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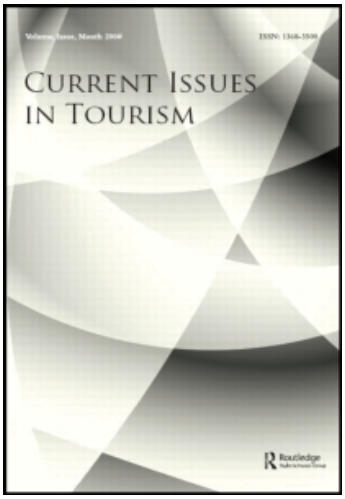

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Tourism in times of crisis: exploring the discourse of tourism development in Iceland

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This paper explores the growth of tourism in Iceland and sets current policy discourses in the context of the global credit crunch of 2008. Tourism in Iceland has grown from being practically non-existent in the mid-twentieth century to being one of the three key sectors of the economy. With this growth, Iceland, as many other island states, started paying more attention to the potentialities of tourism as a development option. However, interest in tourism in public debates and policy seems to become prominent in times of economic crisis while it wanes during years of economic growth. In this light, the paper will relate discourses of tourism to the present condition of economic recession and potential crisis, especially when it comes to government policies. This paper investigates the relationship between tourism and crisis as it features in public discourse in Iceland, and aims at clarifying the implications this particular discourse on tourism has on tourism development in Iceland.

Keywords: discourse; tourism; Iceland; recession; policy; economy

Introduction

During the twentieth century, tourism has been one of the fastest growing economic sectors in the world. It is globally promoted as a driver of growth, creator of jobs and engine for development (UNWTO, 2009c, 2009d). This growth is reflected in the intensification and increasing diversity of tourism mobilities and demand (Sheller & Urry, 2004). In 1950, the top 15 destinations received 88% of international tourist arrivals while in 2005 their share had dropped to 57% (UNWTO, 2009d). At the same time, international tourist arrivals expanded at a rate of 6.5% per year, growing from 25 million to 806 million travellers and reached 924 million in 2008 (UNWTO, 2009b). Compared with the global growth, tourism in Iceland expanded more rapidly in recent years to become one of the central sectors of the national economy. Tourism arrivals have multiplied and, for instance, expanded by 66% between 2000 (303,000) and 2008 (502,000) (Ferðamálastofa, 2009c).

The global intensification of demand and mobilities has spurred a concomitant growth and diversification in the production of tourist destinations and touristic spaces. Britton (1991) proposed to grasp the space-producing capacity of tourism through the concept of 'tourism production system'. It refers to the various 'commercial and public institutions

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designed to commodify and provide travel and touristic experiences' (p. 455). In Britton's view, a dynamic interplay between these actors affected both the materiality and social meaning of places. Linking Britton's insight into the more recent framing of tourism through mobilities, it can be said that the tourism production system refers to diverse mobilities that carve out places to play while simultaneously putting places in play (Sheller & Urry, 2004). Mobilities are themselves dependent on immobilities or infrastructures, local practices, material cultures and discourses. Hence, tourism as a form of mobility works through a complex topology of overlapping near and far connections and relations that are 'produced through practises and relations of different spatial stretch and duration' (Amin, 2002, p. 389). These practices and relations are then networks that produce places as 'material natures, social relations and discursive conceptions' (Bærenholdt, Haldrup, Larsen, & Urry, 2004, p. 26). This dynamic production of place means that tourism destination development depends on the interplay between various actors. It follows that in order to understand the production of tourist places, it is necessary to trace their interplay in the material setting of a destination.

This paper is intended to place this intensification and diversification of tourism demand and mobilities and concomitant tourism growth in the context of the current financial crisis beginning in autumn 2008. The aim is to yield insights into the production of a particular destination, the cold-water island destination of Iceland, in the wake of the current crisis, focusing on discursive practices.

The paper begins by a take on theoretical discussions on destinations and the production of space more generally that highlights how destinations emerge through diverse network practices. It then clarifies our approach to discourses that is inspired by the actor-network theory (ANT). Discourses are seen as one set of mobilities that add to the continuous ordering of society and thus tie in with the tourism production systems, ultimately producing tourism destinations. After laying the theoretical foundations in the first half of the paper, the second half applies the theoretical insights to an analysis of the Icelandic case. After a brief introduction to Iceland and the development of tourism on the island we illustrate the central characteristics of the public discourse on tourism and how it has affected the construction of Iceland as a tourist destination. The analytical discussion is based on policy reports on tourism, issued by the government of Iceland, public speeches by the minister of industry that is responsible for tourism affairs, newspaper articles from two of the largest newspapers in Iceland, Fréttablaðið and Morgunblaðið, as well as web-based news portal run by the latter (www.mbl.is). Furthermore, interviews were conducted with six individuals who all have a long and extensive experience in tourism development in Iceland. Among them are the former chairman of the Icelandic Tourist Board, the former general director of the Icelandic Tourist Board, the Icelandic Tourist Board's director of marketing in the USA and Canada and the director of the Icelandic Tourist Industry Association. The paper concludes by arguing that the spatial manifestations of the discourses presented play a crucial role in understanding the implications of the crisis in Icelandic context. This is to say that infrastructure improvements as the chief response to the crisis and as recognition of tourism's role in the economy currently directs the efforts of the Icelandic tourism production system.

