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*TIME FOR A RADICAL CHANGE?  
SHIFTING TO GENUINE SUSTAINABLE  
TOURISM*

NPA COVID-19 RESPONSE PROJECT ON  
ECONOMIC IMPACTS

MAIN REPORT: PART 4

by Thomas Fisher

*drawing on 10 partner reports*

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**CONTACT:**

Thomas Fisher, Director, CoDeL, [thomas@codel.scot](mailto:thomas@codel.scot)

Theona Morrison, Director, CoDeL, [theona@codel.scot](mailto:theona@codel.scot)

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## 4.1 The economic impacts of Covid-19 on tourism

Prior to the Covid-19 pandemic, tourism had been one of the fastest growing economic sectors in the world over the past two decades (UNWTO, 2020). The Nordic countries were part of this trend, as were Scotland, Ireland and Atlantic Canada, and tourist numbers increased enormously in some locations. And the Faroe Islands, Iceland, and Greenland are examples of fishing-based economies that had shifted significantly towards the tourism sector as an increasingly important source of income. Likewise, many peripheral regions across the NPA had developed tourism in response to their demographic challenges, to turn around negative development spirals with their declining and ageing populations.

Tourism is one of the sectors that has been most deeply affected by Covid-19, because of restrictions on movement, social distancing and other restrictions. In light of the pandemic, the WTO has indicated that tourism in Northern Europe has seen a 75% decrease in international arrivals comparative to the year prior, a huge economic shock for the Nordic countries. From April to June, in Norway international tourism dropped by 95%. In Sweden during the same period, it dropped by 66%, and Finland experienced a drop by 61%. These challenges frequently cropped up in workshops, interviews and surveys of tourism entrepreneurs in Greenland, Iceland and the Faroe Islands.

*“We were completely booked for the entire season but in the end, we only had 2 company events”*

*“In a town of 400 inhabitants we have 5 big hotels, this has been a year for rebuilding”*

“The reduction in economic activity related to tourism and hospitality has been the most prominent impact to-date in most parts of the [Highlands and Islands region of Scotland] which is highly dependent on tourism and hospitality trade for employment and income (possibly accounting for c20% of all employment in the region). Greatly reduced tourism demand during Covid-19 has happened among overseas overnight visitors, cruise boat passengers, events and festivals-related spending (including weddings, Highland Games, etc), business visitors, and activities (golf, skiing, etc); and has seriously impacted on the region’s important aviation sector (passenger numbers using Highlands and Islands Airports Limited airports fell by 78% between April and November 2020).”

“The economic impact of Covid-19 on the traditional music sector in Scotland has been crushing, with cancellation of almost every performance, ‘gig’, concert, wedding and festival.”

“The hardest hit industry in [Atlantic Canada] is tourism and accommodations with a contraction of almost 60% or about \$3.3 billion Canadian. International visitors to the four different provinces were down by 80 to 96%, domestic visitors by 40 to 80%, accommodation sales by 55 to 65%. It is expected to be the slowest industry to recover and affects several other industries such as restaurants, retail, arts, entertainment and recreation. The tourism industry accounts for 4% of jobs (100,000) and 2% of GDP across the region. ... The impact on airlines was also significant, with many services to the region indefinitely eliminated, and the Atlantic Canada Airports Association (ACAA) predicting air passenger traffic will decline by three-quarters in 2020 and will take up to four years for air travel to recover.”

These findings from our project reports demonstrate that these economic impacts have been replicated across the NPA area. They have proved hugely challenging not least in peripheral regions that have become highly dependent on income from tourism, as some of the examples above illustrate.

