

## NORWAY – 2018

### “NORWAY – Powered by Nature

Think back to New Year’s Eve, 2000: The beginning of the new millennium – of a New Century filled with hope and new discoveries. The main worry was whether computers could accept the digital conversion to the year 2000 – known as Y2K problem.

Back then it seemed like the deadly problems of the 20<sup>th</sup> Century had been resolved. The Cold War ended in a whimper, not big explosions. Something resembling peace was in the air.

Borders opened around the world. The Soviet Union was Russia again. The Baltic States were independent; no longer held hostage behind the Iron Curtain. China had opened up along with Russia. Indochina was open. The countries that had been off-limits because of Cold War politics and military stand-

offs were now part of what was and is the most open period in world history.

The period would become the sweet spot for the tourism industry – something no one predicted.

Miraculously, technology would open the world even further. Airplanes would be able to fly 15 hours non-stop. The internet was becoming integral in our lives, putting that open world at our finger tips. And surprise of all surprises – prices for travel to these countries was plummeting. The middle class could travel like the old elites.

And the middle class was growing, especially in Asia where massive new industry and trade lifted more people out of poverty than any single period of history.

What could go wrong with this golden era of travel? That is the subject of this workshop. How could these positive developments lead to the current crisis. Much loved destinations and monuments have become over run. Idyllic islands, historic cities and pristine mountain passes have been trashed. Countries are reconsidering their openness to the industry.

The underlying assumption in this workshop is: IT DOESN'T HAVE TO BE THAT WAY. You can find a strategy to tame tourism into a responsible industry for

Nordland in part by learning from the modern history of this explosive business.

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This is a global phenomenon – communities and countries around the globe are asking similar questions, many facing serious problems of over crowding and some are giving up.

IN other words, Nordland is not alone.

Most countries were taken by surprise. Tourism was supposed to be a hobby, a luxury. How did it become arguably the largest industry on the planet?

The HISTORY of this transformation will go a long way to explaining how difficult it will be to design and follow a strategy for responsible tourism.

Let's begin in 1960. The Cold War pitting the communist world against the capitalist countries is closing off much of the world to travel. The Iron Curtain is dividing Europe. The Bamboo Curtain cuts off China. Most of Eurasia from East Berlin to the Pacific Ocean is off limits.

Just when people were anticipating the luxuries of peace after the extraordinary hardships and sacrifices

made during World War II, something entirely different appeared.

Those in what became known as the Western world – North America and Western Europe - were not deterred. They celebrated war's end than by traveling.

They started out slowly. In 1960 there were only 25 million trips overseas. But there was still plenty to countries open and a new way to discover them: the modern guidebook.

An innovative guidebook called “Europe on \$5 a day” by Arthur Frommer was published in 1960. It revolutionized how Americans thought about travel. Frommer had served in post-war Germany and used all of his free time to visit other countries --- Italy, France, England, Spain – where he lived inexpensively like the natives.

His red travel guide became a bible, showing Americans how to travel to what were then exotic places without going into debt. Americans learned to eat croissant in Paris and paella in Madrid. It was fun; travel became a hobby. And it was no longer the provenance of the elite. Now the comfortable middle class could travel to other continents, crossing the Atlantic or the Pacific Oceans, once or twice in their lives.

Ten years later, in 1970 people took 250 million foreign trips – ten times as many as in 1960. The Post-War travel era was in full swing.

Twenty years later that figured doubled to 500 million, at the dawn of the next thunderous geo-political change: the end of the Cold War and the beginning of GLOBALIZATION.

Suddenly the sky was limit.

Not only were all borders opening up but the internet put travel at the fingertips of consumers around the world. Bigger and faster airplanes began carrying billions of passengers every year. In 2008 it jumped to 922 million and in 2012 it hit the one billion mark.

One billion overseas trips – domestic trips were estimated at four times that amount – or four billion trips.

Last year international travel hit 1.3 billion. This year it will grow to over 1.4 billion. The tourism industry seems bullet-proof. It grows and grows and grows, through recessions and political crises, even wars.

The wildcard in these projections is China. Already, the Chinese are the world's biggest group of tourists even only seven percent of China's 1.3 billion people have passports. Can you imagine the crowds when 15 percent or 20 percent are traveling?

Technology is usually credited with this astonishing growth – which is true, but only to a point.

None of this would be possible without radical political and government changes around the globe.

