

155. WHAT NEXT FOR TOURISM POLICY IN THE POST-BREXIT EU?

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ABSTRACT

Tourism is a major socio-economic activity in the European Union that has traditionally been, cast as a means of promoting European identity and progressing the EU's aims for further European economic and political integration. The decision of the UK to leave the Union has implications for all areas of socio-economic activity, including tourism. Using secondary data analysis, this paper considers how the EU's approach to tourism may adapt after the UK has left the Union.

Key Words: EU, UK, Tourism, Brexit, Identity, policy

INTRODUCTION

Tourism is a major socio-economic activity in the European Union “with wide-ranging impact on economic growth, employment and social development and it can be a powerful tool in fighting economic decline and unemployment” (European Commission, 2014: 8).

Policy making on tourism is a national competence but tourism is as an area of interest in Article III- 281, in the Treaty establishing a Constitution for Europe. The EU has a complementary competence for tourism. According to Panyik and Anastasiadou (2013), the EU has gradually adopted a facilitator role by focusing on soft ‘law’ measures, voluntary schemes, partnerships and knowledge exchange. Moreover, EU institutions have created additionality for tourism by focusing on the tourist experience, and have initiated a range of measures to support tourist rights (such as the EC Package Travel Directive) (Anastasiadou, 2008a, 2008b). Table 1 summarises the most relevant EU programmes for the tourism sector.

Table 1
Most relevant programmes for the tourism sector in the EU

Area	Multiannual Financial Framework 2014-2020
Cohesion	Structural funds: <ul style="list-style-type: none">• European Cohesion Fund• European Social Fund• European Regional Development Fundo European Territorial Co-operation
Environment, Agriculture & Marine and Fisheries Policy	Development <ul style="list-style-type: none">• LIFE• European Agriculture Fund for Rural• European Maritime and Fisheries Fund
Research, Innovation and Competitiveness	Research and Innovation <ul style="list-style-type: none">• Horizon 2020 (Framework Programme for• COSME (Programme for the Competitiveness of Enterprises and SMEs)
Culture and Education	<ul style="list-style-type: none">• Creative Europe Programme• Erasmus for All Programme
Employment	<ul style="list-style-type: none">• EaSI (EU programme for Employment and Social Innovation)o PROGRESS (Programme for Employment and Social Solidarity)o EURES (European Employment Services)o PROGRESS Microfinance Facility

Source: Adapted from European Commission, 2016.

Current issues for European tourism continue to revolve around sustainability, the capacity to fully take into account “current and future economic, social and environmental impacts” (European Commission, 2018), and digitalisation, since tourists are increasingly reliant on the flexible and often cheaper digital services of the sharing economy. The EU also finances tourism-related activities through grants or indirect funding via financial intermediaries in relation to such EU policy objectives as cohesion or improving European cooperation in research and education (European Commission, 2016).

IMPACT OF BREXIT

The decision of the UK to leave the EU brings significant political and institutional disruption and has wide range implications for tourism. Access to the single market and freedom of movement has ensured hassle-free travel across the EU area and the development of strong intra-European tourism flows (WNS, 2018).

Inbound tourists from the EU have contributed around £10bn to the UK economy each year, while outbound tourism to the EU contributes £22.4bn to the UK economy (Tourism Alliance, 2017). As one of Europe’s main originating tourist markets, outbound tourism from the UK presents high exposure for such destination countries as Spain, Portugal, Cyprus and Greece. It would be in the interests of both parties to enable a continuation of the status quo for tourism. However, this is untenable given the UK’s decision to leave the customs union and the single market and thus to end freedom of movement after withdrawal.

Issues of particular relevance to tourism as part of any future relationship include agreements concerning consumer rights, passenger rights and the application of the package travel directive. The UK and EU have indicated that they would like to continue with reciprocal, non-discriminatory, visa-free travel for short-term visits. Reaching a sensible agreement to promote the air service agreement negotiations between the EU and the UK independent of other negotiations (DG Internal Policies, 2018) would also be a necessary condition for the continuation of tourism flows between the UK and the EU, affecting inbound and domestic tourism in both.

