made to analyze the discourse and how it creates values and standards, which are embedded into the policy-making process (Dredge, 2006).

3.1.1 Impact of networks on tourism policy

Governance networks operate within and around formal and informal tourism organizations, different governmental agencies, organizations, industry actors and civil society to establish a forum for the development of interests and strategies between stakeholders. Tourism governance therefore can be very challenging. Due to characteristics of these networks, they have the power to impact environmental planning, policy-making process and the allocation of natural resources in tourism (Dredge, 2006). Tourism studies have very recently identified

this challenge and are only now beginning to examine in more detail the interplay between different actors in tourism governance. For instance, how the downsizing of governments and the offsetting of responsibilities is affecting the development of the sector. Their focus is also on revealing the policymaking process across the public-private sector. This form of governance can often include hidden powers between actors where responsibility is vague. That being said, governance networks and environmental planning often resemble political activity with divided interests trying to push them forward somewhere in the governance process. The tourism literature has pointed out that different disputes may arise, for example, regarding the importance of sustainable development, public participation in environmental planning, and so forth.

There are many controversial issues that can be biased by political influence, which can lead to distrust and conflicts between different actors. The problem is that actors involved in governance may have a "set of beliefs", e.g. to label certain concerns and issues as "environmentalism" and then be against them (Beladi & Oladi, 2008). Communities have to deal with multiple actors having power to control their natural resources with vague governance principles and participation rules (Beladi & Oladi, 2008).

This suggests that researchers in environmental planning will need to pay increasing attention to clearly explicating the philosophical and methodological assumptions that inform their work. This is descriptive of how the discourse can be powerful, but is rarely given attention in that way. A comprehensive understanding is, therefore, needed in order to see beyond the topic which identifies values that are not significant for the outcome and for reflecting on a more realistic debate (Beladi & Oladi, 2008).

3.2 New actors with diffuse interest in policy-making and environmental planning

In the last decade, there has been pressure for a new model replacing the old top-down management, command-and-control models of planning, often used by natural resource management agencies. One of the main driving forces for change in tourism in general was complaints by local municipalities in need of investment for infrastructure and by local residents feeling they had no power over local resources (Jóhannesson, 2012). The search for a new model with more effective instruments in governance resulted, among other things, in power being transferred by central governments to local authorities, but the problem of shortage of investments still remained. The remaining problem therefore opened access for public-private partnerships and private investors that now gained power over environmental planning (Sørensen, 2006). However, different stakeholders have different perspectives of the socio-cultural and environmental consequences of tourism. Those who have benefitted from tourism are likely to foster or hamper legitimate resources for development and would resist policy-making that reduces the number of tourists, while individuals with no benefits might prefer to have fewer tourists in their local area. Local residents who depended on tourism might favor tourism for the economic benefits of tourism, despite negative consequences for the local community (McCool et al., 2008). That being said, each stakeholder always has his/her own priorities. Also, a global shift in the economic restructure of societies has changed the relation between communities and adjacent public lands. Many communities are now eyeing tourism for maintaining their economic and social wellbeing.

When planning is not done for residents, it does not necessarily satisfy them or the environment they are living in (McCool et al., 2008).

The commitment between stakeholders is examined in current development management theory, where strategic planning and relations with stakeholders and investors have become part of the planning process with economic interest becoming a pressure by investors. A criticism that has been raised is that the link between government, business and regional development programs supports and maintains narrow stakeholder viewpoints and, hence, gives them extra power into the planning and policymaking process. In addition, stakeholders who are focused on economic benefits may not be the best qualified for environmental planning as it may often be beyond their knowledge (Hall, 1999).

Hall et al. (2012) have pointed out the recent corruption among interest groups which favors self-selecting groups that can have an impact in the policy-making process. Furthermore, this rise of groups dominating in the governance process, the power of stakeholders and how some can exclude other stakeholders that do not share the same interests, values or norms has evoked interest in examining the public-private relationship in environmental planning (Hall & Jenkins, 1995).

Literature on interest groups having power to shape policies has not been taken into consideration on collaboration and approaches in tourism, even though it has proven to have a major impact on the development of the sector. The connection between privatization and cuts in public expenditure have impacted the democratic procedure in that power is being handed over to unelected individuals and businesses. This may be enhancing the risk of unsustainable developments and undemocratic decision-making (Hall, 2011b).

3.2.1 Economic standards and tourism development

As stated above, economic standards have been in the forefront of governance priorities. Business and market strategies in governance, however, can involve the risk of lacking ethical dimensions since market laws do not recognize the ethical issues that tourism has to face regularly. In such a market-driven environment, development of nature destinations might be at risk because of the interdependency between actors favoring their own interest and disregarding other interests in their newly given autonomy. This can have a great impact on tourism development and for achieving sustainable development goals (Dredge & Gyimothy, 2015). The market behavior approach may solve distorted decisions, but does not confront environmental problems. The tourism sector is no exception in this regard (McCool et al., 2008).

Collaboration and tourism development can also cause a gap where the ownership of problems becomes unclear and political ideology associated with neoliberalism seems to weaken the operations of public agencies towards sustainable development. The problem with this approach is that a long-term vision is replaced by short-term values related to economic performance (Dredge & Gyimothy, 2015).

In this complicated environment, with many different values it can be difficult to build a model of good governance practices. Successful governance refers to, among other things, the capacity for actors to participate and contribute to the decision-making process, the provision of specialized knowledge, the supply of expertise, and the opportunity for both local people and the community to engage in the decision-making process, where there is a

balance between power from different actors, etc. These are all factors that can affect the prescribed models of good governance for tourism (Dredge & Gyimothy, 2015)

However, when the tourism sector is lacking fiscal resources, combined with governmental agencies retrenchment of employees, it is more likely that private partners will be invited in for project investment and to the decision-making table, with business strategies overriding the environmental perspective. Those actors may, however, not have the sufficient knowledge and skills for bringing about long term sustainable tourism development (Dredge & Gyimothy, 2015).

Therefore, market failure and short-term decision-making, driven by economic standards and market strategies, can contribute to degradation of ecosystems. Often these issues are not addressed until at a tipping point, with irreversible consequences (Dredge & Gyimothy, 2015). Scholars place emphasis on the need of moving the cultural construction of sustainable development from rhetoric to implementation with an increased interest in justice, democracy and equity in policymaking and planning in tourism (Dredge, 2006). The next section provides a framework of governance in order to clarify those issues that the last section has been outlining.

3.3   Governance Framework

The previous section revealed some complex issues when it comes to tourism governance. So far, the focus has been on aspects of contemporary governance which scholars have noticed to be a confusing term. In this section, the purpose is to reflect on frameworks of various governance typologies, classified by scholars. This is done for classifying Icelandic framework of governance within the framework from Table 1 below, according to the findings of the research in this paper.

The aim of the classification shown in Table 1 is to reveal the "hidden" meaning drawn from various actors in the decision-making process in governance. The framework can guide the exploration of those aspects with a classification system which identifies political structures used in governance: the policy process, elites, the power structure, and group relations in policymaking. A few frameworks have been proposed in the political science literature, providing understanding in the semantic field of governance, by identification of variables, that serve to clarify the term (Hall, 2011a).

In Table 1, the framework of governance is introduced. Relationships are introduced between public and private policy actors and how hierarchy appears in governance approaches (Hall, 2011a).

Table 1 Framework of governance.

Hierarchies	Communities	Networks	Markets
• Ideal model of democratic government and public administration • Distinguishes between public and private policy • Focus on public and common goods • Command and Top-down decision making • Hierarchical relations between different level of control • Elitists • Good ideas poorly executed • Clear allocation and transfer of power between different level of the state • Removal of property rights	• Communities should be independent: minimum state intervention • Community involvement • Governance without government • Fostering civic spirit • Complex local autonomy, developed power. • Decentralized problem solving • Street level bureaucrats and local officials	• Facilitate coordination of public private interest • Resource allocation and therefore new policy implementations • Mutual dependence between network and state • Coordinate policy areas in preference with new actors (PPP) • Less public policy consideration • Multi-level governance • Steering, bargaining, exchange and negotiations take place • Significant role given to interest groups	• Belief in markets as most efficient tool and resource allocative mechanism • Empowerment of citizens via their role of consumers • Monetary criteria to measure efficiency • Policy arena for economic actors where they cooperate to resolve common problems • Efficiency. Markets will provide the most efficient outcome

4 Methodology

4.1 Data

This research is based on analysis of secondary data, using both content analysis and discourse analysis.

