The role of rural tourism lifestyle entrepreneurs in rethinking current tourism development

Magdalena Falter

Abstract

Purpose – Discussions on tourism development address the urgent need to reduce the negative impacts of tourism on tourist destinations. Despite decades of trying to find potential ways to foster sustainability, however, current tourism development is still mainly driven by political interests and growth agendas. In spite of concepts intending to improve sustainable tourism development, negative dynamics, such as over-tourism and the exploitation of nature and local communities, dominate the current reality of tourism. This article focuses on the concept of degrowth as a potential solution for rethinking tourism policy and practices to ensure greater sustainability. Its aim is to explore the gap between these policies and the academic theories on instigating sustainable change, and the actual reality of the tourism industry, which is primarily driven by economic motivations such as growth.

Design/methodology/approach – To explore this dichotomy, this paper investigates the values of tourism lifestyle entrepreneurs. Small businesses are the most dominant group in the industry in terms of numbers. I contend that researching their viewpoint on current developmental trends could lead to valuable insights into how to tackle this gap between theory and reality. This paper also explores how the degrowth paradigm may promote sustainability in tourism, as well as the potential role that tourism lifestyle entrepreneurs could play in this development. The discussion is illustrated by a case study based on interviews with tourism entrepreneurs in Iceland.

Findings – The findings indicate that various tourism stakeholders have different approaches to growth, with many tourism lifestyle entrepreneurs tending to embrace degrowth practices by acting according to their value base, albeit sometimes unconsciously. This focus on aspects other than growth could potentially encourage tourism lifestyle entrepreneurs to contribute to sustainable development.

Research limitations/implications – The examples discussed in this paper are locally limited and cannot be generalized due to the small size of the interviewed sample group. The scalability of individual entrepreneurs’ impact is limited due to their small size.

Practical implications – The actions and values applied by these tourism lifestyle entrepreneurs demonstrate how degrowth can be manifest on a small scale: growth is only embraced up to a certain limit, so it ceases not exceed social and environmental capacities; from that point on, community well-being plays the key role. This study demonstrates the untapped knowledge tourism lifestyle entrepreneurs could provide to rethinking the tourism industry.

Social implications – This study demonstrates the importance of shedding more light on ethical issues and values beyond growth in both academic and political discussions. Addressing tourism lifestyle entrepreneurs as smaller-scale actors of tourism degrowth could be a meaningful starting point for holistically rethinking tourism and give them a voice.

Originality/value – This research emphasizes untapped knowledge by acknowledging entrepreneurs and their potential for rethinking tourism development, concluding with recommendations for practice and policy.

Keywords Degrowth, Tourism lifestyle entrepreneurs, Rethinking tourism, Value beyond growth

Paper type Research paper

Introduction

The economic role of tourism has increased globally over the past two decades, as seen from the increase in annual international arrivals. Global climate change raises questions about human
consumption and how we should adapt our user behavior to minimize its effects in terms of environmental damage. This discussion is particularly relevant to tourism. Some researchers argue that the question of if we need to change has been answered; instead, we must now ask how we should change (Demiroglu and Turhan, 2020, p. 214). As a result, calls are growing for tourism practitioners and researchers to rethink the values and role of tourism to respond to the current challenges of environmental destruction and global warming (Mathisen et al., 2022; Sharpley, 2020).

The tourism sector consists of numerous players with different characteristics and business motivations. However, global tourism development has been driven mainly by political interests based on economic growth and growth-oriented agendas (Mihalic, 2020). Arguably this sole focus on profit hampers creative approaches to enhancing effective, sustainable forms of tourism that benefit both locals and visitors.

Over time, concepts such as ecotourism or “responsible” tourism have been introduced to tackle this dilemma (Sharpley, 2020). However, these notions may still be driven by ulterior motives such as economic gains, and often result in greenwashing (Sharpley, 2020). Recent studies (Demiroglu and Turhan, 2020; Fletcher et al., 2019; Lundmark et al., 2020) have voiced strong criticism of past discussions on fostering tourism sustainability, noting how they remain fixated on growth and fail to tackle issues such as environmental and social exploitation.

By contrast, the paradigm of degrowth is beginning to gather momentum as a potential starting point to actually implement sustainability in tourism while counteracting touristic overconsumption (Hall, 2009; Sharpley, 2022). Degrowth has been discussed in the context of a place-bound “right-sizing” (Hall, 2009), in line with a concept of tourism development that is determined by the Earth’s natural limits (Huijbens, 2021), yet can also provide environmental and community well-being (Ruiz-Ballesteros, 2020). The past and current discussions on how tourism literature has addressed the dilemma of fostering tourism sustainability, point out a certain ambiguity also often referred to as trouble with tourism (Ren, 2021). On the one hand, there is an urgent call for action to save the Earth, on the other hand, global tourism continues growing and increasing in economic value. A case in point is Iceland, where the official tourism strategy envisions the country becoming a leader in sustainable tourism (Ferðamálstofa, 2021), yet actual tourism development appears to be growth-driven. This is manifest in the steady increase of international arrivals and expansion of touristic infrastructure, especially in the capital Reykjavík and the popular South Coast region. Some researchers link this growth to mass tourism (Sebórsdóttir et al., 2020a, b), in marked contrast to the goals envisioned and communicated by the Icelandic tourism authorities.

This contradiction between the vision of a sustainable global tourism industry and the actual reality, which deviates extremely from this aspiration, shows that practitioners have yet to realize a form of tourism that takes both environmental and social aspects into consideration. Despite more than four decades of academic and political discussions on fostering tourism sustainability, the fundamental challenges posed by the industry remain unchanged.