Beyond the changes and any exit agreements concluded in terms of trade, aviation and movement of people, capital and services, the UK’s withdrawal necessitates reviews of the Union’s treaties and of the EU budget. The EU’s system of revenues and expenditures will need to be reviewed and reformed. In the medium term, policy areas such as cohesion, common visa and consumer protection – all significant for tourism and travel – will change as the existing member states attempt to tackle the aftermath of financial and migration crises and contemplate their future as a bloc. Some of these reviews and revisions may be relatively straightforward, whereas discussions around the EU’s budget are likely to be contentious, generating intense negotiations between member states.

The EU’s cohesion policy and the European Structural and Investment Funds have previously funded tourism projects, so policy reform will have implications for the types of actions and projects supported from 2021. The European Commission’s (2019) roadmap to an agreement of the EU’s 2021-27 budget indicated broad support for streamlining the future budget, radically reducing the number of programmes, while introducing new integrated programmes in areas such as investing in people and the single market and in simplifying funding rules. The European Parliament (2019) requested the addition of a separate budget line for tourism in the next multi-annual financial framework (MFF), a significant development acknowledging the importance of tourism as a socio-economic activity and the Council of the European Union (2019) endorsed continuation of the European Commission’s work in supporting the sustainable development of tourism within the EU.

A wider issue that will underpin any future discussions about tourism will be the shape the EU will take after Brexit. The Bratislava declaration and roadmap (2016) set out an agreement of how the EU should move forward post-Brexit and the European leaders’ main objective has been to maintain unity, to boost the legitimacy of the EU, connect with disaffected citizens, and to combat Euroscepticism (Anghel et al., 2018) to stay together and embrace the future as a new Union of 27 (European Commission, 2019). Europe has to deal with challenges as diverse as migration, climate change, terrorism and the transition to a digital economy, as well as the need to boost growth, jobs and investment (Bachtler & Begg, 2018). The need to reinforce notions of unity, common heritage and shared identities may bolster further the discourses that support tourism’s input and contribution to the creation of a common European identity. In the longer term, it is likely that tourism will continue to be considered important for the European integration process, and the emphasis that has been placed on the promotion of cultural heritage as an area of shared interest is likely to continue.

CONCLUSION

Intra UK-EU tourism flows have flourished within an environment that supported the freedom of movement. It is within the interests of the EU and the UK, industry and other interested parties that the status quo where tourism is concerned remains as streamlined and unhindered as possible. In reality though the dominant political ideology of a ‘clean’ Brexit which has shaped the negotiations may impact how post-Brexit tourism flows develop.

The UK government has indirectly acknowledged that the fallout from Brexit can be significant for the UK tourism industry through the introduction of the New Tourism Sector Deal, a set of concrete steps to essentially transform and adapt the UK tourism sector to the post-Brexit reality. The New Tourism Sector Deal emphasizes the upskilling and development of human resources, investing in tourism growth areas (DDCMS,

2019). Similar approaches may be necessary within EU member states that have high exposure to UK tourism flows perhaps most aptly demonstrated by the multi-million € losses experienced within EU destinations after the collapse of Thomas Cook (Mustoe, 2019).

Within the EU, there will be a continuation of the current approach to tourism with only marginal reviews to consider the impact of new technologies on tourism destinations. In terms of policy approaches, there will be continuity of action in the areas of heritage and cultural tourism, digitisation, the impacts of new business models and disruptive economy on tourism destinations. It is unlikely that the UK's departure will generate a major change to the EU's tourism competence. Evaluations of current practices in tourism indicate a preference for the continuation of the current path of complementary competence and existing types of policy instrument interventions (collaboration, knowledge exchange, voluntary schemes) but with adjustments to reflect budgetary and policy priorities. Tourism practitioners though will experience the impacts of the post- Brexit set up for consumer rights, visas, etc.

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