After initial screening of various reports published in the last decade, all focusing on the future development of tourism, four reports were chosen as the most relevant to the subject of this research. These reports were written through consultation with the Icelandic government, its institutions and/or private companies. They were chosen because they all emphasized the future development of the tourism sector in Iceland and were all governmental reports, except the BCG report. That report nevertheless played an important role for the government, as some of the ideas in the report were used for trying to push through drafts in the parliament such as the idea of "environmental card". The emphasis varies between the reports but their common goal was to analyze and look for the best opportunities for the future development of the tourism sector in Iceland. The four reports used in the research of this paper are listed in chronological order below, with information on their backgrounds:

- The long-term strategy for the Icelandic tourism industry report, written by Pannell Kerr Forster (PKF) which is a British consultant company. The report was made upon request from Promote Iceland with the marketing goal of attracting more visitors and looking for opportunities and the need for foreign investment in the sector. The report was published in February 2013.
- The future of tourism in Iceland report was written by BCG, which is an international consultant company. It is an assessment of the status of tourism in Iceland and was commissioned by private companies and public corporations, including Isavia (the national airport and air navigation service provider of Iceland), Blue Lagoon (a geothermal spa), Icelandair (an Icelandic aviation company) and Europcar (a rental car company). The report was released in September 2013.
- The Road Map in tourism, a report published by the Ministry of Industries and Innovation and the Icelandic Travel Industry Association (SAF) with the purpose of shaping a long-term tourism policy in Iceland. The report was published in October 2015.
- Scenarios and risk analysis – the future of Icelandic tourism 2030, is a report written by Klynveld Peat Marwick Goerder (KPMG), an international consultant company, commissioned by the Tourism Task Force with the purpose of establishing the relative causes and consequences of decisions and actions made in the tourism industry in Iceland. The report was published in December 2016.

4.2   Content Analysis

The research in this paper is based on qualitative methodology with content analysis presented in a numerical manner. The methodological technique for Content Analysis, as described by Berg (2009), consists of detailed examination and interpretation of data in order to identify patterns, biases, themes and meanings. Content Analysis has been used by various disciplines including criminology, education, business, art, journalism and political science. The method focuses on examining artefacts of social communication written down or transcribed from text or verbal communications. The main emphasis of the methodology is on coding operations and data interpretation by counting words or sentences to identify a pattern or a theme (Berg & Lune, 2012).

The four influential reports on Icelandic Tourism used in this paper were examined in order to explore their main priorities by the use of content analysis. After initial screening of the reports together with the literature review chapter, main categories with a special theme were formed. They had to reflect characteristics of contemporary governance in order to answer the research questions posed in this paper.

In order to find the main characteristics of contemporary governance, a frequency distribution of particular words was counted (see Table 4-7). Main categories are: *governance, economy, nature, advertising and sustainability* (see Table 2). There was a different reason for finding main categories; they are listed in the below texts.

- The "governance" subcategories reflected contemporary governance and were mainly drawn from key terms in the literature review chapter and from Table 1.
- The subcategories for "economy" were chosen in a more general way from common words related to economy
- The subcategories for nature had to represent the intrinsic value of nature, regardless of other related issues. For example, nature is often used in relation to the tourism sector (infrastructure, tolerance limits) etc., therefore the term "nature" was not used.
- Subcategories for "advertising" categories represented Iceland as a selling product, through markets, social media, as a brand and so on; the words chosen related to the most common words used in marketing and sales.
- Sustainability, where the importance of the term in context to tourism development on a global scale was highlighted.

After forming categories and subcategories, and fitting all words from every report in the right categories and counting the number of words, the results were based on the highest sum from categories. It is important in those findings that the results only present the most basic information about the main theme and related components from the reports. In order to make sense of the context, it is necessary to perform discourse analysis. It is also important to keep in mind that the methodology is explorative, and as such, the findings cannot be generalized. Instead, each report needs to be analyzed separately: who were the authors, when was it published, etc., in order to put the findings in the correct context for the goals of this research. Subcategories were key terms and had to reflect the main theme; they were determined in a manner that is listed in Table 2.

Table 2 main theme (categories) and subcategories.

Governance	Economy	Nature	Advertising	Sustainability
State/Government	Investment	Conservation	Marketing	No subcategory
Municipality	GNP	Protection	Markets	No subcategory
Private	Revenue	Damage	Social media	No subcategory
Public	Budget	Destruction	Brand	No subcategory
PPP	Spending	Soil erosion	Product	No subcategory
Democracy	Growth	Trampling	Sale	No subcategory

Given that the reports differ in length, the number of words in each category do not provide reliable results. Therefore, the percentage of words in each category versus total words drawn from all the five categories in each report provides a comparison between categories, i.e. the greatest weight of the categories and from the reports. Another calculating method was used to minimize the differences between reports; the result indicated the weight of each category among the different reports.

The nature of reports also differs, because of different authors behind every report who had different values and goals. The meaning behind words could differ between the reports, and the same word could have a different meaning. That is why the discourse analysis was important in order to reach a better understanding of the meaning behind the words in context with the text and theme from each report.

4.2.1 Challenges in forming categories and subcategories

Upon further examination of the findings, an indication of deviation appeared, due to the following factors: variation of lengths of the reports, different emphasis on subjects in the reports and the limited number of sources. So, finding the right method that would mitigate this difference took some time and a few attempts that did not reflect this difference.

Forming the right categories was also a challenge, because they had to be reflective of two elements in order to answer the research questions, i.e. what aspects or theme in the categories would most relate to the themes and issues outlined in the literature review chapter. That was not enough, because categories preferably had to match the content of the reports. For example, if all terms in sub-categories were not found in any of the reports, there would be no conclusion in this paper. However, words not appearing in the reports from the categories could be a statement, and provide hints about the development of the Icelandic tourism sector. For example, although the "sustainable" category had very little weight in all the reports, it was chosen because of how the term has been highlighted in the last decade and is considered a key term when it comes to tourism development. Some categories were made for reflecting contemporary governance drawn from the literature review. Others were formed to underline the contrast of other categories, in order to provide clearer results of different themes in the report. For example, the "governance" category and subcategories

were a reflection of characteristics of contemporary governance i.e. different actors involved in governance. The "nature" category on the other hand was chosen based on different considerations. This category was meant to form a theme that was the most descriptive of environmental conditions and terms that present environmental degradation without any other context, i.e. economic or tourism-related concepts.

Another challenge of forming categories was that there were often different meanings behind the same words. For example, sometimes the meaning behind the words in the "nature" category could fit into the "economy" category. In that case, the word had to be excluded. Therefore, it was not enough to do a simple counting of the number of words: looking for a broader context from words was also necessary. Therefore, to gain deeper meaning from words, a discourse analysis was necessary, in order to provide holistic view on the objective of this paper.

4.3   Discourse Analysis

Discourse analysis is a method related to content analysis also used in this paper, and focuses on studying the language. The study can be on analyzing words or sentences used for communications, forming a particular discourse. The discourse is not limited to direct words and conversations in texts, but should offer more depth in the research. According to the field of social science, a deeper meaning can be found when words and sentences are scrutinized. They can form a discourse, descriptive of cultural and social settings given in each time and place (Berg & Lune, 2012). The method also considers how written and spoken language represent the cultural and societal norms in any given place and time. Language has much more potential than providing information on different communications, as it can be used for getting information on values between different social groups, culture and institutions, shaping various social activities. It is through language that these elements are produced and then reproduced and finally established through for example institutions and legislation. This process often goes through un-noticed stages, where discourse is taken for granted without any further evidence. Different groups engage in different activity where the culture is different and has different meanings between those groups, where discourse becomes the norm within each group. The language has always different meanings, depending on who is participating in the discourse in use, and is always and everywhere "political." Political in this context is not referring to being either "democrat" or "republican" but rather is descriptive of how one group believes any particular issue being more important than anything else. This can represent a source of power, value, status, value or worth. That being said, there is always a meaning or perspective to be taken from a written language, while what is "normal" or "acceptable" and so forth can be analyzed with the discourse analysis (Gee, 1999).