I start with this history because the travel and tourism industry generally ignores how sensitive it is to politics; that government is at the heart of travel and tourism.

Most tourism conferences and workshops barely mention government – local, regional or national.

When they do, it is to highlight a government's role to promote tourism - with tourism campaigns, videos, ads and slogans. All aimed at bringing in more visitors and their money. Count visitors. Count the dollars they spend. That's it.

Instead, I'd like to trace how governments determine nearly every aspect of the workings of travel and tourism in your destination. They control who comes to the country through the visa programs; they decide how many airplanes land, how many cruise ships dock, how many lodgings are licensed, what transportation systems to build, support for cultural institutions and events give out visas to visitors, and how to tax visitors and use that money.

Government should be the starting point.

Understanding government will show that destinations have the power to control tourism overkill. You don't have to come up with some Orwellian formula to keep out the crowds. You don't have to encroach on anyone's freedom to travel. The power to define and realize your tourism plans are already in your hands.

The problem is officials and residents rarely see tourism that way. Officials are reluctant to commit to a plan. The tourism industry would like as free a hand as possible without limitations to growth or regulations to follow. Citizens are rarely part of government decisions about tourism; they aren't consulted. Visitors – tourists recoil at the idea that a destination can “infringe on their right to travel” – taking the side of industry against planned tourism.

The result is the problem you see today. Runaway tourism flooding destinations. The benefits of tourism are uneven and unequal. Locals have been robbed of much of the money being made from visitors to their towns and locales.

Here are Two Case Studies of seemingly similar destinations that took radically different approaches to tourism. The first compares the two Himalayan nations Bhutan and Nepal. The second compares two European cities Bordeaux and Venice. One works well; the other is close to disastrous.

Bhutan was a pioneer in studying what you might call the “carrying capacity” for tourism. The country was isolated, its culture still very alive with centuries-old traditions at the beginning of globalization. They didn’t want crowds of foreigners to upset the country and undermine who they were. The base line for success would be controlling the number of people visiting their country of only 250,000 when it opened up. (It is now 750,000)

So Bhutan came up with a solution they call “High Value – Low Impact to open the country to tourism without jeopardizing the people or their culture. So they. Tourism was treated like an essential industry that had to be regulated.

The government decided how many visas to give to travelers who want five star hotels and how many to travelers with backpacks. The Private sector owns and operates many of the hotels that must be accredited. Overall, the government directly and indirectly decides how many hotels at which level are needed and where in consultation with the Bhutanese and industry.

They also demand \$250 per day from tourists, in advance. Yes, small Bhutan has made itself one of the most expensive places to visit and that is part of the plan. Money from tourism was targeted to help



underwrite Bhutan's entry to the modern world – free education, free healthcare, poverty elimination and building modern infrastructure. Its reading program brought the literacy rate from three percent to sixty percent.

Thanks to serious examinations, analysis and then application of lessons, Bhutan's tourism is profitable and a major employer. It is also strict.

**Here for example are basic requirements of all tourists:**

- 1) Arrange all tours and treks through registered travel agents;**
- 2) All visits are guided by licensed guides**
- 3) All tourists are required to wire a fixed minimum tariff of US\$ 250 per person per day before their visit to Bhutan. This sum includes a Royalty payment of US\$ 65 per person per day going to the modernization program. The fee all includes accommodation, food, guide services and transport. ALL EXCELLENT.**

Have these requirements – the expense, the strict demands - dampened travel to Bhutan? Absolutely not. On the contrary, the Kingdom went through a major national review of tourism two years to figure out how to accommodate the extraordinary surge in requests for

tourist visas! Tourists increase by 21 percent (including regional visitors.) Receipts: \$80 million.

One big reason is that Bhutan has remained Bhutan. As it modernizes it has not succumbed to replicating other countries but protected its people and culture. It is more exotic than ever. And it delivers high quality experiences through regulations. Bhutan is a democratic nation with a constitutional monarchy – a King and a Prime Minister – and Bhutanese have been involved in tourism decisions at most levels.

Now Bhutan is planning better training programs for Bhutanese in the tourism industry and more protection for the environment. Ecotourism and sustainable tourism are top goals.

## NEPAL

What happens without that degree of thoughtfulness and planning? The clearest counterpoint is Nepal, a nearby Himalayan nation where the government has had a largely hands-off relationship with the industry.

Nepal is the home of Mount Everest. Its culture is as rich and alluring as that of Bhutan. And it is large – with a population over 20 million and vast expanses, four times the size of Bhutan.