*“In Iceland, tourism is by far the biggest industry in Skútustaðahreppur and to a large extent also in Egilsstaðir.”*

Even before Covid-19, seasonality, and the imbalanced seasonal distribution of visitors throughout the year, has long been one of the key challenges within tourism development and was reflected in responses by regional partners and entrepreneurs interviewed and/or surveyed in Greenland, Iceland and the Faroe Islands. Short-term employment opportunities requiring labor-intensive albeit low-skilled work, coupled with a consistent trend of outmigration to urban areas and thus an ageing labour force, has increased dependence on international labour during the high tourism season. Hence, the employment opportunities within the tourist sector are often limited, poorly distributed, low-skilled and seasonal. The seasonality of tourism also impacts the number of investments entrepreneurs can attract to their community as well as the potential for improved infrastructure.

In addition Covid-19 has proved hugely challenging for regional and economic development policy for peripheral regions. Tourism development, often the development of mass tourism, has in effect been one of the main economic development drivers adopted by so many national governments and peripheral regions in the NPA area to provide jobs and income, to diversify economies and address demographic challenges. Tourism development strategies have sought to develop enterprise and infrastructure to enable an ever increasing number of visitors. And many local tourism development plans across the region were banking on appealing next to the burgeoning Asian tourist market.

The growth in the number of visitors became a primary indicator of success. By multiplying these by estimations of visitor spend as well as estimating knock-on effects in other sectors (however tenuous or evidence-based such estimations may have been), the tourism industry in many countries and regions has been able to build an almost impregnable hold on economic development, by reporting the huge economic and employment contributions these estimations suggest. And this has justified ever further growth in the industry, regardless of any external costs.

**Box 4.1 Estimates of the tourism sector in Nordic countries prior to Covid-19** *(from Nordregio report)*

In Norway tourists spent 186 billion NOK in 2018 and tourism created 7.1% of total employment.

In Sweden, spending by foreign visitors generated 306 billion SEK, or 33% of the total consumption in the country in 2019. The export value of tourism was 100 billion SEK and tourism employed 126,000.

In 2018, tourism employed 142,000 in Finland, with areas outside of the most populous urban areas accounting for over 57,000 of those jobs. North Ostrobothnia and Lapland had the most people employed in tourism industries relative to the regions’ working-age populations.

And the traditional response to the seasonality of tourism has been more tourism development to extend the season at both ends.

Tourism development has brought some undoubted economic benefits, including job creation and incomes, and has enabled some territories like the Faroe Islands, Iceland and Greenland, as well as the Atlantic provinces in Canada, to diversify their economies that had previously been highly dependent on the primary sector.

Tourism development has also proved hugely destructive to:

- the environment: tourism's global carbon footprint accounts for about 8% of global greenhouse gas emissions ([2018 article in Nature](#)), and because of the highly dispersed nature of the countries across the NPA, there is heavy dependence on flights, among the most polluting forms of transport. At worst, there are reports of 'last chance' tourism, to visit ecologically highly fragile environments before they disappear, thereby contributing to hasten ecological collapse in these places.
- of cultural identity: on the back of a massive growth in tourism to the Isle of Skye in Scotland, the island has become full of holiday accommodation (often seasonal) and hugely popular with incomers, often retirees, buying second homes and retiring to the island. They are not part of a cultural heritage that has been passed down generations in islands like Skye, and price local families, who might continue this cultural heritage, out of the housing market. In some Scottish islands holiday and second homes account for 40 or 50% of the local housing stock.
- of communities: during the summer tourist season some small Irish islands receive thousands of day visitors every day, hugely in excess of the local resident population, putting huge pressure on public and community infrastructure and unbalancing community life and priorities (*"we all put our lives on hold for 10 or 12 weeks in the year"*). In South Uist in the Outer Hebrides of Scotland, the largest community owned estate in Scotland, potential long-term development objectives of the local community have been put in jeopardy by large tracks of land being designated as wilderness by external stakeholders. These stakeholders come with the perspective of those wanting to escape to wilderness on holiday and have little understanding that all the land has been highly managed over centuries and in many cases, until recently, been home to villages and hamlets.