Hence, I wonder if a possible response to this dilemma may be to break the links between policy and practice. The actors that are substantially involved in tourism on the ground are small, medium-sized, and micro-scale tourism businesses (Atladóttir et al., 2023). According to Peters et al. (2009), they are the prevalent form of enterprise in the industry, often classified as so-called “lifestyle entrepreneurs.” This paper explores how these practitioners perceive current tourism development, with the aim of gaining new insights into why actual activities in the tourism industry differ significantly from aspirational visions of sustainability.

My goal with this paper is to investigate this gap in relation to tourism development in Iceland, exploring how tourism differs in reality from the goals envisioned by the authorities. To investigate this question, I aim to look beyond the academic discussion of tourism sustainability and engage with the viewpoints and opinions of tourism lifestyle entrepreneurs in rural Iceland. Specifically, this article explores the following research questions: What is the role of tourism
lifestyle entrepreneurs in rethinking current tourism practices toward degrowth and greater sustainability? In addition, how can tourism actors’ value bases and business intentions beyond economic growth foster sustainability in tourism? With this paper I hone in on the business intentions of lifestyle entrepreneurs, which often differ significantly from solely growth-oriented entrepreneurs. Their way of operating their tourism businesses can potentially affect the communities, environment, and attractiveness of tourist destinations and positively contribute to sustainable tourism development. Using this case study of Icelandic practitioners and their viewpoints, I examine the degrowth agenda as an alternative for measuring business success.

Tourism degrowth, but how? A conceptual discussion

According to Lenton et al. (2019), mankind is currently in a state of “planetary emergency” (p. 5), with a global ecological footprint that exceeds the Earth’s natural capacities by 175% (Global Footprint Network, 2023). Since the early 1990s, the issue of sustainability has risen to the fore in tourism (Saarinen, 2020), and numerous public and private initiatives have been implemented. The urgent need to rethink global tourism (Higgins-Desbiolles et al., 2019), and to balance community needs, environmental issues, and economies (Hall and Wood, 2021), is evident in both academic discussions and policy-making. Topics such as sustainable and responsible tourism (Mihalic, 2020; Sørensen and Grindsted, 2021), and the concepts of eco-tourism, well-being, regenerative tourism, and degrowth have all recently surfaced in the literature on tourism (Butcher, 2021; Hall and Wood, 2021).

The role of growth in sustainable tourism has raised questions about its impact on societies and the environment (Sharpley, 2020; Sørensen and Grindsted, 2021). According to the United Nations World Tourist Organization (UNWTO), sustainable tourism is “[t]ourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities” (n.d.). This aligns with Rasoolimanesh et al. (2023) who discuss how sustainability in tourism is often envisioned as the balanced interplay between social, economic and environmental requirements. There is a consensus among tourism researchers that conventional sustainability practices create a false image of positive change (Gibbons, 2020). Measures intended to foster sustainability often result in the reverse, by greenwashing authorities’ economic motives (Sharpley, 2020). Mathisen et al. (2022) critically refers to how public authorities tend to see sustainability as the interplay of economy, ecology, and society; hereby ethical issues such as fostering well-being for humans and the environment often fall short. Several researchers even see “sustainable tourism development” as an oxymoron, or contradiction in terms (Saarinen, 2020), as it prioritizes economic growth over community well-being and environmental protection (Sørensen and Grindsted, 2021). This aligns with Atladóttir et al. (2023), who point out the reactive nature of sustainable tourism and its ultimate goal of satisfying the needs of the industry, which is usually dominated by market leaders.

Mathisen et al. (2022) criticize the top-down nature of policy on sustainability in tourism, fostered through the UN’s sustainable development goals (SDGs), which they argue often lead to an accumulation of sustainability certificates instead of actions. They refer to the current state of the industry as an “exploitation of natural and cultural resources for profit accumulation” (p. 3).

According to Higgins-Desbiolles et al. (2019), tourism authorities act according to the values of neoliberal capitalism, which pursues scalable economic growth and therefore fundamentally contradicts sustainable ambitions. For example, Sharpley (2020) argues that over-tourism hinders the sustainability of the tourism industry and reflects its profit-seeking intentions. Given the continuous increase in worldwide tourist arrivals (before COVID-19), “the trajectory of tourism on a global scale contrasts starkly with the policies and principles of sustainable tourism development” (Sharpley, 2020, p. 4).
Degrowth

The pursuit of economic growth in tourism, also referred to as “growth fetishism” (Higgins-Desbiolles et al., 2019) “is the core of the neoliberal and the market economy thinking” (Viken, 2016, p. 21). Various researchers argue for abandoning the pursuit of economic growth and discarding an increase in tourist arrivals as the main indicator of tourism success (Mihalic, 2020; Muler Gonzalez and Gali Espelt, 2021) calling instead for practitioners to implement degrowth principles (Margaryan et al., 2020; Prideaux and Pabel, 2020). Turning away from growth altogether will prove difficult, however, as various stakeholders in tourism rely on its economic success (Mihalic, 2020). As Butcher (2021) argues, although growth is the origin of many of the problems we face in contemporary tourism, it is indispensable for the continued development of the sector; total growth-aversion and anti-capitalism would likely result in poverty and chaos (see also Latouche, 2007). Trying to save the Earth whilst simultaneously fostering tourism development is the lynchpin of the degrowth paradigm gaining momentum in the debate on tourism sustainability. Many scholars view degrowth as a set of principles that can be integrated into established perspectives and beliefs (Fletcher et al., 2019; Muler Gonzalez and Gali Espelt, 2021). In contrast to the literal meaning of the word “de-growth”, the concept is not about downsizing per se, nor even the radical reduction of tourism (Hall, 2009; Sharpley, 2022), but is rather about finding “the notion of ‘right-sizing'” (Hall, 2009). This rightness of size is dependent on location and can even manifest in a visitor increase in certain places (Hall et al., 2020). Sharpley (2022) interprets degrowth as a lifestyle, with the planet setting the pace of our consumption and growth. The limits of growth are then measured according to the principle of “enoughness” (Sharpley, 2022, p. 2), which is determined by the natural extent of the Earth’s capacities and the level of peoples’ well-being.