The production of tourism space

Below we present a three-tiered theoretical approach to the production of tourism spaces and end by presenting the current tourism crisis context.

The lure of the destination is the key driving force in tourism mobilities. However:

> *Destination* is by nature a problematic concept. It refers to a varying range of spatial scales (i.e. levels of representation) in tourism: continents, states, provinces, municipalities and other administrative units, tourist resorts or even single tourist products. Spatial scales and definitions of destinations based on administrative or other such units [. . .] tend to approach tourism as a spatial and geographical phenomenon from a technical and static viewpoint. (Saarinen, 2004, p. 164)

Saarinen (1998, p. 160) argues that rather than destinations being static socio-spatial structures (a matter of scale), a destination is better conceived as '. . .cultural landscape subject to continual transformation and reformation, in which it emerges, changes, disappears, and re-emerges in varied forms'. It is thus rather a matter of scaling as:

> To picture this argument through the figure of [scale] is to stay within the imagination of surfaces [and territories] – it fails to bring alive the trajectories which co-forms this space. (Massey, 2005, p. 110)

Highlighting these co-forming trajectories cutting through space, making it alive means that figuring a destination is not a matter of calculation or superimposing ideas, images and rhetoric on an already existing surface – place or country (Elden, 2004, pp. 15–16), but much rather about picking apart the constitutive threads of destination-making. As a result a destination is never stable and a static viewpoint of delimitation and inventorying will not yield insights necessary to understand what co-constitutes the destination. Saarinen (2004, p. 164) argues further that the destination is a social construct and global processes of, for example, tourism flows are co-constitutive of the destination, but it is also a spatial structure, a structure never stable and able to assert its influence on those visiting. Saarinen draws on Lefebvre (1991) who highlighted the role of space through his reading of Marx's dialectical materialism. For Lefebvre, space was produced in and through socio-economic relations in a dialectical oscillation of the material (concrete) and the ideal (abstract) (Elden, 2004). Within this dialectical oscillation, the co-constitutive trajectories of destinations in formation become subject to analysis.

For Lefebvre (1991), space itself is born out of the contradictions within the relations of production at the same time it profoundly shapes the apparatus of production. So 'productive forces do not merely operate within space but on space, and space equally constrains them' (Elden, 2004, p. 144). By accentuating the differences that the abstraction attempts to usurp and negate, Lefebvre (1991) says 'space is at once *work* and *product* – a materialisation of "social being"' (pp. 101–102, emphasis original). Elden (2004, p. 44) summarises:

> There is not the material production of objects and the mental production of ideas. Instead, our mental interaction with the world, our ordering, generalizing, abstracting, and so on produces the world that we encounter, as much as the physical objects we create. This does not simply mean that we produce reality, but that we produce how we perceive reality.

Having arrived at a certain understanding of space and the perception thereof in terms of its production resulting from the oscillations of the abstract and the concrete, a destination can be defined in spatial terms as being maintained by 'place making, through the myriad network practices and memoralisations that mark the sites we choose to call places' (Amin, 2002, p. 392). These agglomerations are 'the moments through which the global is constituted, invented, coordinated, and produced' (Massey, 2004, p. 11). In the present context, a key question is, therefore, how to study such agglomerations.

The discursive production of destinations

As made clear in the above, the discursive practices or rhetorics of tourism development (the ideals and abstractions) are never divorced from the destination they relate to. Thus, it becomes of prime importance to deal with the key players of the rhetoric as social actors continually grappling with the production and ordering of tourism spaces. Particularly useful starting point to understand the means at the disposal of the social actor is Bourdieu's work. Bourdieu (1998) states that:

> The deepest logic of the social world can be grasped only if one plunges into the particularity of an empirical reality . . . seek[ing] to apprehend the structures of social space and mechanisms of the reproduction of that space aspiring to universal validity for revealing different collective histories. (pp. 3–4)

Painter (2000) argues that Bourdieu's understanding and analysis of space would not be acceptable today. The closest he gets is with the concept 'field', which is an integral part of understanding the dynamics of *habitus*. The field seems to be interpreted merely in terms of distance, distributions and arrangements or a relatively autonomous network of objective relations between positions in society. Layering Bourdieu's (1998) 'field' with the above conception of space actors are differently endowed with various kind of capital ingrained as their *habitus*, with the comprehension of objective structures, as another capital dimension. The objective structures can be varied but all are the culmination of a process of concentration that thus creates a certain power differential in a field in which agents struggle for their perspective place. In his notion of the field, Bourdieu refers to space as the objective structures of the field that are at one with the agent through the embodiment of the *habitus*. Here we add that these objective structures are capital dimensions in themselves. Moreover, as we will demonstrate below, this type of capital is key to the discursive practices in Icelandic tourism.