And during Covid-19 tourism has contributed to spreading the virus, so that even countries that have done well in limiting Covid-19 cases have had to be careful to avoid importation of the virus, hence the closing of so much international tourism in particular.

Measures of tourism development and its impact are very limited, beyond the traditional focus on indicators of growth like the number of visitors and estimated visitor spend, so that most costs are not measured, but remain externalised and hidden. The tourism industry, no more than energy production and manufacturing for example, can no longer hide from measuring the costs it imposes on the environment, cultures and communities. Such costs can no longer remain externalised in assessments of the value of tourism to communities, regions and nations.

Nor is it adequate anymore to pay lip-service to sustainable tourism. A striking example of this is a *Growth Sector Briefing on Sustainable Tourism* produced by the Office of the Chief Economic Adviser of the Scottish Government in June 2019. The short briefing uses the word 'growth' 30

times, and repeatedly refers to “the Sustainable Tourism growth sector”(sic), but makes no reference to any sustainability issues whatsoever. Nothing would change in the analysis if it referred only to the ‘tourism growth sector’, demonstrating just how vacuous the use of sustainability can be to hide realities on the ground.

Instead, advocates of sustainable tourism are hoping Covid-19 experiences will have more people “question the consumerism and capitalistic lens that has contributed to mass growth across the touristic landscape and instead, choose a system that fosters sustainable and equitable growth - which in turn, ‘slows down’ our ways of consuming the world around us...” (Benjamin et al, 2020, “We can’t return to normal: committing to tourism equity in the post-pandemic age”, *Tourism Geographies*, 22:3).

In addition, to negative impacts of tourism, Covid-19 and consequent lockdowns have demonstrated just how risky, economically and socially, an excessive dependence on tourism can be during crises, with huge economic and social disruption caused by massive drops in trade and income, employment and self-employment, and with the additional threat of spreading pandemics.

**Over dependence on tourism has been one of the greatest factors undermining economic resilience in peripheral communities during the pandemic. Covid-19 has shown that a strategy of local and regional economic growth driven by tourism development is no longer a viable option when confronted by crises such as pandemics and the climate emergency.**

**Box 4.2: Tourism in Iceland** increased enormously within a decade. Between 2010 and 2016, the number of tourist arrivals more than tripled, peaking in 2018 at over 2 million visitors. By the end of 2019, 852 companies in rural Iceland had built their economy on tourism and 9,707 people were in full-time tourism work (of a total of 26,000 jobs, excluding aviation). However, debt was on the rise and the prospects of economic returns from tourism were declining, although tourism generated at least one third of the income of the national economy. By late 2020, as a result of Covid-19, over 12% of the working-age population was unemployed, the highest number since the establishment of the republic.

## 4.2 Change and innovation

Many tourism businesses will have gone under due to Covid, and those that have been sustained by national and regional public grants are still vulnerable to closure during 2021. Nevertheless, there are also significant examples from across our research reports of how businesses have adapted and survived. The pandemic has driven entrepreneurs to look for alternative ways to run their business and rethink their products and services.

- 52% of the BSCDC survey participants in Greenland, Iceland and the Faroe Islands, many in the tourist sector, consider Covid-19 to have brought about new business opportunities that they are either already pursuing or intend to pursue in the future. Other entrepreneurs have seen Covid-19 as an opportunity to change their business model to accommodate for local tourism, remote or distant tourism.



- A survey done by Visit Greenland with 100 respondents within the tourist sector demonstrates that 40% have adapted their product in response to the pandemic. Some entrepreneurs have started using their existing business infrastructure for film-making whilst others have focused more on providing education services.