There are two main streams of discussion on the degrowth paradigm in the current body of tourism literature. One branch sees the key to degrowth as lying in political decision making, while the other sees it as resting on an ethical approach that demands a change of mindset and values. Lundmark et al. (2020) see the rethinking of tourism as a re-politicizing process, necessary to achieve actual sustainable development. Saarinen (2020) further elaborates on this political view by pointing out how the actual implementation of SDGs with respect to tourism requires “stronger governance and politics guiding the industry” (p. 145). By contrast, Gibbons (2020) approaches degrowth by focusing on outside factors such as the impact of policies, authorities, and economic markets, arguing that the root of the failure to implement sustainability is that the values, beliefs, paradigms, and worldviews of tourism practitioners remain largely unaddressed.

This leads to a third, ethical branch of the discussion on degrowth, the focus of which is social and environmental well-being. To achieve sustainability, tourism has to be rethought in a way that prioritizes the needs of local communities over those of tourists or tourism agencies (Fletcher et al., 2019; Higgins-Desbiolles et al., 2019). Mathisen et al. (2022) stress that responsible behavior is a matter of the “soul” (p. 2), or the values and beliefs of tourism stakeholders; the authors discuss how sustainable behavior entails personal attachment to a place and a community and is hence driven by “inner sustainability” (p. 2; see also Wen et al., 2021) instead of an outer reaction to guidelines and political requirements. This approach focuses on the inclusion and well-being of everyone in local communities rather than on providing services for visitors and absorbing financial gains from tourism (Latouche, 2007; Mihalic, 2020). Huijbens (2021) furthers this holistic approach, where mankind is part of the “web of life” (p. 122) and emphasizes the importance of transitioning actions and focus to earthly matters. Thereby he describes earthly tourism as a form of tourism that is sensitive to the needs and restrictions of nature and local communities. Fundamentally, degrowth moves the focus onto the “real needs of humans in a finite natural system” (Muler Gonzalez and Gali Espelt, 2021). Various authors have observed how smaller tourism businesses are generally more interested in environmental and social issues than growth-oriented actors (Serensen and Grindsted, 2021). Margaryan et al. (2020) have found hints that these so-called lifestyle entrepreneurs have discovered what this right size of growth could look like for their own businesses. By simply trying to contribute positively to their local communities, such entrepreneurs...
often apply ethical values that align with the degrowth paradigm discussed above, without being aware that they are part of this new movement toward rethinking tourism.

So far, little is known about the role of small businesses, whose values often seem to align with degrowth principles and may potentially act as “agents of degrowth.” The following section focuses on tourism lifestyle entrepreneurs and their possible role in this development, including their value to local communities. The paper then moves on to present the Icelandic case study.

**Tourism lifestyle entrepreneurs**

*Business intentions beyond economic growth.* Historically, entrepreneurship is associated in the classic Schumpeterian approach with the pursuit of economic growth (Schumpeter, 1999; Fu et al., 2019), as well as the ability to take risks (Dias and Azambuja, 2022). “Business oriented” (Dias and Azambuja, 2022) or “growth oriented” (Fu et al., 2019) entrepreneurs demonstrate a high level of business acumen, often fostered through innovation and creativity, and they measure their success by business growth.

The tourism sector, which consists largely of small and medium-sized enterprises, attracts many entrepreneurs (Bredvold and Skålén, 2016; Peters et al., 2009). However, their motivation to start tourism ventures often stems from lifestyle aspirations rather than thought-out business intentions (Bredvold and Skålén, 2016). In many cases, their engagement in the tourism industry may occur because of a series of coincidences in their lives (Andersson Cederholm and Hultman, 2010). Dias et al. (2022) observed the key role of independence for lifestyle entrepreneurs, including being their own boss and the freedom to be creative in a self-chosen job.

While some researchers consider such lifestyle entrepreneurs as driving forces for tourism development, others blame them for hampering the industry through a lack of business and management skills (Ateljevic and Doorne, 2000; Margaryan et al., 2020; Peters et al., 2009; Skokic and Morrison, 2011). Despite this criticism, Margaryan et al. (2020) emphasize that lifestyle entrepreneurship is not a downscaled imitation of “real entrepreneurship.” Rather, lifestyle entrepreneurs differ in the way they approach life and their businesses, with their attitude toward business growth being the most crucial. The personal values identified for tourism lifestyle entrepreneurs, such as closeness to nature, friends, and family, often mismatch with economic growth intentions (Sørensen and Grindsted, 2021). Lifestyle entrepreneurs tend to constrain growth as soon as it negatively influences their quality of life or professional independence (Peters et al., 2009; Skokic and Morrison, 2011). This requires, however, that they demonstrate a level of financial security that comfortably enables them to make a decent living (Reijonen and Komppula, 2007) and find a balance between economic and non-economic goals (Dias and Azambuja, 2022; Sørensson et al., 2019). The ethical focus of such lifestyle entrepreneurs manifests in the importance they ascribe to the local community that they and their business are part of. Linking to this focus on community well-being, the following sub-section investigates the connections between tourism lifestyle entrepreneurs and their local communities.