In aiming to come to terms with the power differentials in the field of tourism and how it is imbricate with space, we rely on the ANT. The ANT is inspiring in the present context due to its emphasis on following the networking or translations underlying societal and spatial order (Latour, 2005). The notion of networking underlines how actors constantly assemble relations and achieve and stabilise order from time to time. It thereby grasps the aforementioned interplay between diverse actors and spaces through which tourist destinations are produced, concretising tourism development in specific destinations. A special feature of the ANT is its emphasis on the heterogeneity of ordering. Thus, any order is made of many diverse parts that are assembled through networking and may be described as 'simultaneously real, like nature, narrated, like discourse, and collective, like society' (Latour, 1993, p. 6). Here, we will focus on one aspect of the networking through which Iceland emerges as tourist destination, namely discourses. Discourses are practised representations that travel through formal and informal social institutions and mutate and even transmogrify in the process. Latour (1999) captures nicely how this mutation process happens where he describes science in action (Figure 1). It demonstrates the associations that influence the ways in which discourses mutate in tourism and how they are always already spatial.

Reading the figure through the eyes of Urry (2003):

> [M]ost significant phenomena that the so called social sciences now deal with are in fact hybrids of physical *and* social relations, with no purified sets of the physical or the social. Such hybrids include health, technologies, the environment, the Internet, road traffic,

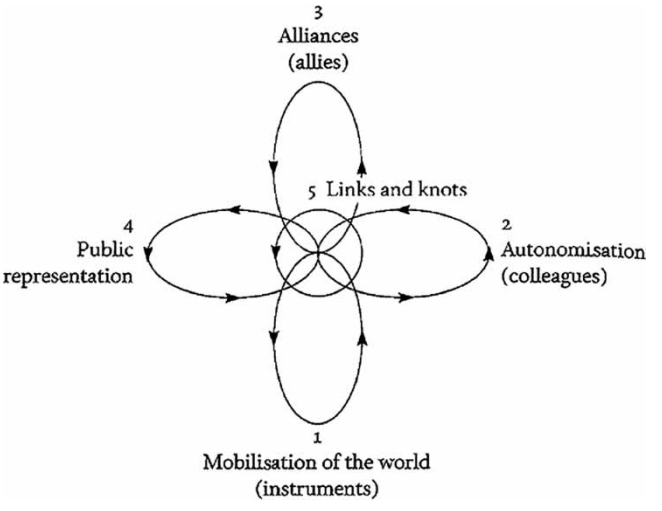

Figure 1. The associations active in the mutation process of discourses.
Source: Permission from Latour (1999, p. 100), Copyright ©1999 by the President and Fellows of Harvard College.

> extreme weather and so on. [. . .] The very division between the 'physical' and the 'social' is itself a socio-historical product and one that appears to be dissolving. (pp. 17–18)

As argued above, actors in Bourdieu's field are hybrids endowed with spatial capital when it comes to tourism. It is quite evident that once a certain idea, explanation or solution is presented for a tourism destination, for instance an island like Iceland (the centre of the figure), it continually travels through motile formations of associations, always returning onto itself and in the process of mutating and continually producing and ordering space. The mutation is thus a result of the associations made, and the discourse becomes what Latour (1999) refers to as a 'circulating reference'. The associations made are with the formal institutions of tourism (Figure 1(3)), where for example The Ministry of Industry, through its institutions such as the Icelandic Tourism Board, The Icelandic Innovation Centre and regional development offices, in combination with municipalities and the Trade Council of Iceland and others become party to the discourse either through support or not. These formal institutions are riddled with alliances and personal relations, social hierarchies and the like that allow for certain ideas to pass and others not. Once a discourse gathers wind within the walls of these formal institutions, it takes form and shape that allows it to pass between these institutions (Figure 1(2)), it gathers supporting material or 'proofs' from the tourism industry, public institutions and laymen (Figure 1(1)) and lastly gets presented to the public in a certain form and shape (Figure 1(4)). At the basis of the figure and onto which all of the above associations continually return to is the destination in question.

Our focus here is on how discourse on tourism in Iceland evolves in response to crisis. A crisis can revolve around many things, but on the most general level it can be defined as an unplanned event that has impact and consequences both varying in scope and scale. The crisis being dealt with here is a global financial crisis that commenced full force in autumn 2008. With the onset of a global crisis like the one currently germinating the classical interpretation is that tourism-generating regions will provide less demand while an

economic crisis in destinations will not necessarily have negative impacts on tourism demand and revenues.

The two most well-documented crisis situations for tourism revolve around health and security (Faulkner, 2001; Mansfield, 1999; Sönmez, 1998; Sönmez, Apostolopoulos, & Tarlow, 1999). However, one of the driving forces of travel and tourism demand is economy. With the UNWTO (2009e) predicting a stagnation or 1–2% decrease in tourism for the coming year of this economic downturn, it is difficult to predict what the result will be for industries as tourism and places and societies that rely on tourism mobilities. Tellingly, the first issue of UNWTO News in 2009 was titled 'Certain uncertainty' (UNWTO, 2009a) that aptly grasps the challenge authorities and businesses are facing when dealing with the crisis. This ambiguous situation is not as clear in Iceland where contrary to the documented downturn and UNWTO (2009e) forecast for 2009, tourist arrivals are predicted to 'slightly increase' (Ferðamálastofa, 2009a), with the added nine out of 10 Icelanders planning to travel domestically in 2009 (Ferðamálastofa, 2009b).