*“I have shifted my focus to work on more long-term projects such as education etc.”*

- Östersunds Multichallenge AB in Jämtland, Sweden is engaged in the adventure and experience industry, education and conference activities. While sales have dropped dramatically, with reductions in employees from 30 to 12, it has also adapted, for example by only opening at weekends for individual groups at a time. The company also continues to invest in expanding its facilities for what it foresees as a bright future.
- Prince Edward Island in Canada changed its tourism offering with popular small venues and a circuit of outdoor movies and live entertainment. A waterfront restaurant in Halifax, Nova Scotia have had to hire back all its staff and are booking months in advance after the overwhelming popularity of its cozy, outdoor dining huts that will be repurposed as greenhouses in the spring to grow their own fresh herbs and vegetables.
- A social distancing pilot project (from June to Sept 2020) in the town of Saint Andrews, New Brunswick, Canada whereby parking was blocked off through the main street to create wider sidewalks for people to socially distance and for businesses to expand services to sidewalks. Increased disinfection protocols were also implemented. As a result, they marketed the area as safe and open for tourists.
- A downtown Dartmouth restaurant, The Canteen on Portland, in Nova Scotia, Canada, temporarily transformed its place into a community kitchen providing roughly 350 meals a week for those in need. They also partnered with artists to distribute specially designed colouring pages with meals to homes with children

Many businesses have turned to on-line platforms in response to Covid-19. This includes providing on-line courses as well as enhancing on-line shopping and delivery, with central directories for peripheral regions, such as isle20.com, increasing the accessibility of a large but fragmented product offering across highly dispersed micro-enterprises in particular. Rhoda Meek, an entrepreneur on the Isle of Tiree in Scotland, set up Isle20.com to enable island businesses to continue to trade even with the absence of tourists and visitors during lockdowns and travel restrictions.

**IN JUST ONE YEAR - 520 BUSINESS LISTINGS, 150 STORES, 3500 PRODUCTS, 5000 ORDERS, £75,000 GENERATED FOR SMALL BUSINESSES ACROSS THE SCOTTISH ISLANDS, AND OUR FIRST EMPLOYEE. WITH YOUR SUPPORT WE CAN DO EVEN MORE. GO ISLAND SHOPPING.**

**ISLE20.COM**



The Faroe Islands provide other examples:

- Visit Faroe Islands have created various digital websites to enable people to “visit Faroe Islands from home”.
- Harriet (see casestudy) has successfully used social media such as Instagram, launching interactive videos where she has demonstrated that a farmer must continue her responsibilities despite a global pandemic. She has also harnessed opportunities for creating new income-generating concepts, such as ‘sponsor a sheep’. Harriet demonstrates the opportunities of ‘virtual tourism’ even for farmers to broadcast their work virtually and build connections to on-line and international audiences.

**Box 4.3 Harriet** is a 19-year-old, 5th generation sheep farmer from the Faroe Islands. She grows her own produce, has an on-line photo gallery and raises sheep and chickens on her farm. Into her house, she also invites guests to experience a taste of local Faroese cuisine, culture and hospitality. She believes in the sentiment of changing the world - one meal at a time. Captured in her story, her business model and her outlook on life is what our project seeks to elevate. Harriet has built up a business that is foremostly catered towards her, her family's and her local community's needs, which she then chooses to invite tourists to be a part of. Through her business, there is also great emphasis on preserving a culture that has been passed down through five generations - keeping it alive and thriving. All her produce is locally sourced, and her sheep and chickens wander freely across the property. Recently, she has also started exploring ways of "remote tourism" with her "support a sheep" concept. In exchange for a small contribution, Harriet makes videos of her lambs to supporters, demonstrating their growth and progress. Harriet's business is a wonderful example of the innovation that has taken place in response to Covid-19.

### 4.3 Domestic and local tourism

But the most significant shift has been retargeting tourism at local domestic markets, including staycations, which has provided an opportunity to retain some income, although did not fully substitute for the reduction in international tourists. Nevertheless, in some cases it has brought tourist businesses closer to all year-round trade and income, which many communities and businesses consider so important.