*The value of the local community.* Integration into the local community plays a key role in both the acceptance and establishment of a tourism lifestyle entrepreneur’s business (Dias and Azambuja, 2022). “Being locally embedded” into a community in an entrepreneurial context means becoming part of the community and creating a “sense of belonging” (Wen et al., 2021) comparable to a relationship-like alliance. Wen et al. (2021) criticize how many studies often look at tourism businesses in isolation, or outside the social setting in which they are embedded, disregarding the potential positive effect of embeddedness on sustainable tourism development (Dias and Azambuja, 2022). Besides acting according to internal ethical guidelines, the focus on community well-being at both an individual and an organizational level can potentially counteract the growth-fetishism driven by capitalism. Through its social focus, a small entrepreneurial venture can encourage positive change and foster well-being within the local community (Aquino, 2022).

Kibler et al. (2015) argue that the level of a business’ attachment to and dependency on a place directly influences its degree of sustainable entrepreneurial behavior. This may vary between
entrepreneurs, often relating to the extent to which their business depends on local, natural, and social resources. Some entrepreneurs may easily lead their businesses without the benefits of being embedded in the local environment, while others depend heavily on these resources.

This interrelationship may be a prime reason why various academics have observed a direct link between a rural entrepreneur’s local embeddedness and their contribution to sustainable business practices (Akgün et al., 2010; Kibler et al., 2015; Wen et al., 2021). Bosworth and Farrell (2011) stress how efforts by authorities “should build on this rather than trying to introduce something new” (p. 19). Even though knowledge about concrete entrepreneurial activities that successfully foster tourism sustainability is scarce, the literature assigns tourism lifestyle entrepreneurs a central role in the sustainability paradigm.

In the following section I will link the discussion on tourism degrowth and the potential role of tourism lifestyle entrepreneurs in this rethinking process to the case of Iceland.

Iceland case study: background. Tourism has often been seen as an economic “savior for […] peripheral areas” (Kauppila et al., 2009, p. 425), disregarding the often negative impacts of tourism on both nature and local communities. Various researchers have noted the urgent need to shift growth-oriented tourism toward a more holistic and sustainable development agenda that takes both ecological and social factors into account (Hall et al., 2020; Higgins-Desbiolles et al., 2019; Saarinen, 2020; Seyfi et al., 2022). In the case of Iceland, tourism has undergone rapid growth during the past two decades. The following section presents this case, focusing on the key discussion about current tourism development and happenings.

Iceland: ambiguity of continuous tourism growth and sustainability policies

After the eruption of Eyjafjallajökull in 2010, Iceland received unprecedented international media attention and as a result developed into a popular tourist destination. Tourism has increased drastically over the past two decades, reaching a per-capita ratio of six tourists to one inhabitant (Ferðamálástofa, 2021). In the year before the COVID-19 pandemic, the international airport Keflavík registered 1,995,972 international visitors (Ferðamálástofa, 2019a). After the significant decline of international arrivals during the pandemic, the tourism industry in Iceland has more than recovered to reach about 1.6 million visitors in 2022. At the time of writing, the Icelandic Tourist Board indicated a 87.9% year-on-year increase for first three months of 2023 (Ferðamálástofa, 2022, 2023). As is typical for Nordic tourism destinations, the majority of Iceland’s visitors come because of its natural attractions. Most visit Reykjavík, which serves as the main gateway into Iceland (Jóhannesson and Welling, 2020), with 75% of all overnight stays registered there in 2019 (Ferðamálástofa, 2019b). The spillover effect of the stream of visitors to the capital mainly affects the close surroundings and the South Coast region, which attracts 81% of the tourists with its popular nature attractions such as the famous Geysir hot spring (Ferðamálástofa, 2019a). By contrast, only 16% visited the remote Westfjords, and 38% the east of Iceland. This strong concentration of visitors in a small part of Iceland during the summer months has provoked discussions about crowding and over-tourism (Saéþórsdóttir et al., 2020b; Wendt et al., 2022). Over-tourism implies that the number of visitors to a destination negatively impacts the locals and their quality of life, and can cause harm to the natural surroundings (Saéþórsdóttir et al., 2020a). A media analysis by Saéþórsdóttir et al. (2020a) shows how international commentators increasingly point out Iceland as a “poster child for over-tourism” (p. 11) and feature Iceland in “no-go” lists (p. 2) as a result of crowding at the main tourist attractions, where natural attractions visibly suffer from damage.

Despite these negative influences, which also affect the visitor experience, the discussion about whether or not Iceland’s carrying capacity has been exceeded is delicate and ambiguous. Over-tourism, as it is pictured by the media, affects the spatially and temporally congested tourism destinations along the south coast and the capital area, but the less-frequented destinations in the more remote east and west of the country are often left out of the larger picture (Saéþórsdóttir et al., 2020b).
Tourism in Iceland is managed by the Ministry of Culture and Business Affairs and is operated by several officials under the auspices of the ministry. Due to the interconnectivity of the sector, a national “Tourism Task Force” was established in 2015 to improve coordination and collaboration between the ministry and various other government administrations, municipalities, tourism support systems, and interested parties involved in tourism. It operated until 2020. The starting point for future development is the Icelandic Tourism Strategy for 2021–2030 (Ferðamálafósta, 2021), which serves as the basis for an action plan currently being drafted (Stjórnarráð Íslands, 2023). Its general goal is to enable sustainable tourism by engaging in community development and balancing economic gain with environmental utilization. Specifically, the goals stated in this plan call for “profitability above tourist numbers” (p. 4), achieved through “responsible tourism which makes use of technology, innovation, and product development” (p. 3).