The aim of the analysis of the reports was to provide deeper insight into possible hidden targets and goals of reports, supporting answers to the research questions and to look for commonalities or lack of compliance between the reports that could provide insights into governmental attempts of policy-making in Icelandic tourism. The categories with the most weight (having highest number of words), and words most often used, represent values from

the authors and norms. If the report is being accepted and gains a lot of attention, the value of the report might be processed with time and hence become a societal value. That is why it is so important to perform discourse analysis to prevent issues going through and being accepted without critical discussion and criticism. In this study, the categories and subcategories were used in order to look for a deeper meaning of the reports and if there were patterns forming with repetitions that could be interpreted in a certain way.

5 Findings

5.1   Main emphasis from the reports

This study examines principles of governance and how they manifest in the discourse on tourism policy in Iceland. This is done by using the methodologies of content and discourse analysis and applying them to four tourism reports that were published in recent years in Iceland. In addition, two quantitative-based calculations were used. The first one was used to calculate the weight between the categories in each report. The second one was used to show the weight between the categories when the different sizes of the reports (counted words) were taken into consideration. Minimizing size difference between reports, by calculating the ratio of number of words in each category versus the total number of words in the reports, provides a more accurate picture of the main emphasis, when the reports are compared. The results are presented in Table 3.

Economy

The "economy" category was in the lead, with 36% average (arithmetic mean) number of words, when looking at weight between categories in each report (see Table 3). In all other cases in the below text, average refers to arithmetic mean. Three, reports were above average: the KMPG (37%), the PKF (39%) and the BCG (44%). The BCG showed highest weight in this category and the biggest gap between weight in the "economy" category was between the Road Map (22%) report and the BCG report (see Table 3).

When categories were compared, taking into account the different size of the reports the "economy" category was also the biggest category with average number of words 0.53%. The PKF (1.01%) and the BCG (0,61%) put great emphasis on this category and were both above average, while the KPMG (0,16%) and the Road Map (0.34%) reports were both below average. The biggest gap on weight in the "economy" category was between the KPMG report and the PKF report (see Table 3).

Governance

The "governance" category had the second most weight, when categories were weighted within each report or with average (arithmetic mean) number of words 24%. The KPMG (37%) and the Road Map (33%) reports put an emphasis on "governance" and both were above average, while the PKF (16%) put less weight on it and the BCG report (9%) the very least weight on this category. The biggest gap on weight in the "governance" category was between the KPMG report and the BCG report (see Table 3).

When categories were compared, taking into account the number of words in the reports, the "governance" category was the third biggest, with average (arithmetic mean) number of words 0.30%. The PKF (0.41%) and the Road Map (0.51%) put emphasis on "governance" and both were above average, while the KMPG (0.16%) put less weight on it and the BCG

report (0.12%) the least weight on this category. The biggest gap on weight in the "governance" category was between the BCG report and the Road Map report (see Table 3).

Advertising

The "advertising" category was the third biggest category when categories were weighted within each report, with average number of words 22%. The PKF (27%) and BCG (36%) reports put emphasis on "advertising" and both reports were above average. The KPMG (7%) put the least weight on this category. The biggest gap on weight in the "advertising" category was between the KPMG report and the BCG report (see Table 3).

When categories were compared, taking into account the number of words in the reports, the "advertising" category was the second biggest category with average number of words 0.37%. The PKF report (0.69%) and BCG report (0.50%) put emphasis on "advertising" and both were above average. The KMPG report (0.03%) shows the least emphasis on this category. The Road Map (0.26%) was also below average. The biggest gap on weight in the "advertising" category was between the KPMG report and the PKF report (see Table 3).

Sustainability

The "sustainability" category had little weight, compared to other categories, showing an average number of words of only 13%. when looking at weight between categories in each report. The KMPG report (19%) and the PKF report (17%) put weight on this category and both were above average. The BCG (5%) report put the least emphasis on this category. The biggest gap on weight in the "sustainability" category was between the KPMG report and the BCG report (see Table 3).

When taking into account the difference between sizes of the reports, the results showed 0.19% average number of words in this category. Only the PKF (0.43%) report was above average. The KPMG (0.08%) and the BCG (0.07%) reports put very little weight on this category. The biggest gap on weight in the "sustainability" category was therefore between the BCG report and the PKF report (see Table 3).

Nature

The "nature" category was by far the category with the lowest weight, with average number of words only 6%, when the weight was compared between categories in each report. It is interesting that the KPMG report had zero weight in "nature" category and the PKF only had 1% weight. The Road Map (18%) report put most weight on this category and is the only report above average. The biggest gap on weight in the "nature" category was between the KPMG report and the Road Map report category (see Table 3).

The "nature" category had also the lowest weight when taking into account the difference size of the reports, showing average number of words 0.10%. The Road Map (0.27%) report was the only report above average in this category, while the KPMG report had zero weight on the "nature" category (see Table 3).

Table 3 Weight between categories.

Report		KPMG	PKF	BCG	Road-map	Average
Economy	No. of words	10	47	203	30	*73*
	% of categories	37	39	44	22	*36*
	% of size	**0,16**	**1,01**	**0,62**	**0,34**	***0,53***
Governance	No. of words	10	19	40	45	*29*
	% of categories	37	16	9	33	*24*
	% of size	**0,16**	**0,41**	**0,12**	**0,51**	***0,30***
Advertising	No. of words	2	32	165	23	*56*
	% of categories	7	27	36	17	*22*
	% of size	**0,03**	**0,69**	**0,50**	**0,26**	***0,37***
Sustainability	No. of words	5	20	23	15	*16*
	% of categories	19	17	5	11	*13*
	% of size	**0,08**	**0,43**	**0,07**	**0,17**	***0,19***
Nature	No. of words	0	1	31	24	*14*
	% of categories	0	1	7	18	*6*
	% of size	**0,00**	**0,02**	**0,09**	**0,27**	***0,10***
Total number of words in categories		**27**	**119**	**462**	**137**	***186***
Total number of words in reports		**6.169**	**4.631**	**32.964**	**8.763**	***13.132***

5.2 Sub-categories explored in more depth

This section presents the findings from the discourse analysis which was conducted in order to analyze the reports in more depth. As the reports were different by nature, this was necessary to gain better insight into each report. Each report was examined in order to show the number of words in subcategories under the main theme. The results are presented in Tables 4-7. The results are expressed in more detail in the text above each table.

In the BCG report, the dominating category was "economy" with the total number of words being 262, indicating a strong emphasis on economy. The category with the second most weight was "advertising" with the total number of words being 165. The category with the

third most weight was "governance", with a total count of 40 words. The "nature" and "sustainability" categories had the lowest weight in the BCG report. In short, the biggest gap on weight was between the "economy" and "nature" categories, indicating a mismatch of emphasis between those categories.

Table 4 Number of words in main and sub-categories in the BCG report.

Main categories	Economy	No. of words	Advertising	No. of words	Governance	No. of words	Sustainability	No. of words	Nature	No. of words
Subcategories	Investment	63	Marketing	35	Government	4	No subcategory		Conservation	18
	Revenue	54	Markets	52	Municipality	13	No subcategory		Protection	3
	Budget	23	Social media	3	Private	14	No subcategory		Damage	9
	GDP	22	Brand	9	Public	4	No subcategory		Destruction	0
	Spending	7	Product	61	Public private partnership	5	No subcategory		Soil erosion	1
	Growth	34	Sale	5	Democracy	0	No subcategory		Trampling	0
Total Number of words		**203**		**165**		**40**		**23**		**31**

Table 5 shows the number of words in subcategories in the PKF report. The category with the most weight was the "economy" category with a total number of 47 words. The "advertising" category follows closely, with total of 32 words, indicating similar emphasis on those two categories. It is interesting to see how low weight is put on the "nature" category, or only one word. There was not as much inconsistency between categories in terms of number of words in this report as was seen in the BCG report, although low scores in the "nature" category certainly lead to more inconsistencies.

Table 5 Number of words in main and sub-categories in the PKF report.