Icelandic economy: a short introduction

Iceland is the westernmost European country lying on the Mid-Atlantic Ridge, between the Greenland Sea and North Atlantic Ocean northwest of the UK and some 200 km from the east coast of Greenland (Figure 2). The territory of the island is 103,000 km^2 and is characterised by a varied rugged, volcanic topography, glaciated mountains and an uninhabited high-plateau desert interior. Iceland has a population of approximately 319,000 that predominantly resides along the coast with approximately 60% living in and around the northernmost national capital in the world, Reykjavík (Statistics Iceland, 2008b).

During the last decades of the nineteenth century, Iceland was still among the poorest countries in Europe judged from the usual indicators of modernisation, such as infant mortality rate, life expectancy and general living standards (Ólafsson, 2005). At that time commercial fishing emerged and the mechanisation of the primary industries of fisheries and agriculture followed in the first half of the twentieth century. During the latter half of the twentieth century, Iceland prospered and the country topped the United Nation Human Development Index in 2008 (UNDP, 2008). Table 1 compares Iceland with other OECD countries in 2006 when the island enjoyed what seemed to be a healthy economy albeit suffering high inflation.

This apparently healthy economic order crumbled in the autumn of 2008. In early October, approximately 85% of the Icelandic bank sector collapsed and the value of the Icelandic currency, the Krona, plummeted (Matthiasson, 2008). The inflation rate rose steeply and reached 18.6% in January 2009 before it began to level off and slowly decrease (at the time of writing, June 2009, it is 11.6%) (Seðlabanki Íslands, 2009). There have been massive layoffs during the latter half of 2008 and the early months of 2009. Unemployment rates have skyrocketed and were measured 9.1% in March 2009 (Vinnumálastofnun, 2009). At the same time, it is estimated that the public sector debt will rise to 200% of GDP by the end of 2009 and that GDP will decrease by approximately 10% (Fjármálaráðuneytið, 2009; Forsætisráðuneytið, 2008).

Historically, the Icelandic economy has predominantly been based on fisheries, leaving the economy open to the vagaries of the open market that have resulted in immense economic fluctuations (Ólafsson, 2008). During the second half of the twentieth century systematic attempts of economic diversification were made with a special focus on harnessing the rich resources of geothermal energy and hydropower. In recent years this has translated into emphasis on aluminium production, which – together with the