As with many other Nordic destinations, the majority of tourism businesses in Iceland are micro-scale, small, or medium-sized businesses (Átlaðóttir et al., 2023). The developers of these forms of enterprise are often referred to as lifestyle entrepreneurs. In the following section, I discuss the methodology used in this paper, before exploring the main values ascribed to tourism lifestyle entrepreneurs and presenting the case study on their role in Iceland.

Methodology

This paper follows a qualitative approach. A total of 33 tourism entrepreneurs and two representatives from tourism authorities were interviewed in semi-structured research conversations. The interviewees were sampled using the snowball method and interviewed from July 2020 to September 2022. All interviews were recorded, transcribed, and analyzed based on the techniques of grounded theory (Strauss and Corbin, 1994), with themes identified through rounds of open and axial coding using the coding program MAXQDA. The interview duration was about 60–90 min and was partly conducted online due to the COVID-19 pandemic.

The interviews were structured into four main parts: Part I considered their business background, networks, marketing, and relevant advertising channels; Part II discussed rurality, and related issues such as the pros and cons of being a rural tourism entrepreneur; Part III focused on understanding of innovation and digitalization in the tourism business; and Part IV dealt with perceptions of Icelandic tourism development. The data used and processed in the framework of this paper were retrieved from parts I, II, and IV. The themes identified in this data set reflect the viewpoints of the entrepreneurs regarding Icelandic tourism development.

The main themes are: skepticism toward ongoing growth in Icelandic tourism; negative influence of over-tourism on locals; perceived lack of interest and disconnection from official tourism authorities; responsibility for community well-being.

Most of the interviewees or their partners had family roots in the areas in which they operated their businesses, and a few were newcomers to their areas. All of them were micro-scale, small, or medium-sized rural tourism businesses with varying business intentions ranging from scalable growth to lifestyle-related values. In relation to the characteristics outlined above, I classified the majority of the interviewees as tourism lifestyle entrepreneurs, since most interviewees entered the tourism industry due to the wish to live a certain lifestyle in a particular rural area of Iceland. The descriptions of how many of them started to build up their businesses tended toward “learning by doing” instead of a well-thought-through strategy, which matches with the characteristics ascribed to tourism lifestyle entrepreneurship. It is, however, based on subjective characteristics that other authors might interpret differently. I acknowledge the challenge of talking about tourism lifestyle entrepreneurs as a uniform group. I see tourism lifestyle entrepreneurs as professionals who are deeply rooted in their local community and display characteristics and values that align with the principles of degrowth (Demiroglu and Turhan, 2020; Lundmark et al., 2020). However, I acknowledge that there are various types of businesses classified as tourism lifestyle entrepreneurs in existing literature that may not necessarily embody these values. Table 1 gives
an overview of the geographic distribution of the interviewees. As mentioned in the description about Icelandic tourism above, the South is one of the most popular travel areas, whereas in contrast to that, especially the Westfjords and East face short summer seasons and remoteness. Hence these geographical differences impact the challenges these entrepreneurs face in the particular areas. In addition to the entrepreneurs interviewed, two further interviews with ministry representatives were conducted.

Analysis

In this section, I link the previous conceptual discussion to the case of Iceland, with a focus on exploring the role of tourism lifestyle entrepreneurs in rethinking current tourism practices and ensuring greater sustainability. I also investigate how business intentions beyond economic growth can contribute to fostering sustainable tourism development.

Growth-agenda in current tourism development

The conversations with the Icelandic tourism entrepreneurs reflect the ongoing discussion of the growth agenda in global tourism development. Despite valuing the role of tourism as an important economic pillar, many of the entrepreneurs voiced concern about touristic land use and over-tourism in some parts of Iceland. Most of them deprecated the recently rapid growth of tourism in Iceland, arguing it significantly contrasts with the various official sustainability goals such as “profitability above numbers” (p. 5) or “balance between conservation and utilization” (p. 8) envisioned by the Icelandic tourism authorities.

It’s been kind of Wild West in that way that we always have been. The tourists were coming, coming, coming, and we were building hotels, hotels, hotels.

Hotel owner, East Iceland

A restaurant owner criticized the fact that a majority of the companies involved in Icelandic tourism are driven by the pursuit of economic revenue and exploitation. He observed how their aim of maximizing profit and reducing costs outweighs the industry’s push for local value creation.

Maybe my answer is really negative, but I think way too many companies have been doing this for the wrong reason. And that is only to make money, not to create something interesting.

Restaurant owner, South Iceland

This criticism about people entering the tourism industry for “the wrong reason” arose again when some of the entrepreneurs pointed to the role that tourism had as an economic savior after the global financial crisis in 2008. Many businesses became involved in tourism for the purposes of financial recovery, marking the starting point of the exponential increase in visitors, they said.

Participants also emphasized that Iceland was “not ready” (hotel owner, West Iceland) when tourism demand started to grow, and some pointed out that Iceland has “no history in hospitality”
(tourism entrepreneur, West Iceland). Although a few of the entrepreneurs described Icelandic tourism as “blossoming” or “sophisticated,” most felt that the industry had gotten “out of hand” and had developed “unsustainably,” like “a gold rush.” This heavy criticism of tourism development and the growth-oriented motivation of their industry peers, hints at a world view and values beyond the sole pursuit of profit that most of the tourism entrepreneurs interviewed seemed to have in common.