Main categories	Economy	No. of words	Advertising	No. of words	Governance	No. of words	Sustainability	No. of words	Nature	No. of words
Subcategories	Investment	30	Marketing	9	Government	4	No subcategory		Conservation	1
	Revenue	11	Markets	5	Municipality	1	No subcategory		Protection	0
	Budget	0	Social media	0	Private	9	No subcategory		Damage	0
	GDP	0	Brand	18	Public	2	No subcategory		Destruction	0
	Spending	2	Product	0	Public private partnership	3	No subcategory		Soil erosion	0
	Growth	4	Sale	0	Democracy	0	No subcategory		Trampling	0
Total Number of words		47		32		19		20		1

Table 6 shows the number of words in subcategories in the Road Map report. This report shows differences in results, when words in subcategories are counted from the other two reports that have been valuated. The "economy" category was not in the lead anymore: instead there was most weight put on the "governance" cateogory, with total number of words being 45. The second largest category was the "economy" category, with total number of words being 30. The "advertising" (total number of words 23), "nature" (total number of words 24) and "sustainability" (total number of words 15) categories showed similar emphasis in terms of number of words. This report showed much more consistency between categories than the other reports, without having too much gap in terms of the number of words between categories.

Table 6 Number of words in main and sub-categories from the Road Map report.

Main categories	Economy	No. of words	Advertising	No. of words	Governance	No. of words	Sustainability	No. of words	Nature	No. of words
Subcategories	Investment	9	Marketing	7	Government	9	No subcategory		Conservation	16
	Revenue	4	Markets	8	Municipality	19	No subcategory		Protection	8
	Budget	2	Social media	0	Private	14	No subcategory		Damage	0
	GDP	8	Brand	4	Public	3	No subcategory		Destruction	0
	Spending	0	Product	4	Public private partnership	0	No subcategory		Soil erosion	0
	Growth	7	Sale	0	Democracy	0	No subcategory		Trampling	0
Total Number of words		30		23		45		15		24

Table 7 shows the number of words in subcategories in the KPMG report. This report differed from the other reports with placing little weight on nearly all categories. The "economy" and "governance" categories had the same weight but only 10 words in each category. Only two words were associated with the "advertising" category. Both the "nature" and "sustainability" categories did not have any words in those categories, or put zero emphasis on those themes.

Table 7 Number of words in main and sub-categories from the KPMG report.

Main categories	Economy	No. of words	Advertising	No. of words	Governance	No. of words	Sustainability	No. of words	Nature	No. of words
Subcategories	Investment	8	Marketing	2	Government	1	No subcategory		Conservation	0
	Revenue	2	Markets	0	Municipality	9	No subcategory		Protection	0
	Budget	0	Social media	0	Private	0	No subcategory		Damage	0
	GDP	0	Brand	0	Public	0	No subcategory		Destruction	0
	Spending	0	Product	0	Public private partnership	0	No subcategory		Soil erosion	0
	Growth	0	Sale	0	Democracy	0	No subcategory		Trampling	0
Total Number of words		10		2		10		5		0

The findings are now explored with a methodology of discourse analysis and discussed in more detail.

5.2.1 Economy

The "economy" category in the BCG report had by far the highest score compared to the other reports when weight between categories in each report was explored and also when the size of the reports was taken into consideration (see Table 3). When those categories are explored in more depth, one of the BCG report's main emphases was to attract new investment to build Iceland up as a "new destination" and there was strong emphasis on tax revenue being insufficient for building up the sector in Iceland, and therefore new ways of investment were suggested. Strong emphasis was placed on attracting private investors to build up the tourism sector in Iceland.

These emphases were reflected in phrases such as:

> Nevertheless, during our time in Iceland, no single point came out more strongly from our discussions with tourism stakeholders, our review of the data, and the survey that Capacent conducted on our behalf, than the need for new revenues to fund investments in the tourism sector (BCG, 2013: 43).

> Building up Destination Iceland will require a large amount of capital investment each year for the next ten years. We estimate that around ISK 13Bn of public and private investment will be needed this year, rising to ISK 21Bn in 2023. Much of this will be funded by private companies, either from their existing reserves or from privately-raised bank or equity finance – for example for hotel and airport investments (BCG, 2013: 43).

Great emphasis where placed in the BCG report on the idea of the "environment card" (i.e. charging a fee for entering nature destinations in Iceland) which was suggested as a means of providing income for the sector and as a tool for investment. This was reflected by the

following sentences*: "In this section, we review the options to meet this gap, with a particular focus on the idea of an Environment Card paid for by visitors to gain access to Iceland's top 30 natural sites"* (BCG, 2013: 43).

The BCG report put most weight on the "economy" category. The report is in many ways built up like a business plan, with priorities of attracting high-income earners, reported many times in the report. The following passage reflects this goal in the report:

> Affluent Adventurers are a clear target segment for Iceland and are the second largest of the defined segments today, according to our analysis of the Icelandic Tourism Board's Summer and Winter surveys 2011-12. These are the tourists who want to explore Iceland's distinctive nature, yet are also able to pay to add extra value to their visit. For example, instead of exploring a national park alone, they may hire a guide; instead of just viewing a glacier, they may pay to experience ice climbing or ice walking. (BCG, 2013: 64).

This can also be reflected in the following passage: *"Building the destination, defining a series of measures that should be put in place to attract target tourists to visit, to capture more value from them during their stay, and to minimize the impact of their visit on the nature they enjoy"* (BCG, 2013: 16). It is obvious that the mission was to attract affluent visitors in order to lessen the environmental impact. At the same time, there was great emphasis on making the sector one of the main pillars of the Icelandic economy and of increasing the number of tourists. It is worthwhile to note that the BCG report was published in 2013, when visitors had already increased by 23.6% between years. In fact, 807,300 visitors came to Iceland in 2013 (Icelandic Tourist Board, 2018a). Therefore, the message in the BCG can be a bit misleading, especially in the view that affluent visitors do not put less pressure on the environment than other visitors.

Another interesting aspect from the BCG report is the fact that both the sitting Prime Minister and the Minister of Industry and Commerce wrote the forward in the report. By doing so, they are in a way promoting the report. Another, interesting aspect indicating governmental approval of the BCG report was that the Icelandic government adopted two of the suggestions in the BCG report. One was the idea of establishing a board of Tourism Task Force, meant to shape long-term tourism strategy in Iceland, grant applications for the funds and provide loans to the sector (BCG, 2013: 54). Currently, the Tourism Task Force is working towards goals suggested in the BCG report. The other suggestion in the BCG report which was adopted by the Icelandic government was the "environmental card". The idea became a provision in the Icelandic parliament, but was ultimately not accepted.

The "economy" category in the PKF report was by far the largest when the size of the report was taken into consideration, as shown in Table 3. That is in line with the goal of the report i.e. examining the current status of tourism in Iceland with special emphasis on exploring opportunities and the need for investment in the sector. The report put special emphasis on attracting foreign investment into the tourism sector. Examples reflecting this issue are seen below. Sixteen primary factors were listed, reflecting main emphases in the report. Three of them were about the importance of attracting foreign investments into the tourism sector: *"Assessment of opportunities for direct foreign investment and ways to do that defined. Priorities on possible projects, suitable for direct foreign investment. Recommended actions to trigger direct foreign investments"* (PKF, 2013: 2). *"Areas outside the city and south of Iceland have huge growth opportunities and there could be opportunities for attracting*

direct foreign investment" (PKF, 2013: 10). The goal of attracting foreign investments are like a red thread throughout the report: *"One of the main goals of this report is to promote an inspiring environment for investment in the sector and to provide the basis for attracting direct foreign investment"* (PKF, 2013: 11). *"In the first visit to Iceland, many projects were seen that could attract investors from all over the world, even though they are not yet big enough or have enough quality to be considered ready for investments"* (PKF, 2013: 13).

The KPMG report differed in emphasis in the "economy" category, scoring 10 in this category, and therefore was too low for forming any particular theme. The Road Map also scored quite low in the "economy" category, with its main emphasis on the term "investment" in terms of bringing investment back into the sector: *"returns on investments, foreign exchange earnings and the sector′s contribution to the GDP"* (Road Map, 2015: 22). There was also emphasis on investment in marketing: *"investment and product development shall be consistent with branding and market segmentation"* (Road Map, 2015: 23). But overall this category had little weight in the Road Map report.

5.2.2 Advertising

The "advertising" category in the PFK report had the highest score in terms of number of words, compared to all the other reports. The PKF report had similar marketing goals as the BCG report, and although the discourse was different, they had the same meaning, i.e. to create a long-term marketing strategy and improve competition for international markets by targeting high-income earners. For example, *"It should be noted that the four largest Iceland markets, based on the number of overnight stays, are on the list of five nations that spend the most money on travelling 2011"* (PKF, 2013:9).