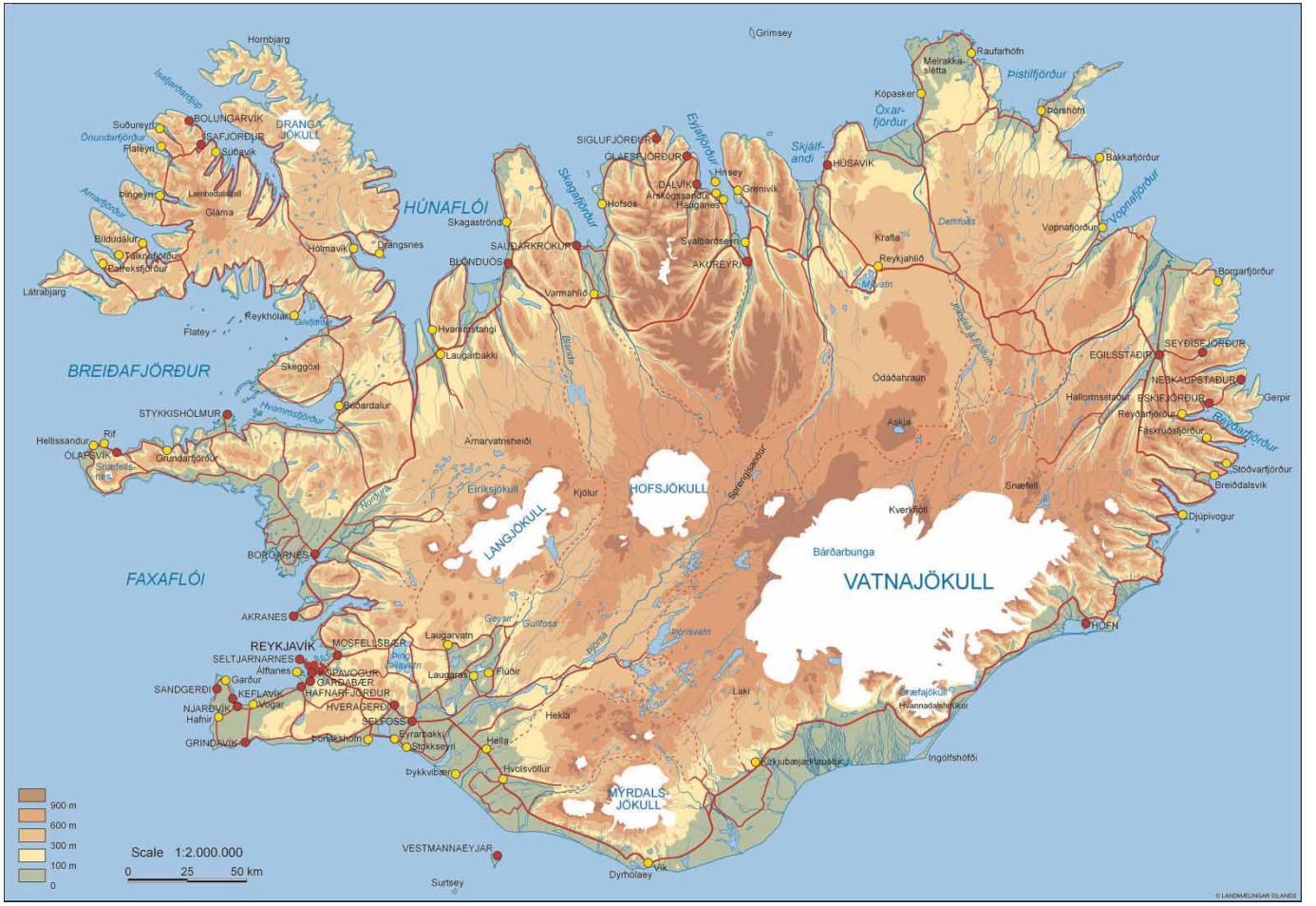

Figure 2. A map of Iceland, showing key urban nuclei and contour lines.
Source: National Land Survey of Iceland (2008).

Table 1. Key economic indicators for Iceland compared with OECD average.

2006	Iceland	OECD average
GDP per capita in USD	35,750	31,520
GDP growth (%)	2.6	3.8
Inflation (%)	5.9	2.8
Employment rates (%)	85.3	67.3
Unemployment rates (%)	1.3	6.4

Source: Statistics Iceland (2008d).

growing service sector – has led to decreasing dependence on the fisheries. However, fisheries were in 2006 still the largest source of foreign currency receipts (34%) with aluminium production in second place (17%) and tourism in third place (13%), accounting for 4.1% of the total GDP (Statistics Iceland, 2008a, 2008c).

The development of tourism

Iceland has a long history as a destination for travellers and explorers (Ísleifsson, 1996). However, a quick look at Figure 3 shows rather slow growth in tourist arrivals until the mid-1980s, but after that gathering momentum with a slight setback after 9/11. It is safe to say that the tourism has been booming for the last two decades. Another sign of this is the 56% increase in registered overnight stays in hotels by foreigners during the

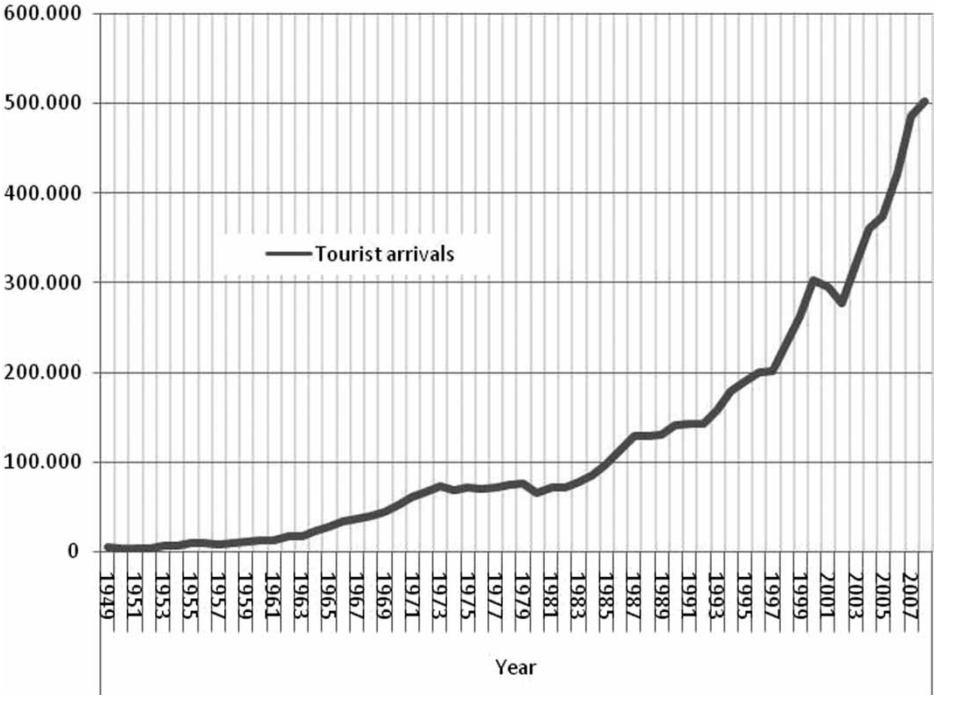

Figure 3. Registered tourist arrivals in Iceland, 1949–2008.
Source: Ferðamálastofa (2009c).

period of 1997–2008 (Statistics Iceland, 2009). At present, tourism in Iceland is dealing with common challenges of island tourism, such as stubborn patterns of seasonality and high concentration of tourists at few attractions that undeniably puts pressure on the fragile natural environment (Jóhannesson, Huijbens, & Sharpley, 2010).