Yet the country has suffered numerous coups, rebellions and political strife since independence. With poor governing came poor regulation and planning.

In the breach, mass tourism enveloped Nepal with the problems that entails.

The result is mountains over run with tourists; environmental degradation; high degree of danger; increase in inequality; poor physical development that doesn't stand up to natural and man-made disasters.

Basic infrastructure is overloaded from electricity to roads. Too many trails and roads are filthy with trash. Beautiful cultural and religious sites are poorly maintained. The government has failed to properly tax tourism and pass the benefits to the country.

Without regulations and enforced certifications, tourism guides and packages are of uneven quality. Even basics like safe drinking water questionable.

Unlike Bhutan where locals are heavily employed in tourism, in Nepal foreign control of much of the industry has dampened Nepalese employment. Tourist goods are imported; foreign companies dominate much of the industry.

Nepal welcomed nearly one million (940, 218) visitors last year. Bhutan only 254,700. Larger numbers

hasn't helped Nepal climb out of its poverty as the more expensive tourism in Bhutan.

In fact, job opportunities are so bleak for Nepalese that one third of its GDP is earned from remittances sent back by Nepalese working overseas. That is one of the highest rates in the world.

The quality of government at all levels is reflected in the quality of the critical tourism sector. That includes economic, social, political and environmental policies. That's the reason tourism problems can seem so overwhelming at times. Few industries affect a country more broadly than tourism,

If a government fails to consider the basic welfare of its people – safety nets, education, quality of life, etc.; if government doesn't listen to its people regarding problems of tourism; if government largely gives carte blanche to industry without proper oversight; if government doesn't ask how tourism affects the environment or cultural heritage – then you have the making over tourism over running your destination.

As an aside - no amount of thoughtful consumer tourist behavior or industry promises to voluntarily reform will solve the core problems.

NOW – Closer to home.....

Europe, the birthplace of modern tourism, Bordeaux and Venice here are examples of the best and worst of sustainable tourism.

Venice started out with the biggest advantages. It is arguably the most beautiful city in the world – with centuries of fascinating history revealed in the artistry of the city of canals – treasures in each church: paintings, sculpture and architecture. And above all, it has maintained a unique way of life as a city of canals.

Venice seemed adept at managing tourists – it has been a much-visited city for decades, even centuries. At the turn of the 20<sup>th</sup> Century Evelyn Waugh had famously called Venice the “greatest surviving work of art in the world. While Thomas Mann wrote in his novel DEATH IN VENICE that the city was “half fairy tale, half tourist trap.” Both were true.

After World War II, when tourism returned to Europe, Venice was a town of **174,808 people**. It survived the war with little damage and welcomed tourists to lift its economy.

The post-war tourists were more middle class and more numerous than before. They spent more money and Venice’s population grew along with tourism. Local

businesses thrived and movements were born to help the city preserve its art in the face of rising waters flooding the canals. The cry to SAVE VENICE was cool.

Then the era of globalization and mass tourism hit, like a dangerous beast. Instead of helping the city and its storied citizens, this new tourism has pushed them out.

Since 2000, that New Year's Day that welcomed in the millennium, the population of the historic has dropped to less than a third of what it was at war's end.

Only **55,000** Venetians are living in their city.

Meanwhile tourism has jumped – over **24 million tourist** visit Venice every year. I'll repeat that: 55,000 Venetians welcome 24 million visitors every year.

There is barely room for them among the maze of narrow streets and sudden courtyards.

Tourism is killing Venice.

How did this happen? The unimaginable profits that came from the hyper tourism industry were like catnip to the powers-that-be. They opened the doors and allowed the most beautiful city in the world to become a free-for-all with little of the benefits staying with the people. It has become a nightmare: Disneyland run to attract tourists

Regulations were ignored or poorly enforced if it meant more tourists and more money for the elite and office holders. Citizen petitions and protests were ignored and referendums overturned. And as the population decreased, the city officials closed down essential services – schools and clinics – to concentrate on improving docks for ever-larger cruise ships.

In the last fifteen years, the number of tourist dwellings has risen by 450 percent, with the identical drop in local dwellings. The city ignored the illegal rentals – hastened by Airbnb. Rents in the city raised dramatically. Local residents were driven out. Butcher shops, green grocers, pharmacies were closed to make way for souvenir shops. Universities scrambled to find housing for students. When I was there I heard countless stories of neighborhoods decimated by the turnover to tourism.