The BCG report was well above average on emphasis in the "advertising" category in terms of number of words and with priorities of increasing international promotion for Iceland with more marketing. This is reflected in the following passage:

> International promotion is critical to the development of tourism. Our survey of tourism stakeholders in Iceland showed 96% of respondent's rate tourism marketing and distribution as "important" or higher. This percentage is larger than any other factor bar a coherent government policy and regulatory framework (BCG, 2013: 31)

The BCG report wants to increase marketing in order to attract more affluent visitors to the country: *"With limited national marketing budget (see Section 4), it is important to focus efforts to maximize the impact of each dollar spent"* (BCG, 2013: 23).

The Road Map is below average in terms of number of words and emphasis on the "advertising" category, with the goal to improve branding: *"work on branding Iceland as a destination, define target groups and market accordingly"* (Road Map, 2015: 9). This report set a tone in being careful that marketing yields greater returns into the sector. Emphasis is put on a well-coordinated marketing of Iceland. This can be reflected by a few passages like the following: *"tourism entities, investors and other interest groups shall be encouraged to take into account the result of the branding and market segmentation and seed ways of facilitating greater returns in tourism"* (Road Map, 2015: 22) and *"branding, market*

segmentation and marketing shall be consistent with the increased required rates of return in the sector" (Road Map, 2015: 23).

The KMPG report had too low a score in the "advertising" category and therefore it was not possible to trace any particular theme from the report.

5.2.3 Governance

The aim of this category was to examine what were considered the most important emphases in terms of actors in the governance process (institutions, private, municipality, state or public-private partnerships/PPP). The result provides insight into what governance framework (see Table 1) each report adheres to.

Private-related concepts were prominent in all the reports and there seems to be common agreement in the reports to open-access for private actors in engaging in the policy-making process. That can be reflected in following passage:

> It is proposed that the government consider private partnerships in the development of policymaking projects, especially those which could open up new destinations. This not only shows the government's faith in the industry but increases confidence in the sector for attracting private investors to invest in the sector (PKF, 2013: 13).

And this is also descriptive in the following passage: *"The establishment of a tourism policy group was a major step to unite the industry and to implement a holistic approach for issues of tourism, meeting both the needs of the private sector and public issues"* (PKF, 2013: 14). In the PKF report there is clearly a shift towards private actors to let them into the policy-making process. For example:

> In addition to the above text, Promote Iceland and the Tourism Board should provide advice for policy-making and provide information on the need for both product development and infrastructure available for municipalities, governments and possibly investors from the private sector (PKF, 2013: 14).

> Suggestions from governments to begin cooperation with private actors for development of policy for key projects, especially discovering new destinations. This will not only show the trust of the government in the sector but strengthens the trust of private actors of such projects (PKF, 2013:13).

The KPMG report had a similar tone in its reports, namely, to attract foreign investors to engage in the policy-making process, despite a low score in the "private" subcategory. The biggest weight was put on the subcategory of "municipality", while the most obvious concern was the imbalance of income to the national government versus the local municipalities.

The highest score in the "actor" category in the BCG report was private-related concepts. Here are a few examples:

> Today, governance of tourism in Iceland is complex, with many entities with overlapping responsibilities and a lack of central accountability. Experience from other countries, such as Finland and Australia, shows that simplicity, along with a central

driving force with public and private sector participation, is essential to ensure a coordinated effort across the tourism sector (BCG, 2013: 7).

Alongside a range of measures to reduce today's complex structures, we recommend the establishment of a public-private Tourism Task Force, whose responsibility will be to own the long-term strategy, set targets, measure progress, coordinate activity, and drive change (BCG, 2013: 7).

As such, we do not pretend to hold the definitive solution. Rather, we seek to build on the existing canon of work. We hope our contribution is useful and timely, that it brings new ideas and international experience to the table, and that it helps strengthen the resolve of public and private players to take decisive action in favor of managed, sustainable growth (BCG, 2013:17)

The following examples from the BCG report emphasize suggestions of extended power given to private actors granted a seat in the Tourism Task Force: *"Grant applications would be reviewed by a committee of public and private sector representatives, appointed by the Tourism Task Force Steering Group"* (BCG, 2013;43). *"We recommend that the Tourism Task Force uses its coordination role to identify gaps in the provision of training and development, and support private and public players to address them, potentially using grant or loan finance from Environment Fund resources"* (BCG, 2013: 62). The following passage also represents extending power being moved to a selected group, in this case the Tourism Task Force: *"alongside a range of measures to reduce today´s complex structures, we recommend the establishment of a public-private Tourism Task Force, whose responsibility will be to own the long-term strategy, set targets, measure progress, coordinate activity, and drive change"* (BCG, 2013:7).

In the Road Map report, the most frequently used word in the "governance" category and sub-category was "municipality". The main theme and concern was that the municipalities should get revenues for the ownership of nature resources back to their local community, as the following passage indicates: *"Implement ways for municipality to have revenues for the cost of infrastructure and operations of nature destinations in their areas"* (Road Map, 2013: 11).

5.2.4 Sustainability

Overall, the term "sustainability" was not mentioned often and when it was mentioned it was almost never related to the three dimensions of sustainability, namely the economic, social and environmental pillars/elements. Sometimes, though, the concept appeared to be used as a sales and marketing cliché: *"To make Iceland one of the leading countries as a sustainable destination with unique whole year goal of product supply that captures the unique nature and cultural valuables of Iceland"* (PKF, 2013: 11). Another example: *"The pristine nature of Iceland creates opportunities for the country to become one of the most sustainable destinations of the world for visitors"* (PKF, 2013: 12).

The KPMG report mentioned "sustainability" five times and therefore the term did not have any particular meaning in the report.

In the Road Map, the term "sustainability" was used in a very general and broad way, with the focus on building Iceland up as a sustainable destination, similar to the emphasis in the PKF report.

The BCG report differed in that "sustainability" was mainly mentioned in context to economic factors, reflecting the main focus of the report, e.g.: *"Chapter 5 focuses on how to fund the necessary investment on a sustainable basis"* (BCG, 2013: 16); *"Sustainable business model, enabling investment in existing sites and development of new ones"* (BCG, 2013: 19) and: *"All investment must meet a test of achieving long-term sustainability"* (BCG, 2013: 39).

5.2.5 Nature

Overall, little emphasis is put on the "nature" category in all the reports. The Road Map is the only report above average in terms of number of words in this category and therefore seems to be the only report concerned with the intrinsic value of nature. It is noteworthy that both the PKF and KPMG reports put almost no emphasis on the "nature" category, with the KPMG report having zero words in this category and the PKF only one word. "Conservation" was the word reported most often in the Road Map report. At first glance, there was a lot of concern for conservation, but when better scrutinized, there seems to be a strong link between the term "conservation" in the report and the term "infrastructure" and "development". So basically, when the term "conservation" was used, the meaning behind it might as well belong in the "economy" category. In those cases, the term had to be excluded if it did not fit into the right category. The texts below show examples of how the term conservation is often linked to development:

> It is also proposed that several tourist destinations be defined as model destinations so that they can be prioritized and systematic work can be done on developing them with regard to, inter alia, nature and heritage conservation and the sustainable development of the environment and tourism services (Road Map, 2015: 18).

"National parks, protected areas and public land shall be administered under one body and systematic work shall be conducted for nature conservation and development in the spirit of the definition of a sustainable destination" (Road Map, 2015: 19). *"Principles of conservation and sustainability form the basis for developing facilities that blend in with the landscape and areas under public ownership are well maintained"* (Road Map, 2015: 19). *"Service charges are expected to be channeled into, among other things, nature and heritage conservation and further developing destinations"* (Road Map, 2015: 19).

The KPMG report had zero words in the "nature" category. This is interesting when put in context with the goal of the report, which was to analyze risk factors in the sector by taking interviews with stakeholders and individuals with a broad knowledge of the sector. During the periods the report was published, visitors were expanding rapidly between each year in Iceland and on a global scale, yet it seems that stakeholders in the report are not concerned with this issue. The subcategories in the "nature" category were counted zero times. The term "nature" (name of the main category) was mentioned a few times, though: *"nature is exposed to visible damage because of too many visitors or because of its own cause so it will affect the experience of visitors"* (KPMG, 2016: 22). *"Icelandic nature is the primary attraction for visitors and her condition will affect visitors experience"* (KPMG, 2016:11).