Tourism development in Iceland is characterised by the disparity between few large and dominant firms and numerous small, often family-run businesses that are, to a large extent, reliant on the marketing strategies and vision of the dominant players. Tourism in Iceland is heavily dependent on transport by air and the infrastructure built by the USA and British forces during WWII. Historically, Iceland has enjoyed a good position in this regard as Icelandic airlines established an extensive route network to both mainland Europe and North America soon after the Second World War. They made use of the geographical location of Iceland in the middle of the North Atlantic and promoted stopovers between Europe and North America. The fact that Icelandic airlines have been able to strengthen the route network connecting the island to major markets and at the same time gaining access to much larger pools of potential passengers flying between the continents, is a central precondition of tourism development in Iceland. Needless to say, airlines such as Icelandair and Iceland Express are dominant firms in the national tourism sector. In summer 2009, these two airlines operated flights to 41 destinations. The former is moreover by far the largest tourist firm in the country, carrying 1.6 million passengers in 2007 as well as running a domestic airline and two hotel chains (Icelandair Group, 2007). Foreign airlines, such as SAS and BA, have also periodically operated on the market.

In many cases, the common economic monoculture of island microstates has led to the adoption of tourism as a tool for economic diversification (Lockhart, 1997). For much of the twentieth century, the Icelandic government has played a rather passive role when it comes to tourism development and policy. Despite tourism becoming one of the pillars of the Icelandic economy, it has only sporadically surfaced as a development option and has yet to be promoted as such in any coherent manner (Jóhannesson et al., 2010). A case in point is that the Ministry of Industry has only one employee dealing with tourism, a fact described by one of our interviewees as ‘not even a joke!’.

As already stated, airlines play a crucial role in Icelandic tourism and are dominant in the market. They seem to have sufficiently rationalised their operations and are able to sustain the hitherto almost remarkable growth in visitor arrivals. Icelandair has even added a new destination in USA, Seattle, commencing flights in July 2009, due to advancement in North-American tourist arrivals (see below).

An important factor in this short-term optimistic outlook is how the public discourse on tourism has changed tone in the aftermath of the current crisis. Before the crash, as of new year 2008, the sector had been moved under the auspices of the Ministry of Industry from the Ministry of Transport, arguably recognition of it being an employment sector, rather than a beneficial side-effect of transport infrastructure. At the same time a new general director of the Icelandic Tourist Board was appointed. The new minister appointed Ólöf Ýrr Atladóttir who has a degree in biology and public administration. The appointment was heavily criticised by the Association of University Educated Tourism Professionals and described as degradation of tourism studies and manifestation of the common view that anyone can take up work in the tourism sector (Valsson, 2008). The attitude among stakeholders in tourism is that the public authorities have not given tourism the attention that it deserves. Kjartan Lárusson, former chairman of the Icelandic Tourist Board, says that the government has never had any real interest in tourism. He continues:

> The view was that this was not really business and if it was a business then it was dangerous because then it might be something that threatened the usual order of things, i.e. agriculture, fisheries and industry. [...] Icelandic authorities have not, for the most part to the present day, had any interest in establishing the tourism sector but have been gracious to it as long as it has not disturbed them during working hours.

Another informant, Erna Hauksdóttir, director of the Icelandic Travel Industry Association said that many politicians did not realise the importance of tourism for the national economy. Furthermore, the tremendous growth of the banking sector and the concomitant upturn during 2003 and 2007 did, in fact, not make it any easier for tourism firms to access capital.

This is the case even though the rationale for the establishment of the Icelandic Tourist Board was economic development and diversification (Samgönguráðuneytið, 1983, 2005). This approach to tourism has been and continues to be reflected in the framing of tourism as a strategy to cope with the economic crisis in particular sectors, such as agriculture and fisheries and thus a tool for regional development (Benediktsson & Skaptadóttir, 2002). During years of recession in the fisheries in the early 1990s tourism was seen as the 'light in the darkness' according to Magnús Oddson, former general director of the Icelandic Tourist Board. Furthermore, during the 1980s, the agricultural sector faced severe crisis and then tourism was an important coping strategy that resulted with a boom in farm tourism (Framleiðnisjóður landbúnaðarins, 1993). Nevertheless, in times of upturn, tourism has fallen down the pecking order and the obvious lack of a system of support, as compared with other industries in the country, substantiates that claim.

In sum, according to our interviewees and judging by how weak the tourism policy has been (Jóhannesson et al., 2010), there has been a gap between the sector and the government. Tourism has been driven by entrepreneurs that have had considerable freedom for action but have also always been hampered by difficult access to risk capital and state funds. With reference to Figure 1, it may be said that the relationship between private and public stakeholders in tourism (the allies or 1(3)) has been fractured. Private actors have not seen the policy as serious enough, not least because tourism has usually been the lowest in priority by public actors when it comes to structural support. In effect, as Kjartan explains, 'the sector has been disconnected from the public policy but has kept going although facing tough circumstances'.