**Negative influence of over-tourism on locals**

In line with the characteristics ascribed to tourism lifestyle entrepreneurs above, most of them proudly referred to the beauty and calm of Icelandic nature, expressing a sense of enthusiasm and pride for the area—an area, as some of them complain, that is being increasingly overused by a rising and uncontrolled stream of visitors. This frustration shows, for example, in the criticism directed at the Icelandic tourism industry’s tendency to reactively satisfy the growth in demand. One interviewee referred to the increase in hotel construction in the capital area as follows:

Iceland has always been an expensive country. Iceland can never be anything else but an expensive country. So we should sell ourselves as expensive, and we should not take all this demand; we should be sold out during some parts of the year. Then we will actually get the money for the service that we need to get if we don’t accept all.

*Hotel owner, East Iceland*

In contrast with the aspiration of Iceland’s tourism authorities to ensure a “positive impact on local communities and enhanced quality of life” (p. 6), many of the interviewees pointed out a reduced experience in nature for both tourists and locals, mainly due to overcrowding at tourist attractions at certain times of the year. A tour operator in the west of Iceland mentioned with regret how their company cut a once-regular and favorite picnic stop at Kirkjufell from their horseback riding tours. The stop was a scenic mountain with waterfalls that had become increasingly popular, especially among photographers and due to social media.

That is a bit sad, if I think about it, because we have always been at this lovely place that nobody else was really interested in. And now everybody is interested in it, but we don’t go there anymore. (Laughs).

*Tour operator, West Iceland*

Many referred to the uneven tourism distribution, with attractions within a short drive from the capital city often overfrequented while remote areas struggle with the effects of seasonality. The entrepreneurs criticized Icelandic marketing and the way authorities manage the tourism industry, explaining the uneven distribution of tourism across the country as being due to a lack of controlled marketing or a holistic tourism strategy.

The brochures were still showing Gullfoss, Geysir, and Blue Lagoon—public brochures made by the Tourist Board! People who visit Iceland get the feeling that that is the only thing there. I just don’t understand why the authorities didn’t do anything about it.

*Tour operator I, Westfjords*

Perceived lack of interest and disconnection from official tourism authorities. Entrepreneurs’ feelings toward tourism authorities were ambiguous. Many of them were “not really thinking too much about that” or felt that “authorities as such haven’t done so much” while local players had. Some felt they were working toward the same goal in terms of greater sustainability and felt understood and supported by governmental grants and initiatives, referring mostly to support received from their local authorities. By contrast, a few voiced concerns about local and national tourism authorities, stating that “they don’t understand; they are not thinking about business” (Tour operator II, Westfjords) and that the tourism strategy has “kind of not been followed or not been done in a really good way” (Tour operator I, Westfjords).
When talking to the representatives of the tourism authorities about this lack of clear communication, they explained that any fuzziness around the goals of the tourism strategy is partly due to the ongoing reorganization process in the central administration in Iceland following the COVID-19 pandemic. They referred to the official tourism vision as a first rough guideline that indicates Iceland’s goals in significantly fostering tourism sustainability.

At the time the interviews were conducted, the ministerial representatives stated that concrete implementation plans would be forthcoming and would follow similar lines to the Tourism Task Force in place from 2015 to 2020. Individuals, large companies, and authorities would be asked to contribute to and co-create a strategic plan. At the time of writing this article, these future development plans had become more concrete and explicit steering committees and rough time projections for tourism development had been outlined in the action plan (Stjórnarráð Islands, 2023).

When asked about the main players in tourism in Iceland, the ministerial representatives mentioned harbors, airlines, Airbnb, hotel chains, tourism authorities, and social media influencers. Smaller tourism businesses and entrepreneurs were not directly considered to be major players but rather actors who would automatically contribute to the sustainable tourism development envisioned by doing business in the countryside and fostering living and working conditions there:

If you are a small business somewhere in the countryside, I can imagine you don’t really have time for those kinds of things. You have many hats. But in a way, of course, they are working—if we say informally—as a part of this sustainable tourism development. Just by working in the countryside with the locals [...]. So they are supporting the social dimension automatically.

Representative, tourism authorities

Entrepreneurs’ responsibility for community-well-being

The ministry representatives see small tourism entrepreneurs as actors who contribute informally to sustainable tourism development, but on their own initiative. In interviews, entrepreneurs confirmed this personal “inner” approach toward sustainable behavior, which showed when they were asked about their values, role, and position in their local communities. Many stressed how their lifestyle as a rural tourism entrepreneur enables them to be close to family and friends. The majority had family roots in the places they lived and operated in, often over several generations.

Furthermore, almost all of the entrepreneurs interviewed pointed to the local community, neighbors, and friends as an essential pillar in both their private and business life. They referred especially to the benefits of having a close and accessible local network when they need help or simply the company of friendly people. Local connections clearly play a key role for entrepreneurs, though few of them referred to this as “networking” or “collaboration.”

When identifying what concrete value their businesses brought to the local community, there were two different types of answers. The first group see their contribution in terms of their services. For example, caterers referred to providing important social meeting places or venues for events, which they emphasized were rare in remote places with little service infrastructure. Some also mentioned their role as employers in scarcely populated areas. Apart from adding tangible value to the local community, some in the first group also mentioned value creation in terms of enhancing local identity. For example, two entrepreneurs in Vik i Myrdal, a small village in South Iceland, emphasized that their businesses had contributed to the town’s attractiveness as a tourist destination. During the tourism growth of the previous decade, Vik i Myrdal had turned into a gas-station-stop kind of service center. The high volume of tourists had further negatively impacted locals’ perceptions of the quality of life in their village. Apart from the value their businesses provide for visitors in terms of regaining the appeal of the town for both tourists and locals, the participants from Vik stressed their essential role in adding to the local identity and empowering the locals to be proud of what their small town has to offer tourists.