This indicates that when the term "nature" is mentioned, it is mainly in the context of negative experience of visitors. That being said, if the environment ("nature" category) will be downgraded it is not necessarily put in context to solely the nature, but instead linked to having a negative effect on visitor experience. That being said, the term seems not to have any weight in context with the intrinsic value of nature.

In the BCG report, there was a similar tone of optimism towards praising the Icelandic nature as a means of attracting a lot of visitors to the country. Emphasis was placed on the growth of tourism and its potential of becoming the main pillar of the Icelandic economy. The term "nature" had a primary goal: to attract more visitors to the country. There was emphasis on attracting affluent visitors, for putting less pressure on nature. Again, this can be confusing, if the goal is to make the tourism sector one of the main pillars and accommodate higher numbers of visitors - but only affluent visitors, with the view that affluent visitors put less pressure on the environment, however there are no indications for this in the tourism literature. The Icelandic nature is mainly seen as a means of attracting a higher number of visitors for the economic wellbeing of the Icelandic people. This is in general the emphasis of the BCG report. The goal of conservation was often linked to tourism development, as can be seen in the following passages: *"The main exceptions to this approach would be where facilities are required primarily for conservation purposes or for the development of tourism in a less-visited part of the country"* (BCG, 2013: 39).

> This section, Building the Destination, has highlighted a wide range of actions that will be required to attract Iceland's target visitors and achieve its ambitious tourism aspirations over the next decade: Targeted promotion; focused product development; expanded infrastructure; and improved site conservation (BCG, 2013: 41).

Conservation in the PKF report was only mentioned once, therefore it was not possible to find any central theme. This one case was reflected in market opportunities: *"However there is a need for taking radical action when it comes to environmental protection to convey better to visitors and foreign markets what is being done in the field of environmental protection"* (PKF, 2013: 12).

Summary

When the background of the reports is examined, the Road Map report was made upon request from the government, Icelandic municipalities and the Icelandic travel industry (SAF). The KPMG report was made as a continuation of the analysis from the Road Map report, while private and public companies paid for the BCG report and the PKF report. However, both the BCG and PKF are private firms. PKF comprises international accountants and is a business adviser company that Promote Iceland hired to look for foreign investment opportunities for the Icelandic tourism sector. The BCG report was paid for mainly by private companies; BCG is also an international consulting firm focusing on increasing value, creation of strategies, innovation and supply management.

Reports made by private firms seem to be much more business-focused, putting more weight on the "economy" and "advertising" categories, while the Road Map report seems to put more weight on "nature" and "governance" categories. The KPMG report also puts big weight on "governance". This might explain the dominant factors of the "economy" and

"advertising" categories in the BCG and PKF reports and strong emphasis on increasing private actors in policy making and for investing in the sector.

One idea coming from the BCG report was to create the public-private group of a Tourism Task Force that would have the role of governing the tourism sector, forming a long-term strategy, setting up the Environment Card with ideas of charging a fee to nature destinations, and attracting foreign investors to invest in the Icelandic tourism sector. In a similar time period, individual landowners in Iceland began charging fees into nature destinations, leading to conflict between landowners and the state as to whether the act was legal or not. This can be interpreted as an indication of impact of the BCG report in Icelandic society. By 2014 it had become a highly debated public topic (Daðason, 2016a). Geysir, one of Iceland's most visited sites, became one of the prime examples of the dissatisfaction with entrance fees. Geysir is co-owned by the government and landowners. Landowners began to charge an entrance fee for visitors without prior consultation with the state. According to the Nature Conservation law, Article no. 32. the Environment Agency of Iceland (UST) supervises contracts of the operators of nature sites. No contracts had been signed for the instigation of entrance fees at Geysir, and thus a few days after charging the fee, the authorities judged the charge illegal and it was subsequently banned. Another example of a conflict and unclear governance was when the Supreme Court confirmed that the landowners of Námaskarð, in Mývatn in the north of Iceland, were not within their legal rights when they imposed an entrance fee to Námaskarð (Daðason, 2016b). This indicates that the "environmental card" idea possibly stirred up a new ideology of charging entrance fees to nature sites in Iceland - something highly controversial because of the old tradition of the common law in Iceland.

Also, the idea of a Tourism Task Force from the BCG report was taken up and used unchanged in the government's Road Map report. This strengthens the finding of this paper: when private actors, in this case the BCG group, are invited to the decision-making table, they also gain power to participate in forming a strategic report for development of the tourism sector.

The "nature" category had the lowest weight of all other categories. The Road Map report is a governmental report, focusing on creating the basis for long term policy in tourism. Subsequently, the Tourism Task Force committee was established that is committed to the task of analyzing risk factors in the sector with interviews with stakeholders who had a broad knowledge in the sector. This report had low scores in the "economic" and "advertising" categories. This could be an indication that governments are more concerned about the environment while private actors put more emphasis on economy. There seems to be a big gap between those categories, according to the result of the research.

6 Discussion

- *How do the principles of contemporary governance manifest in the discourse on tourism policy-making in Iceland?*
- *What are the critical aspects put forth and underscored by stakeholders in the discourse of tourism policy-making in Iceland?*

The above research questions were posed because forming a long-term tourism policy in Iceland has been on the governmental agenda for decades. Meanwhile, Iceland has been going through a tourism boom, with 30% increase of international visitors coming to Iceland in recent years. This increase is putting a tremendous pressure on the environment and Icelandic nature. Nature is the number one reason to attract 80% of visitors to Iceland (Ollivaud, Guillemette and Turner, 2018).

Being without a long-term policy in such an era creates great uncertainty for the future development of the tourism sector. This uncertainty and lack of long-term policy might lead to the opposite of what authorities have been trying to achieve, i.e. maintaining the tourism sector as one of the main pillars of the Icelandic economy.

Nevertheless, in the light of a lack of long-term policy, the government and the private sector have published strategic reports on tourism in the last decade. In this study, four such reports were analyzed using both content and discourse analyses in order to discover main themes and pinpoint main emphases in tourism development in Iceland.

The findings revealed that the "economy" and "advertising" themes are in the lead, reflecting priorities of Icelandic tourism development. The "governance" category was the third biggest category when size of reports was taken into consideration, mainly focusing on private actors, except in the Road Map report where "municipality" was the biggest subcategory. This finding is in agreement with a contemporary governance approach, i.e. increasing access for the private sector as investors into the governance process and the belief in the market as the most efficient tool of governance.

The term "principles of governance" posed in the first research question refers to objects in Table 1 as "framework of governance". Various frameworks of governance have been proposed in the political science field, admitting to the hierarchical structure of governance. Different frameworks reflect intermediate theoretical categories descriptive of western liberal democracy, which consist of four elements: *hierarchy, communities, markets* and *networks*. Those elements are now examined in context to the result of the research, in order to find out what governance principles Iceland adheres to. The, results are presented in Tables 8 and 9 below and are the same elements presented in Table 1. This is done in order to answer the first research question of *how do the principles of contemporary governance manifest in the discourse on tourism policy-making in Iceland*? Section 6.2 answers the second research question, *what are the critical aspects put forth and underscored by stakeholders in the discourse of tourism policy-making in Iceland?*

6.1.1 Hierarchies

The traditional role of the state is weakening, and even though the state continues to have a leading role in foreign affairs and in law enforcement, the literature confirms changes in governance with growing political power of local states and the intervention of private actors. Therefore, hierarchies can reveal important information of the structure of the society and information about the distribution of power among actors (Hall, 2011a).

There are clear indications from the discourse in the reports of changes in principles of Icelandic governance. The main findings point to a sense of impending change or a new period in the tourism sector, highlighted by the recent access of private actors in the policy making process and in investing in the sector, which is in agreement with the government of Iceland - in other words, the increased emphasis on PPPs.

The strongest indication is the withdrawing of power from the government and its transfer to private actors and other stakeholders. As the findings show, the "economy" category had the strongest correlation between the BCG and PKF report for creating a basis for more growth in the sector using largely funds from the private sector. This can be reflected in the "governance" category where most weight is put on the sub-category of "private". Therefore, based on the study's findings, the Icelandic tourism governance does fit well under categorizing *distinguish between public and private policy* (see Table 8)

The private actors are seen as a great opportunity for bringing investment into the tourism sector and, hence, ensuring the successful development of the sector. This statement indicates that more authority is handed over to private actors engaging in governance and the policy-making process. An example of this is reflected in the idea that private actors and the state should collaborate to develop strategic key projects in the tourism sector in order to strengthen private investor confidence in the sector (PKF, 2013: 13). Therefore, based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of *clear allocation of transfer of power between different levels of the state* (see Table 8) This can also be reflected by the emphasis placed in all the reports on the local municipalities receiving more revenues from the sector and that they should gain ownership over their own resources.