An uncertain crisis

Yeoman (2008) foresees a considerable slowdown in world tourism growth rates due to aging and shrinking populations but states that fundamentally the outlook is good until 2030. Viewed from this long-term perspective, the certain uncertainties tourism currently faces are temporary. Nonetheless they do form the current policy context and have to do with:

> ... factors such as the credit crunch, the widening financial crisis, commodity and oil price rises and massive exchange rate fluctuations. All this has, inevitably, undermined both business and consumer confidence, contributing in turn to the global recession. (UNWTO, 2009e, p. 1)

These uncertainties related to the global credit crunch all came to Iceland on 6 October 2008, when suddenly one of the three major commercial banks was nationalised with the other two following soon after. It became clear that the banks had built a massive pyramid scheme of inward investment through domestic liquidity and through sucking in

savings from Scandinavia, UK and NW Europe as well. Large-scale investment projects had been mortgaged to the hilts along with most of the basic enterprises in Iceland, turned investment companies. The country was aptly described as the world's largest hedge fund (Elliott, 2009) and as the banks crashed they were 10–12 times Iceland's GDP. What this meant in practice in Iceland was mentioned above: the Krona plummeted with prices of consumer goods hiking and massive government cutbacks are necessary in order to refinance the banks and keep them afloat. The International Monetary Fund entered the scene in November 2008 in an effort to stabilise the currency rate and reconstruct a domestic banking sector through a US$2.1 billion standby arrangement. According to the IMF and the Icelandic government, the plan for reconstruction is broadly on track (Forsætisráðuneytið, 2009).

In terms of tourism, the government's former experience with crisis was the post-9/11 crisis which prompted the authorities to pump hundreds of millions of Krona into a marketing campaign. This initiative petered out and no plan emerged for responding to a similar event in the future. At present, the Icelandic Tourist Industry Association has called for similar actions but, according to its director, still with limited success. Discourse on tourism in Iceland seems to have taken another turn.

With the fall of the commercial banks, the Prime Minister addressed the nation on 6 October 2008 and ended his speech with the Bushian 'God bless Iceland', a very quaint and unfitting phrase for an Icelandic Prime Minister, but most certainly signalling alarm in most of his audience. For the coming weeks, the political establishment was shell-shocked and neither much information nor action came from inside the government or parliament (Magnússon, 2008). But among the general public, a certain retrenchment occurred as a financial system hitherto held in high esteem as the becoming fourth pillar of the Icelandic economy, now lay in ruins. The retrenchment in public discourse was towards the 'real' pillars of the economy, the fisheries that modernised Iceland and geothermal power plants for more aluminium smelters. Along with those two, tourism got its recognition as well (Atladóttir, 2008; Gunnarsdóttir, 2009; Hauksdóttir, 2009; Rafnsson, 2008; Sigbjörnsson, 2009).

The minister for tourism demonstrated the public sentiment in the annual Icelandic tourism conference held in Reykjavík 20 November 2008. In his speech he said:

> We Icelanders are fortunate that the founding pillars of our economy are strong. We have a well educated human resource pool and entrepreneurial vigour that research shows is stronger than with other nations. We have bountiful fishing grounds, unique sources of energy and we have nature and culture, upon which we build tourism, a sector I most strongly believe in as a growing pillar for our employment and export. (Skarphéðinsson, 2008)

Thus, rather than tourism being under threat with the crisis, it has become a founding pillar. This change in tone was noted by Erna Hauksdóttir, director of the Icelandic Tourist Industry Association. She said:

> Now, of course, during the crisis, people are trying to remember [tourism) [. . .] In recent years [. . .] all sorts of specialist came to us and said that nobody was willing to put finance into tourism since it did not yield anything [compared to the banking sector]. Now, when it has totally collapsed, people are perhaps beginning to look around for those sectors that actually create something.

In the detailing of an anatomy of crisis in tourism as a result of bad press, Baxter and Bowen (2004, p. 272) conclude that:

> Faced with the growth of instant news and global media – and the resultant threat from the external environment on what is alternately both a vibrant strong and a fragile industry – another lesson for the tourism industry is the vital need for its ongoing representation as a truly vital component in modern economies and societies.

Most certainly the minister is hammering home the point that the fledgling tourism in Iceland is truly vital, thus pushing for the autonomisation of the discourse of tourism as a real pillar of the economy (Figure 1(2)). Having stated his belief in this pillar of the economy, the minister picked up on the most obvious of potential benefits of this downturn to tourism, the total collapse of the Krona.