The protest slogan “VENICE ISN’T AN HOTEL” filled St. Mark’s plaza during protests. Residents tried every kind of protest and official referendums; all were rejected or overturned. Officials and the business community – many of whom live elsewhere – say Venice has no choice but to rely on tourism for money and jobs.

But that’s a false response. Tourism has pushed out skilled artisans and local businesses – reliable jobs for locals. When challenged about who benefits from

tourism, city officials have refused to be transparent about how much money from tourism stays in Venice or contributes to the city's coffers.

Residents keep repeating they want the laws enforced. Nothing more. If the laws on the books were followed, life would benefit them.

Instead, they are losing public spaces to tourist crowds and fear that the long-term preservation of the fragile city itself is in jeopardy. Indeed, UNESCO, the United Nations cultural organization, has declared that Venice is in greater danger of being drowned by tourism than by rising waters. Some residents have petitioned UNESCO to remove Venice's status as a world heritage site since it is now like a theme park.

It's no accident that Italy is one of the more corrupt and poorly governed major countries on the continent. Neither local, regional nor national politicians listened to pleas from Venetians.

Take cruise ships. Venice is the rare city that bans all automobiles. Yet, officials at the regional level have approved doubling, then tripling the number of cruise ships allowed to dock at Venice. Each small cruise ship produces CO2 the equivalent of 21,000 cars.



At its height, nearly two million cruise passengers docked on the Giudecca Canal and flooded St. Mark's Square every year.

Cruise ships also control local businesses. Venetians pay to be listed as "reliable shops" even if their souvenirs are fakes.

It's evident in the city center where you'll find deluxe foreign boutiques – French, Italian, Japanese and American – but only one store selling Venetian Murano glass. L'Isola. Most of the "murano glass" purchased by tourists is made in the Czech Republic or China.

You have to go far from the city center to eat authentic Venetian food.

Intrusions were becoming impossible. In churches tourists interrupted baptisms, weddings and funerals without shame, their guides shouting and pointing at paintings.

FINALLY .....after local protests and threats from UNESCO the mayor came up with a compromise last November. After years of protest, the city finally approved a compromise, banning all medium to large size cruise ships from docking in Venice. It will take four years to fully enforce.

No more fast food restaurants in the city center. No new hotels allowed in historic city center.

And FINALLY - locals will be given priority seating on water taxis – the only public transport in Venice – after years of tourists pushing them out.

The city is also debating putting a cap on the number of tourists allowed in the city center each day.

None of this is enough – the damage is too deep. But if sustained, Venice could recover, albeit over the long term. However, the Venice experience demonstrates that leaving the tourism industry largely unregulated will mean that the locals lose – and the environment, and the culture and whatever was unique that attracted tourists in the first place.

## **BORDEAUX**

This city was the opposite of Venice - hobbled by serious disadvantages at the start of today's tourism boom.

Bordeaux thrived in the 17<sup>th</sup> and 18<sup>th</sup> Centuries – arguably one of the most beautiful cities on the continent and wealthiest as France's chief shipping port to the Atlantic Ocean. The region was also home to the world's best wines – Bordeaux wines.

But by the mid-20<sup>th</sup> Century the city of Bordeaux had been left behind. The only thing left of its shipping industry was the decaying port, lining the Gironde River

bank with filth and abandoned warehouses. No industry had replaced shipping. And the great vintners turned their backs on the city. Visits to wine country excluded the city. Even the French had given up on Bordeaux.

Then in 1995 Alain Juppe was elected mayor of Bordeaux. He had been a national figure, considered one of the most gifted politicians in France, until. But he became the fall guy for his party's corruption scandal. He could have returned to Paris and resumed his career after a short exile.

Instead he embarked on a massive rescue and renovation of his old hometown. After a 20-year effort Bordeaux has recaptured its 18<sup>th</sup> Century beauty with a painstaking restoration effort, cutting no corners. At the same time the city was pushed into the 21<sup>st</sup> Century with modern, clean and green technology.

And most astonishing, Juppe based his plan on the belief that TOURISM could become the new economic engine to fuel the recovery. He told me it was "very very important that Bordeaux attracts tourists. That would be our financial foundation."

In a sense Bordeaux was one of the reason I wrote my book investigating the new global tourism industry. As the NYTimes international economic correspondent I saw first hand how tourism was taking off through globalization but no one was writing about it. No one was studying how the industry that was having massive impacts around the world.