In the BCG report, the Prime Minister the year the report was published stated: *"the right measures and combined effort of public and private actors, tourism will flourish in the coming years"* (BCG, 2013: 3). Increased emphasis was placed on the coordination of private and public actors as a way of achieving maximum economic success for the future development of the sector. Based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of *removal of property rights* (see Table 8) with the argument that private actors get approval from the government (in this case the Prime Minister) investing in Icelandic natural resources and hence have ownership over them. Another reflection from the findings in this paper fits under the categorizing of *good ideas poorly executed* (see Table 8): Iceland is still without a viable long-term tourism policy.

The Road Map report put the most weight on the "municipality" subcategory after the BCG report. The main concern is local communities gaining power over their own natural resources and that they should get revenue from them. This indicates that Iceland adheres to *clear allocation of power between different level of states* (see Table 8). More importantly, both the PKF and BCG reports put most weight on transferring this power to private actors.

Therefore, a *command and top-down decision making* (see Table 8) was placed there with the argument that the sub-category of "public" gained very little weight. Instead, the power is transferred to private actors that automatically gain more power in the policymaking process and therefore automatically climb up the hierarchical ladder. Also, there is zero emphasis on the subcategory of "democracy", giving the hierarchy more weight. Based on these results, the elements in Table 9 cannot be linked to Icelandic tourism governance: *focus on public and common goods, Ideal model of democratic government and public administration* (see Table 9).

The *good ideas poorly executed* (see Table 8) fits under what Iceland adheres to in tourism governance. Based on the arguments of several strategic reports that have been published since the seventies, Iceland is still lacking a long-term policy. This can have a seriously negative impact on the Icelandic tourism sector.

6.1.2 Communities

The concept of communities reflects the ideas of involving more citizens in the governance process, with large-scale governments being replaced by smaller spatial units and getting the community closer to the present tradition of deliberative and direct democracy, i.e. the involvement of the public in the policymaking process (Hall, 2011a). The subcategories "democracy" and "public" have very low weight in all the reports while most weight was put on private actors. Therefore, based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of: *complexity, local autonomy, developed power* and *decentralized problem solving* (see Table 8), based on the critique from the Auditor General, declaring that the legal framework in tourism governance is too complex and still unclear, with tourism affairs extending to almost all ministries and organizations of the sector (National Audit Office, 2017).

One option from framework of governance is *fostering civic power* (see Table 9); again, no weight is put in any of the reports on the subcategories of "democracy" and very little weight is put on the subcategory "public".

Based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of *governance without a government* (see Table 8), withdrawing the state from the policy-making procedure and handing more power to various actors in the decision-making process. This can be reflected in the suggestions from the BCG report that private actors should be invited into the decision-making process and, more specifically, that they should have a seat on the committee (Tourism Task Force) that holds power over the allocation of funds in different tourism projects all around Iceland and to create long term tourism policy. Another interesting aspect indicating that the government is withdrawing its power refers to the fact that the authors of the BCG, the PFK and the KMPG reports were private bodies and some of the ideas in the reports were used directly by Icelandic politicians in an attempt to pass a draft through in the parliament, i.e. the "environmental card" idea.

According to the study's findings, the *complex local autonomy and developed power* (see Table 8) refers to transfer of power handed mainly to private actors and also refers to the fact that the "municipality" has big weight. Finally, the *blurred distinction: policy often made and then re-made by various policy actors* (see Table 8) refers again to the fact that the Icelandic government has been publishing reports for a long time in an attempt to make a tourism policy in Iceland.

The element of *community involvement* and *fostering civic spirit* (see Table 9) cannot be linked to the conclusion of the study, with the argument again that no emphasis is put on "public" or "democracy" and the biggest sub-category of "governance" is "private".

6.1.3 Network

Networks focuses particularly on public-private partnerships. Beaumont and Dredge (2010) and other scholars have noticed that the term has been gaining increased attention because of the vital role networks play in policy-making and planning, especially in context to PPPs in facilitating coordination between private and public interests and resources.

Based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of: *facilitate coordination of public and private interest and resource allocation and therefore new policy implementation* (see Table 8). This can be reflected by emphasis from the reports on inviting various stakeholders to the policymaking table, focusing almost solely on the private sector. Therefore, the element of *significant role given to interest groups* (see Table 8) can also be fitted to what the Icelandic government adheres to in tourism governance. These elements seem to be a turning point in tourism governance in Iceland.

6.1.4 Market

The use of markets as a governance mechanism has been in the spotlight since the eighties in the western world, mainly in respect to corporatization and privatization in tourism-related objectives. The contemporary role of the market has the characteristics of a neoliberal political philosophy with the appropriate low degree of state intervention in context to the socio-economic system. The State can use other forms of intervention and influence on the sector, by means of, for example, education, tax and financial incentives, public subsidies, and other policy tools (Hall, 2011a). The faith in marketing approaches in governance has been often displayed in the reports and can be fitted to the following element: *policy arena for economic actors where they cooperate to resolve common problems* (see Table 8).

Markets play a big role in the result of this paper under the "advertising" category, which was the second biggest category in the conclusion of this study (see Table 3). Elements *of believing in the market as the most efficient tool for resource allocation* (see Table 8) can be linked to putting such a great weight on marketing, Iceland as a selling product on international markets, and having the "private" category the biggest category of "governance".

Nature plays a big role in the tourism sector: if private actors are given power to engage in the tourism policy process and as investors, then resource allocation becomes a product to invest in. Drawn from this, nature resources in Iceland are at risk of being handed from the public to be owned by the private actors. Those private actors might as well be foreigners, according to the BCG and PKF reports in terms of the emphasis on attracting "foreign investors". Therefore, based on the study's findings, the Icelandic tourism governance does fit well under the categorizing of *Policy arena for economic actors where they cooperate to resolve common* problems (see Table 8).

Another fit can be listed from the following element: *market will provide the efficient outcome* framework (see Table 8). The marketing approach is also a shifting point, coinciding with an increased number of tourist arrivals in Iceland, reflected in the great emphasis placed on market strategies in tourism governance in the reports.

However, as Table 9 shows, the results of the research cannot be referred to elements of *empowerment of citizens via their role of consumers* as most of the goals within the markets category emphasize attracting greater numbers of foreign visitors but give little attention to Icelanders, meaning that the power is given to visitors in tourism governance.

Below are Tables 8 and 9, demonstrating principles of contemporary governance (framework of governance). Table 8 represents aspects that Iceland adheres to in tourism governance, according to the findings of this study. Table 9 represent aspects not fitting to what Iceland adheres to in tourism governance.

Table 8 Framework for governance and attributes matching the result from the reports.

Hierarchies	Communities	Networks	Markets
Distinguishes between public and private policy	Governance without government	Facilitate coordination of public and private interest	Belief in markets as most efficient tool and resource allocative mechanism
Command and top-down decision making	Complex local autonomy and developed power	Resource allocation and therefore new policy implementation	Policy arena for economic actors where they cooperate to resolve common problems
Good ideas poorly executed	Blurred distinction: policy often made and then re-made by various policy actors	Less public policy consideration	Markets will provide the most efficient outcome
Clear allocation and transfer of power between different level of the state		Significant role given to interest groups	
Removal of Property rights			
Elitist			

Table 9 Framework of governance and attributes NOT matching the result from the reports.

Hierarchies	Communities	Networks	Markets
Ideal model of democratic government and public administration	Communities should be independent: minimum state intervention	Mutual dependence between networks and state	Empowerment of citizens via their role of consumers
Focus on public and common goods	Community involvement	Coordinate policy areas in preference with new actors (PPP)	Monetary criteria to measure efficiency
Hierarchical relations between different levels of control	Fostering civic spirit	Multi-level governance	
	Decentralized problem solving	Steering, bargaining, exchange and negotiations take place	
	Street level bureaucrats		

6.2 What are the critical aspects put forth and underscored by stakeholders in discussion of tourism policy making in Iceland

This section seeks to answer the second research question in this study: *What are the critical aspects put forth and underscored by stakeholders in the discourse of tourism policy-making in Iceland?* This is done by taking into account other interesting findings from this study i.e. regarding the background of the reports and how they were put forth officially and who were the authors of the reports, etc. Some have been revealed in the last section and will be re-emphasized based on a different context and values.