> Now all of a sudden Iceland is a cheap destination and foreign tourists see benefit in coming here, and Icelanders will travel less outside the country and more domestically. (Skarphéðinsson, 2008)

Although this is most likely not the best of futures for the economy as a whole, it most likely explains why Iceland will be curbing the predicted downturn in global tourism worldwide in 2009. Already on 1 October 2008, five days before the collapse of the first of three banks, Icelandair began a marketing campaign in the USA highlighting proportionally low prices. In early 2009, Iceland was declared as one of the 'hottest destinations' by Lonely Planet; due to the favourable exchange rate for foreigners and during the first five months of 2009, there has been a 10.4% increase in passengers showing North-American passport upon leaving the Keflavík international airport compared with last year (Ferðamálastofa, 2009d; Ragnarsson, 2009). Thus prospects for tourism are bright and according to the minister's speech, it is also recognised as a real pillar of the production economy in need of infrastructure and more consumers:

> Our project is defined by the fact that we have joined forces on two issues. Firstly, to start a massive build-up of tourist facilities and strengthen innovation in the coming years. Secondly, to get as many tourists to this country as possible. (Iðnaðarráðuneytið, 2009)

It is the number that counts, the more the better, as it is the physical production of wealth that will get Iceland out of recession. To live up to the above, The Ministry of Industry has opened up new funding opportunities for tourism development and innovation through the Icelandic Research Council (Skarphéðinsson, 2009). Moreover, the Ministry set up a fund of 100 million ISK for direct subsidy into tourism projects around the country. By the end of April 2009, 41 of the 210 projects proposed received funding, mostly revolving around infrastructure improvement.

Nevertheless, words describing fisheries as the 'old motor of the economy' and statements from ministers in the run up to the April post-crash-called-parliamentary election along the lines of 'everything is an option' and 'nothing should be spared' (e.g. on a televised debate on RÚV 16 April) indicate clearly a retrenchment in popular discourse towards the production economy and the necessity of oiling tourism through infrastructure. Thus, what is new is that tourism has become part and parcel of that discourse and as a consequence the private and the public domain has managed to build bridges due to the crisis, although some of our informants were not convinced that tourism fitted the industrial role it seems to be given by the authorities.

It remains to be seen if the words turn into actions as the private stakeholders hope for. The support the authorities are now giving to building up infrastructure is the first sign of that hope coming true although it is very much an improvised response to external pressure.

Blake and Sinclair (2003) conclude on the basis of computer-generated equilibrium modelling that direct subsidies to the industry being affected by crisis are the most effective policy. It would thus seem that the response in the post-9/11 crisis was slightly ill-founded as it went into a marketing campaign, although that can be claimed a success looking at arrival numbers in Figure 3. At present, the emergent strategy is mainly direct infrastructure and product development support, with some marketing efforts. The fact that no prior estimates has been made, not even built on the post-9/11 experience, makes a proactive response to crisis rather difficult and thus directing subsidies and/or support becomes *post hoc*. Moreover, two issues are compounding this fact: the first is that most tourism businesses are family-run small-to-medium-sized enterprises that often employ *ad hoc* managerial practices in running their organisations (Kusluvan, 2003); the second is that there is a lack of coherent strategic planning and vision for tourism nationwide, based on the countries' actual tourism resources.

Conclusions

Spaces and places are the keys to understanding destinations and their inherent complexities of maintenance and promotion. Although rapidly growing from the latter half of the twentieth century, tourism has had a marginal position in the public domain in Iceland compared with the primary production industries of agriculture, fisheries and aluminium production as well as banking, most recently. Earlier we have shown how the public discourse on tourism has moved from recognising it as a peripheral occupation towards giving it a central role in the production economy. Under the terms of the current crisis, tourism in Iceland has been formulated as part and parcel of the production economy, generating foreign revenue through the number of visitors.

This paper sought to grasp this transformation through labour's circulating reference (Figure 1) and shows how the destination is always imbricate in the formation of discourse, manifest in the emphasis on infrastructure improvement and the necessity to accommodate the revenue-generating tourists. We illustrated how discourses on tourism have been established and then alter as they travel through motile formations of associations simultaneously producing and ordering space. It was argued that the traditional discourse on tourism has been characterised by a gap between private and public stakeholders where the former's claims for the economic importance of tourism were held back by a lack of instrumental proofs. In autumn 2008, substantial 'proofs' (Figure 1(1)) were published in the form of tourist satellite accounts, but more generally the discourse demonstrated a quantification of the Icelandic tourism resources, i.e. the country itself, subjecting experiences of nature to the yardsticks of currency revenues solely. Spaces of the destination feature as capital in the discourse on tourism, allowing those with spatial sensibilities a stronger voice. More concretely, the effects of the crisis remain to be seen but it is already clear that it will affect the ordering of Iceland as a destination. The authorities are financing the build-up of infrastructure that has direct spatial implications.

In order to translate the positive atmosphere around tourism at present into a sustainable tourism development policy for the future more work is needed. Policy-making is to be based on a sustained engagement with the tourism resources in all their complexities (read destination). What still lurks underneath the surface of governmental policy discourse in Iceland is no analysis or coherence, apart from seeing tourism as part and parcel of revenue-generating industries. The policy discourse is not founded on any joint platform of collaboration involving nationwide stakeholders. During times of crisis, it comes to

light that the discourse is simply 'blurby' lacking 'spatial moorings'. The best way to prepare for future challenges for tourism in Iceland is through opening up the links and knots of tourism discourses (Figure 1(5)) by creating new venues that may spur debates and mediations among diverse actors on planning and future development based on a sustained engagement with the tourism resources, i.e. the country itself.

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