Vik is a drive-through town for Icelanders. They don’t see any reasons to stop here. And what we have done is make people pull over and say: “What is this town?”
The second group see their value as extending beyond their actual business activity by explicitly trying to create value for their local communities, for example by hosting parties, providing infrastructure for leisure activities, or financially supporting individuals in need. Here, the emphasis is on local well-being. This dominant goal of fostering community well-being instead of a sole focus on increasing profit is a cornerstone of the degrowth paradigm. The following quotation from a restaurant owner demonstrates a high level of ethical behavior and responsibility toward the local community:

A lot of things don’t pay off that we do, but it is nice for the community. I throw a party because I know it will make the community happier. But I don’t make money from this party. But we are responsible for the community; we are part of the community. This would not happen if it were not our hometown and if we were not a vital business for the town.

Restaurant owner, East Iceland

In the following section, I examine the empirical data from Iceland through the lens of the degrowth paradigm. My aim is to identify the role of tourism lifestyle entrepreneurs in the process of rethinking tourism, dwelling in particular on the findings of the conceptual discussion and how they manifest in the case of Iceland. The goal is to gain an understanding of what kind of explicit actions can foster degrowth and why.

**Discussion**

This paper explores the viewpoints of tourism lifestyle entrepreneurs and their role in tourism development, particularly noting where policy and academic discussions on fostering tourism sustainability do not match with the ongoing growth agenda in the industry.

Figure 1 illustrates the debate on alternative forms of tourism development, as discussed above in the literature review and reflected in the Icelandic case study. The desire is for an alternative and rethought form of tourism that embraces degrowth and sustainability. These discussions are represented by a symbolic black box: concepts of degrowth and how to rethink tourism are clearly worded and discussed as potential solutions to counteract exploitation and over-tourism; the uncertain factor is the outcome or the implementation of this black box. Here lies the actual ambiguity. As Figure 1 shows, the outcome is twofold and can be divided into actions driven either by growth or by degrowth. The Icelandic case study reflects this ambiguity, with a growth agenda manifest in a policy-driven increase in tourism, in contrast with the actions of tourism lifestyle entrepreneurs, who follow the degrowth paradigm in their focus on community well-being.

Various researchers see the degrowth paradigm as presenting a solution to tourism development, suggesting a change of focus from a growth-based and hence visitor-centered perspective to one

---

**Figure 1**

Mismatch of political and academic discussion and the happenings in the tourism industry

Various different actors involved in tourism

<table>
<thead>
<tr>
<th>Tourism authorities</th>
<th>Various different actors involved in tourism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tourism development: re-thinking towards sustainability</td>
<td></td>
</tr>
</tbody>
</table>

Source(s): Figure by author
that focuses on the well-being of local communities (Latouche, 2007). The interviews with Icelandic tourism lifestyle entrepreneurs suggest that their worldview and values might contribute to finding the “right measure” of growth in this respect (Hall, 2009). In their responses, most of their growth intentions were locally scaled, which supports my earlier observations that tourism lifestyle entrepreneurs embrace growth only until they reach a certain level of security that ensures their desired lifestyle (Reijonen and Komppula, 2007; Schilar and Keskitalo, 2018; Komppula, 2013). Hence, growth plays a key role up to a certain point, after which there is room for ideological values. This finding is crucial with regard to tourism lifestyle entrepreneurs’ views on current tourism development in Iceland. Many felt they had embraced growth until it exceeded a threshold and then mismatched with their ideological values, at which point they felt it had turned into over-tourism. In the case of the tourism provider from West Iceland, this perceived mass tourism resulted in them avoiding tourist attractions that had once been highlights of their tours, mainly due to the high number of visitors.

One of the entrepreneur’s questions, “Why can’t Iceland be sold out?” shows how “growth fetishism” (Higgins-Desbiolles et al., 2019; Viken, 2016) has played a major role in Icelandic tourism development. This is manifest in how the market reacts to and constantly attempts to satisfy touristic demand, such as with the construction of hotels in the capital area and the expansion of the Keflavik international airport, which has enabled a more-than 300% increase in international arrivals since 2011 (Ferðamálstofa, 2021). This focus on satisfying increasing demand, and hence economic growth, is illustrated through the pink boxes in Figure 1.

However, the goals stated in the official Icelandic vision statement for future tourism create the impression of a degrowth strategy. Goals such as “profitability above tourist numbers” (Ferðamálstofa, 2021, p. 4) or “balance […] in infrastructure development” (p. 8) are ambiguous and do not match with actual developments in the Icelandic tourism industry, as also discussed by Sæþorsdóttir et al. (2020a, b) in terms of over-tourism. The interviews with both entrepreneurs and representatives of tourism authorities demonstrate how both stakeholder groups seem to strive for sustainable tourism development, yet the exact opposite seems to occur on the ground. This dichotomy is analogous to the process of greenwashing, where the communicated goals diverge from what happens in reality.

Throughout our discussions about tourism sustainability, the interviewees rarely used terms such as “sustainable” or “value creation.” Instead of conceptual descriptions, they typically described the importance of their friends and families and practical actions, underscoring their support for their communities. I observed a special care for the surrounding nature and local people, which I illustrate in Figure 1 with the green boxes. This form of attachment (Wen et al., 2021) supports what Mathisen et al. (2022) refer to as “inner sustainability,” which stems from personal caring for particular places and communities. Caring for nature and interacting with and including locals, as well as improving their standards of living, result in a successful authentic tourism business that benefits both locals and tourists benefit, embodying the core aspirations of degrowth (Fletcher et al., 2019; Lundmark et al., 2020).