*“The numbers of passengers at Finnish airports decreased by 91% in late 2020, while domestic tourism in relation to accommodation nights by residents only decreased by 15%” (Statistics Finland, 2020)*

A striking example of a radical shift to more local tourism comes from Canada where the four peripheral Atlantic provinces that experienced far fewer Covid-19 cases and deaths set up an ‘Atlantic Bubble’. Opening 3 July 2020, the Bubble allowed for residents of the four Maritime provinces to travel to the other Atlantic provinces without having to isolate themselves. The low case numbers and allowances of a Bubble had many viewing Atlantic Canada as “the best place

to be right now in Canada”. Unfortunately, when cases began to spike in New Brunswick in October, the Bubble was ended in November 2020.

The Atlantic Bubble lessened the contraction of the region's tourism and accommodations industry: Atlantic Canadians, with encouragement through political messages, pivoting marketing campaigns to regional markets year-round and discounting (e.g. room rates were down 24% and 13% in two of the provinces), possibly travelled as much in the region in 2020 as they have in previous tourist seasons.

North Iceland enjoyed a good tourist season in 2020 based entirely on domestic tourists (mostly from in and around Reykyavik). Tourist providers reported that the domestic visitors often stayed for longer (one or two weeks), engaged in sustainable activities like hiking and enjoyed exploring their own national and regional culinary and cultural traditions.

An increased focus on local tourism is seen in all regions, which report an increasing interest in staycations, as well as their own history, nature and traditions. The shift from an international to a local customer base has necessitated new market strategies. In order to target local tourists, entrepreneurs have altered experience packages as well as changing other product offerings to better accommodate for local needs.

A great example is *Travel by Heart Greenland*, a travel agency set up by Elise at the end of 2019. Originally, she anticipated targeting international tourists and catered her tour portfolio accordingly. Once Covid-19 hit, she successfully shifted her product development entirely, branding her tours not only as an alternative to international travel but an opportunity and an excuse to explore the wonders of her own country.

Other travel agencies on the Faroe Islands have focused on arranging school trips, providing students with insights on shepherding and local cultural heritage.

“The pandemic has provided an excuse for locals to explore their own country and customs”

“We have done self-developing tours/treks for youth and children”

“More emphasis has been placed on local client networks and redirecting marketing strategy efforts to local markets. Faroe island business employees have been offered ‘deildardagar’. Schools and day care centers were offered story-telling about shepherd, historical places and people.”

Austurbrú, Iceland started contracting local as opposed to international influencers as ambassadors and changed certain advertising communication into Icelandic. On-line marketing and the use of platforms such as Facebook, Twitter and Instagram were cited as important marketing tools by the majority of entrepreneurs at the workshop.

“On-line marketing has seen an increase in use local tourism from 50 to 95% [of operators]”

Throughout Covid-19, local municipalities across Greenland, Faroe Islands and Iceland have supported the transition towards more local tourists using various monetary incentives.

Greenland introduced a range of relevant measures:

- a tourism aid package was announced in June that encouraged hotels and tourism operators to offer Covid-19 discounts that businesses could then reclaim from the Greenlandic government. At a later stage this was extended to domestic travel operators.

- The state travel allowance usually directed at trips to Denmark, was opened for local spend creating an increasing opportunity and demand for local travel.
- Sermersooq Business are looking at the opportunity of redirecting tourism from Akureyri to East Greenland.

... while Austurbrú in Iceland have promoted community-based businesses through initiatives like discount cards for municipal employees.