Then in the course of my reporting I went to Paris to interview the deputy agriculture minister. At the end of the hour I asked him why he had a map of France's cultural events on his wall. He answered: ultimately, this is all about tourism – how France can preserve what is French through tourism, not be destroyed by it. That means every major part of government coordinates tourism policy: agriculture, transportation, culture, housing, economic, etc. It is no accident that France is the most popular country for tourists and also one of better examples of sustainability.

From Paris down to the smallest village, tourism is taken seriously. France was the first country to guarantee paid vacations (1930 – Pierre Mendes-France), one of the first to have a tourism office that took a broad view of the industry. After WWII France used money from the U.S. Marshall Plan to revive tourism and in 1959 it created the world's first Ministry of Culture – an essential piece of the puzzle for good tourism.

So while Venice had all the advantages as a city; Bordeaux had the ultimate advantage of being in a country that understood tourism and followed laws to make it work to the advantage of the French. This is how:

Later I asked for the best example of this attitude, I was told – go to Bordeaux.

I was surprised and skeptical. had been to that city in the bad old days – the 1980s – when the city was dark and sad.

But I was blown away by the new Bordeaux. Juppe's vision was masterful. He took on the whole city at once, tearing down roads and highways that cut through the heart of Bordeaux. Clearing away those warehouses and wharves on the river. Scraping off the filth from 18<sup>th</sup> century buildings, revealing architectural masterpieces including what is now considered Europe's most beautiful classic opera house

The city also re-engineered the streets for walking and the easy flow of traffic. Opening up the city center to pedestrians only. Tying it all together with a clean electric tram system, further reducing car traffic. Finally, making Bordeaux the first official bicycle city in France.

The masterstroke was recovering the Garonne river. The city laid an elegant promenade and esplanade – as wide as an eight lane highway - along the river. Dotted with gardens, a water mirror, even a world-class skateboard park as well as sports courts, jogging trails.

About the same time UNESCO was warning Venice about its decline, the UN organization declared Bordeaux the largest urban historic site in the world.

How was this done? With his connections, Juppe was able to raise money on the regional, national and European levels. But this was a bottom-up exercise. Locals were involved in nearly every decision – a democratic exercise that is laborious and often boring – too many meetings – but in the end the locals are extremely proud of their accomplishment. Bordeaux has

been declared the happiest city in France, one of the greenest, one with the greatest biodiversity and now one of the most popular, attracting so many Parisians they started the “Association of Parisians in Bordeaux.”

Tourism has doubled and then doubled again. They patronize the farm-and-sea-to table restaurants, the open-air markets, the flea markets, the museums and the parks. Tourists mingle with locals. And now, thanks to the new plan, tourists visit the city and the vineyards – not one or the other.

Until Juppe’s mammoth tourism project, the vineyards had kept their distance. For four hundred years they used the city to ship wine and little else. They opened their chateaux occasionally to some tourists and never in coordination with the city.

Six years ago, the city hired a wine tourism expert to bring the vineyards into the tourism circuit. The city held the first wine tastings – ever – in the beautifully restored Palais de la Bourse. The vintners hesitated but after the first tasting they became converts. Now wine chateaux have their own tourist coordinators, even chefs for tastings, and welcome visitors regularly.

And in 2015 Bordeaux opened a modern wine museum to become the center of wine events. It quickly has become the major wine museum of Europe.

As a culture district Bordeaux has followed a discrete and discipline esthetic so elegant you don't notice that outdoor lighting and fencing and signs are uniform. Advertisements restricted. There is none of the clutter of haphazard souvenir and coffee shacks. Zoning laws are respected, making walking a joy.

This doesn't mean lifeless or cold hearted. On the contrary, Bordeaux is multi-cultural to the point that it is considered too open to foreigners. There are distinct quarters with tea shops, hallal butchers and mosques. And out of respect for its citizens and their history, the city now documents in museums its past as a slave port and collaboration with Nazis – as well as the heroes of the Resistance.

Bordeaux was named the number one European tourist spot in 2015 and the most beautiful city in the world in 2017 by Lonely Planet; last year welcomed six million visitors. City of 250,000 and hasn't lost sight of the locals.

A manicurist inadvertently told me the secret of the city's success. He moved to Bordeaux a few years ago from a village in Champagne. When he registered to vote he was invited to the town hall for a coffee with the mayor – one of about 20 other newcomers. "A warmer welcome than in my old village."

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