The BCG report is highlighted in this paper because of the media attention, provoking discourse in society with a draft of the "environmental card" idea, which was directly sourced from the BCG report, with the attempt to pass it into legislature in the parliament. Also, the report was introduced in an open conference at the Harpa conference hall, where it was introduced to the Icelandic tourism industry. The "environmental card" idea triggered

various criticisms in Iceland and was regarded by many as a threat to the right of the commons, one of the oldest laws in Iceland.

The BCG report put the most weight on the sub-category of "private" in the "governance" category. The literature review, however, points to the fact that selected stakeholders, or in this case private actors involved in contemporary governance, might not be the most appropriate actors to be involved in the decision-making process and policy making process. This can, for example, be reflected in the conflict that the "environmental card" idea provoked among the public in Iceland, with the BCG group being un-aware of social and legislative value, i.e. the meaning of the oldest law of the country and the right of the commons to travel free around Iceland without paying for entering nature destinations, while it is considered normal to pay an entrance fee into national parks in the United States.

Inviting a more diverse group of stakeholders and the private sector into governance and the policymaking process can invite the risk of decisions being affected by their newly gained power, interests, norms and values. Hence, they may not serve the wellbeing of the whole of society and they may lack appropriate data for best outcomes in the development of the sector (Klijn & Koopenjan, 2012). The risk lies in the selection of exclusive groups of stakeholders promoting an un-democratic process, often excluding actors that might have better knowledge of the development of the tourism sector (Sørensen & Torfing, 2005). Those changes in governance have proved to be very powerful but are still poorly defined, therefore their impact cannot be foreseen and might have irreversible consequences for the environment and the allocation of nature resources and the development of the tourism sector.

Another important aspect when the state opens access to private actors for investing in public assets by forming a public-private partnership is when the state becomes involved in business strategies and will start to operate more in the direction of a business model, hence the main priority becomes economic benefits, with the risk of undermining the other end of the spectrum, for example in this case the nature. This can be reflected in the big gap in this study between the "economy" and "nature" categories. This, is interesting in light of the fact that the foundation of the tourism sector is very often linked to nature destinations, but the reports seemed not to connect the importance of nature conservation to tourism development. These changes could also lead to natural resources being handed over to fewer selected actors and, subsequently, reduced democratic rights to the commons. It could lead to a fundamental change in the old traditions of the rights of the commons.

According to Graham et al. (2005), when business behaviors become norms in governance the most important aspect is to ensure economic growth and all other standards are set aside. This view transferred to tourism governance means the environment will have to be a second priority. Nature is the number one reason for attracting visitors to Iceland (Icelandic Tourist Board, 2017b). Therefore, the participation of private actors behaving under the rules and norms from the business world will invite the risk of failure for sustainable development of the tourism sector and risk undemocratic rules in the allocation of natural resources in Iceland. This risk is reflected in the result of the study with the "sustainability" category getting very low weight, despite the highlight of the term globally and the development of the United Nations in sustainable development, consisting of seven elements: a plan for action for the planet, people and prosperity (United Nations, 2015). The PKF report's goal was to make Iceland a leading country in regard to sustainability. This represents controversial and unclear goals. To make Iceland one of the most sustainable countries in

the world is interpreted as an overstatement in this paper, especially considering that all the reports scored extremely low in the "sustainability" category and the importance of the term in the context of tourism development. The term sustainability is usually mentioned in context to three elements: the economic, environment and social pillars. Yet rarely did the term appear in context to those pillars in the reports. This reflects inconsistency and contradiction in the reports and minimizes their credibility.

The above issues in tourism governance have not yet been studied thoroughly by scholars, but have nevertheless raised awareness in the meta-governance literature as being capable of having a huge impact on the development of the tourism sector. The value of natural resources and the increasing number of tourists tend to change in accordance with the economic benefit that the tourism sector offers. When private stakeholders get involved in tourism policymaking, they get more power over planning and investment in natural resources and the decision-making and allocation of them. This can also indicate *a removal of property rights*, which is one element of hierarchies in contemporary governance (see Table 8). It is, therefore, vital to acknowledge those changes and how they affect sustainability and the future development of the sector. These issues underline the importance of this study.

When interpreting the results from the content analysis, an inconsistency was indicated by the large difference between the "economic" and the "nature" categories in the reports. What is interesting is the fact that the KPMG report had zero number of words in the "nature" category and the PKF only one word (see Table 3). The BCG and Road Map had all the weight on the "nature" category, which still was very low weight (6% and 0.10%) (see Table 3) in comparison to the biggest category, "economy" (38% and 0.53%) (see Table 3). Therefore, it is interesting how much the reports differ, considering the short period of time they were all made in. This indicates inconsistency between the reports, which is interesting in light of the fact that they all had a common goal of forming strategies for the development of the tourism sector and were done in the same time period.

As has already been discussed, the findings of this study show that the "economy" and "advertising" categories were in the lead. There is a prominent indication of change in the governance structure, especially in power-related relationships. The state is obviously working more towards collaboration with the private sector in tourism governance. This is also highlighted in other reports, where the goal is to involve the private sector in the policymaking process. The discourse analysis revealed the main emphasis of this category, namely, the importance of attracting private investors in the tourism sector and the overall manifestation of decentralization, deregulation and multi-relationships between different societal dimensions. Despite the move towards inviting new actors into the governance process, there is little attention of the possible implications this might have for the sector. No risk analysis or framework seems to exist in relation to this new type of governance. Neither is there any mention of overall critiques or consequences it might have on the environment, the right of the commons, democracy and so on. The reports completely overlook such complications and issues and focus rather on the involvement of private actors solely as an opportunity for the growth of the sector. On top of that, putting such a low weight on both the "nature" category and "sustainability" is a clear statement of low priority when it comes to the intrinsic value of nature – which is the primary reason for visitors coming to Iceland.

7 Conclusion

This study has focused on contemporary governance and tourism. The results indicate the main emphasis of the Icelandic authorities regarding tourism policies in Iceland. The main emphases have been to maximize economic benefits from the sector and to attract more visitors. A further emphasis has been placed on enhancing PPP with less intervention from the government and inviting more stakeholders to the governance process. Emphasis has not been placed on nature conservation, which seems to be on the opposite pole of the policy-making process, and only lip service is paid to sustainability. It is from this view that a framework on governance must be applied in the governance process. Frameworks are crucial because they affect the issues examined and affect the policymaking process. They can never be understood in isolation from other relationships, in this case with more stakeholders being invited to the policy-making process. The more stakeholders invited into the policy-making process, the more complicated governance becomes. Hence, it becomes even more important to understand the governance process in terms of who allocates natural resources and who exercises control and coordination. When this process has no solid definition or understanding, then the above factors increase.

The input of the private actor to the policy-making table increases the risk of one topic being valued more than another, i.e. some might have great economic interest and therefore less interest in the environment and so on. During the process, it can be difficult to see who is responsible for any decision making and who is to be held accountable. Thus, the need is, more than ever, to clarify the relationship in the governance process to avoid the risk of one issue dominating over another issue. The fact that very low weight was put on the "nature", "democracy" or the "public" in the study indicates a high risk of the development of the tourist sector being done mainly for international visitors and economic benefits. When the sector is not developed democratically in harmony with the local people, there is a risk of conflict between the tourism sector and the local people, which is often the first sign of the downgrading of the sector.

This paper suggests further research in tourism governance, especially in terms of consolidated authority in the governance process and the policy arena in tourism, along with how it can affect the development of the tourism sector, allocation of nature resources and planning nature destinations.

When nature is at risk of being downgraded due to economic interests from actors in the governance process, it can create a fundamental change towards the right of the commons. Therefore, it is interesting to carry out further research into the impact of such actions on the right of the commons, which has strong cultural identity and meaning for the Icelandic people. If contemporary governance and the process of allocation of nature resources is not examined further, Iceland and its most attractive nature destinations can be owned by a few powerful people in Iceland or foreign investors. Therefore, they would be lost forever to the public of Iceland, which would be a failure in democracy.

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