Driven by an internal motivation to contribute to their communities, tourism lifestyle entrepreneurs desire to add value to the experiences of both locals and visitors. This desire is shown in various examples, such as the restaurant owner in a remote fishing village who hosted parties for the local community without directly benefiting from it financially, demonstrating an acknowledgment of social responsibility; or the entrepreneur in Vik i Myrdal, who proudly pointed out the contribution of her coffee shop to the village’s identity: economic growth was far less important to her than her business’ contribution to upgrading the village’s image from a mere service center to a place characterized by community spirit. Contributing to social well-being instead of solely enhancing economic growth could be interpreted as a practical manifestation of “right-sizing” as discussed by Hall (2009). This focus on contributing to community well-being plays a vital role in the ethical approach toward the degrowth paradigm.
Whether consciously or not, the majority of the tourism lifestyle entrepreneurs interviewed embrace and act according to the official vision statement. However, a few of them felt strongly about the lack of understanding and transparency from relevant authorities. The relationship between tourism lifestyle entrepreneurs and authorities appears passive, with both entities coexisting but having minimal interaction. Even though small businesses have been invited to contribute in the past (e.g. within the framework of the Tourism Task Force in 2015), the findings of this study raise questions about the role tourism authorities ascribe to lifestyle entrepreneurs in holistically rethinking Icelandic tourism. Believing that they would “contribute to sustainability anyways,” as mentioned by one representative, implies that tourism authorities may not fully acknowledge the potential contribution of tourism lifestyle entrepreneurs to the sector.

Tourism is a multifaceted industry consisting of various actors. Conceptualizing tourism lifestyle entrepreneurs as mere small businesses with little turnover may result in authorities missing an opportunity to learn and benefit from these entrepreneurs’ values and experiences as practical examples of applied tourism degrowth.

**Conclusion**

This paper tackles the ambiguity inherent in tourism development in Iceland, where the reality on the ground does not match the political agenda or discussions about how to make tourism more sustainable. By focusing on tourism lifestyle entrepreneurs, the dominant group of providers within the industry, this paper exposes how some of their actions seem to be in line with concepts of degrowth and community well-being as tools to positively change the tourism industry. This study showcases how these entrepreneurs act according to the degrowth paradigm and exhibit the kind of behavior that academics and policymakers are trying to foster. Instead of acting according to theoretical concepts and guidelines, however, this paper shows how the sample group’s sole focus is on their practical actions and the thought of making a positive contribution to their local communities.

This form of contribution to community well-being, within the limitation of the own tourism business, could be seen as an example of what the “right size” (Hall, 2009) looks like in practice. The sample group of Icelandic tourism lifestyle entrepreneurs have applied forms of degrowth without being embedded in a larger degrowth strategy, their positive actions stemming from initiatives to contribute to local community well-being. Hence approaching tourism degrowth from an ethical point of view, actually instigates change in a very small scale.

This paper therefore makes several noteworthy contributions to the discussion about how values beyond growth foster tourism sustainability. Further research is needed to investigate how the value created by tourism lifestyle entrepreneurs can be scaled up and accessed by decision makers.

The findings in this study are subject to several limitations. The examples discussed in this paper are locally limited and cannot be generalized due to the small size of the interviewed sample group. The scalability of individual entrepreneurs’ impact is limited due to their small size (Peters et al., 2009). Nevertheless, their actions implement positive change in their direct surrounding and create locally limited “bubbles” of sustainability within the particular local communities they are part of. In light of the large number of tourism lifestyle entrepreneurs in the industry, it would be valuable to further research how their business practices relate to tourism sustainability on a larger scale. Hence this paper is a call for action and recommends a tourism strategy that includes the “actors on the ground,” the small businesses who actually shape the tourism landscape in Iceland.

The actions and values applied by these tourism lifestyle entrepreneurs demonstrate how degrowth can be manifest on a small scale: growth is only embraced up to a certain limit, so it does not exceed social and environmental capacities; from that point on, community well-being plays the key role. From a broader perspective and viewing the tourism industry as a whole, this study demonstrates the importance of shedding more light on ethical issues and values beyond growth.
in both academic and political discussions. Addressing tourism lifestyle entrepreneurs as smaller-scale actors of tourism degrowth could be a meaningful starting point for holistically rethinking tourism. I suggest that the insights provided in this paper should be used to encourage tourism decision makers to collaborate with these lifestyle entrepreneurs to promote a degrowth agenda holistically.

**References**


Global Footprint Network (2023), available at: https://www.footprintnetwork.org/


Stjörnarrád Islands (2023), Vinna Við Aðgerðaættun Færðjónustunnar Hafn, available at: https://www.stjornarrad.is/efst-a-baugi/frettir/stok-frett/2023/06/02/Vinna-vi%C3%AD-adgerdaaetutin-ferdathjonustunnar-hafn/?fbclid=IwAR375aC47YY1C0rCA9NFBDIGJy4pdirzU4roQIA47aRvC1_3W3jIM


Further reading


About the author
Magdalena Falter is Ph.D. candidate at the University of Iceland in the Faculty of Life and Environmental Sciences. Her research interests are regenerative tourism, digital innovation in tourism, rural tourism entrepreneurship and lifestyle entrepreneurship. Magdalena is Co-founder of Hacking Hekla (www.hackinghekla.is), a rural hackathon in Iceland that intends to foster innovative development in remote areas. Magdalena is also involved in various tourism research projects such as the current pilot project about regenerative tourism (https://www.icelandtourism.is/en/nordic-regenerative-tourism) under the auspices of the Nordic Council of Ministers. Magdalena Falter can be contacted at: maf29@hi.is