Local municipalities along with other public actors as well as private enterprises have also launched campaigns to promote staycations and support local businesses. For example, Visit Faroe Islands had a website last summer called 'Travel in your own country' targeted at Faroese. According to the CRRF report, many provincial governments in Canada launched 'staycation' campaigns and implemented other tourism support and incentive programs. Examples include:

- the Government of New Brunswick created a travel incentive program in July 2020 to provide rebates on staycations for residents. As part of this program, residents could apply for a 20% rebate of their costs up to \$1000 for taking a vacation within the province that included an overnight stay. Over 25,000 submissions were made, and roughly \$3,481,862 will likely be paid out in rebates.
- The Government of Newfoundland and Labrador promoted staycations by launching "Stay Home Year", a word play on Come Home Year, an event used by rural communities to encourage former residents to come back home for a visit. The main banner on the website states: "This is the year to explore. To reconnect. To soak it all in. To finally make someday, today. This is the year to rediscover home. Because this year, it's stay home year." Relevant seasonal information is provided and they also created #StayHomeYear to share travel moments from across the province.
- #CapeBretonFirst, a 'relaunched' shop local programme to encourage islanders to eat, buy and stay local, with materials in English, French, Mi'kmaw and Gaelic. And the proceeds of sales of #CapeBretonFirst merchandise went to the Breton Ability Centre, an organisation that provides services and support to individuals with complex challenges due to varying disabilities.

The entrepreneurs surveyed wished for such support from the government and local municipalities to continue after Covid-19 also.

*"The public sector including municipalities should to the extent possible spend budget to support local business and encourage locals to spend money/support local businesses. For example, they can book treks/experiences for their staff. They could distribute spending to businesses that have suffered significant losses during the pandemic."*

Local tourism does not come without its own challenges, especially during a 'transition' phase. The Icelandic examples indicate quite how exclusively focused the local tourism industry was on international visitors. All the websites were in English, not Icelandic, and prices were all in Euros, not Icelandic Krona. It took significant effort to shift all of this digital marketing infrastructure to target domestic markets.

Other challenges are that local tourists and weekend tourism is often not planned as far ahead as international trips, and is more dependent on short-term factors such as weather. This means

that booking for travel operators becomes more volatile, and businesses may not be able to realise the full potential of busy weekends because they cannot adjust supply at short notice.

*“The increased focus on local tourist makes long-term planning for operators difficult”*

And Austurbrú stated that most statistics and data concerning tourist behaviour across Iceland is focused on international customers. As a result, there was very little predictability and understanding of local tourist patterns. Initiatives have now been taken to fill these knowledge gaps. Visit Greenland, for example, have been conducting surveys with 100 Greenlandic stakeholders within the tourism sector to better understand and predict behaviour.

#### **4.4 Paradigm shift**

Apart from redirecting tourism experiences to local tourists, many entrepreneurs have seen the pandemic as a chance to rethink some of the underlying premises upon which the tourism industry is currently built. We have already drawn attention to shifting some business on to the web, and to pivoting tourism more towards local and domestic tourism, with the potential for radically reducing the carbon foot print of tourism, bringing tourism closer to an all-year round activity delivering greater support to local businesses and a catalyst for local economic activity, including investment in local infrastructure and culture, from building paths to local, regional and national culinary experiences.

An increasing focus on green initiatives and a change towards more high-scale eco-friendly tourism is also seen across all regions, although entrepreneurs report that it was sometimes difficult to access the funds to invest in a greener future despite public plans and ambitions being in place. This slows the transition to green tourism and more resilient local communities.

*“The local implementation of national transition strategies towards green tourism have been delayed”*

But going beyond these measures, some entrepreneurs surveyed are starting to think about ways to reshape their businesses to be much less dependent on tourism altogether.

*“As a result of Covid-19, we have increased cooperation with the municipalities and expanded operations so that it is less dependent on tourism”*

*“Circular investment is becoming increasingly independent of the tourism cycle: it is generating revenue that is reinvested in other local businesses”*

In light of these developments, it appears that Covid-19 has become a catalyst for a shift towards a more resilient, regenerative form of tourism. Indeed, as articulated by entrepreneurs in interviews and workshops, extending the tourism season or focusing on a local customer base will not be enough to sustain more resilient rural businesses and communities in the long-run. There needs to be a radical paradigm shift ensuring that:

- Tourism is integrated into the local economic, cultural and socio-political dimensions of a community and is just one component, not the dominant component, within a diversified local economy.
- Tourism must serve local communities, not the tourism 'industry' or urban tourists.

The pandemic has changed the outlook for the future, and many entrepreneurs and local enterprises want to become less dependent on the seasonality and distribution of tourism, not least developing year-round business opportunities. An example, even before Covid-19, is north Iceland, where the local councils set the goal that a new merged municipality will be known and sought after as a great place to live and run sustainable businesses. To push for this, an ambitious project was launched, Innovate North, which aims to put the new municipality at the forefront of the fight against climate change, strengthening the region's long-term competitiveness.

In response to Covid-19, Tourism Nova Scotia and Nova Scotia Business Inc. launched a marketing campaign to attract people working from home to move to Nova Scotia. It includes a website ([www.workfromnovascotia.com](http://www.workfromnovascotia.com)) with information on coastal experiences, real estate, and things to do. Their ad campaign includes innovative taglines like: “If you can do your job from anywhere, do it from here”; “Way better than the office water cooler. Find your work-life balance”; “Not all breakout rooms are created equal. Work where you want to live”; “You always wanted an office with a view. Remote work, meet coastal life”; and “How’s that for office space? Working from home? Work from here.” The campaign’s goal is to attract 15,000 to the province within one-year (CRRF report).

Likewise, the Shetland islands in Scotland have developed a website [www.shetland.org](http://www.shetland.org) not just to attract tourists and visitors, but also to target specific professions and economically active groups to come and live in Shetland. Under the headline, “Welcome to the Islands of Opportunity” they feature sections on visiting Shetland, but also prominent sections on “Invest in Shetland” (to increase investment in long-term non-tourism driven value creation) and “Live, Work, Study in Shetland”, with features like “living sustainably by the sea”, “making a new life in Fetlar” (one of the Shetland islands) and, as a direct response to changed mindsets due to Covid, “2021: The year to make your move”.



An emerging initiative in Uist in the Outer Hebrides, Uist Beò, is seeking to establish a digital platform for Uist. Originally conceived as a site for visitors when the islands were reopening to tourists after Covid-19 lockdowns, the young leaders and entrepreneurs driving the initiative soon pivoted to focus on stories and assets that showcase the islands not least as attractive places to live and work. As part of the feasibility work for the new digital platform, they reviewed marketing

on social media of many Scottish islands, and concluded, “they are obviously beautiful places to go, but where are the people? Nobody seems to live there.”

In such ways entrepreneurs and communities are moving beyond tourism, and increasing their focus on community driven investments. Rhoda Meek of [www.isle20.com](http://www.isle20.com) is investing profits back into innovative businesses within the community through [www.isledevep.com](http://www.isledevep.com). And there are examples of activating technology to create crowdfunding platforms or other opportunities for community investments in local businesses (see, for example, [www.scotcomfinance.scot](http://www.scotcomfinance.scot)).

A critical component for transformation is involving the local community in democratic destination development, as has happened in Iceland. This allows for sustainable development of local infrastructure and ensures municipal investment is aligned with community needs.

In Scotland, the social enterprise network, SENScot, is supporting a project on community-led tourism, under the slogan, “if it’s good for locals, it’s good for tourists”. This puts community first, but recognises that, investing in community will also make a place more attractive to visitors.

This is the case with the small Isle of Grimsay in Uist in the Outer Hebrides. The island community of about 150 residents has invested heavily in community facilities such as a [community centre](#) (with café, post office, weekly markets selling local produce and products, archives and a heritage centre) a woollen mill, [Uist Wool](#) (a social interest company employing 5 young creative people year-round, buying local crofters fleeces, which are valueless on the national market, and producing premium knitting yarn: 2 days at the Edinburgh Wool Fest delivered £13,500 of sales), and taking ownership of a house now rented to a young family to boost the number of children in the community. However, both the community centre and its diverse services, the woollen mill and the café and shop at the local harbour mainly targeted at local fishermen, are all attractive to visitors, making Grimsay an ‘authentic’ visitor destination.

This does not mean that such a shift will be embraced across the NPA, with many tourist industries wanting to return to the old unsustainable models as soon as possible. In Canada, for example, even though the tourism industry was becoming increasingly unsustainable with ever growing numbers of cruise ship visits, it is yet to become a target of restructuring discourse in the region. This is in spite of the reality that, with the right kind of policy direction, adaptation in this sector could take on a number of exciting advancements that are more sustainable for the environment and for workers. As one of the Canadian researcher comments, “One gets the feeling that there is an economic life beyond tourism for this region. Like other regions reflecting on the impacts of a global pandemic on their society, Atlantic Canadians have a sense that they are being given a huge opportunity to ‘build back better’.”

## 4.5 Conclusion

The dominant strategies for tourism development in the past have proved unsustainable, and there is an urgent need for a radical shift in tourism development along some of the following principles. This is a pressing challenge, as influxes of tourists will resume post-Covid and again



affect local economies across the NPA area. It is critical to learn lessons to prevent the severe environmental damage of tourism and to safeguard locally embedded and sustainable tourism and minimise economic leakage often associated with global tourism business.

Tourism needs to:

- be one part of the local economy, not the dominant one which creates high levels of distortion, dependency and not least risk. This is in line with “a more place-based approach to rural policy that ... is able to integrate different sectoral policies and improve the coherence and effectiveness of public expenditure in rural areas” (from an old 2006 OECD report, *the New Rural Paradigm*, that has received renewed interest as a result of Covid-19)
- be embedded in a local circular economy that primarily benefits local people, producers and enterprises, including through sustainable year-round job opportunities, rather than the benefits leaking out to regional or national tourism industries that primarily cater to the needs or wants of urban and international visitors who want to escape temporarily to attractive remote areas as a ‘balance’ to their urban living
- benefit local communities, not just the local economy, but also the sustainability of their culture and society
- radically reduce its contributions to the climate emergency, developing opportunities that reduce travel and its CO<sub>2</sub> emissions, and that instead promote slow and more local tourism and sustainable activities.
- reimagine its focus from satisfying the needs and wants of external visitors to addressing the critical demographic challenge faced by so many peripheral regions and communities in the NPA, by showcasing peripheral areas as great and sustainable places to live, to work and to bring up families, to local residents who have felt they must leave to ‘get on in life’, to the diasporas that remain in touch with their communities of origin, and to potential new residents.

In direct response to these findings, BSCDC and other partners are seeking to develop a model that

- moves away from an unsustainable model that:
  - has large carbon footprint
  - undermines local cultural heritage
  - is seasonal and poorly distributed
  - caters for international tourists
  - exists in isolation from community life
- to a more resilient, diversified and regenerative model of tourism that:
  - is an integrated part of rural community life
  - serves the interest of local communities
  - elevates local enterprises across sectors



- delivers perennial employment opportunities
- reduces environmental challenges

Fortunately, even before Covid-19, peripheral areas in the NPA region have developed many examples of good practice, including cultural festivals that sustain local cultural traditions; language learning opportunities to sustain vulnerable languages; residencies for artists and chefs; virtual and digital platforms, domestic-focused tourism, opportunities for visitors to engage and contribute in order to genuinely benefit local community organisations, etc.

And Covid-19 has triggered significant innovation. The power of our research is rooted in the many concrete good examples on the ground from across the NPA area we have identified, from cozy outdoor dining huts that will be repurposed as greenhouses in the spring, popular small venues and a circuit of outdoor movies and live entertainment in Atlantic Canada, through entrepreneurs going on-line in Scotland and the Faroe Islands to sustain their businesses virtually, to a massive shift across the NPA area to the opportunities of local and domestic tourism.