

# On the Fringe?



**Tourism Trends and the Future of Cultural Festivals in the City of Prague**

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## **Tourism Trends and the Future of Cultural Festivals in the City of Prague**

**By**

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*The reasons behind its [any new cultural initiative] failure to take hold in the city are indicative of a problem that is pervasive in the Czech Republic on several fronts. It can perhaps be described as a general fed-up-ness on the part of people - both local and foreign - attempting to launch any number of new initiatives within the country. Whether it be those attempting to jolt the government into action on issues of EU integration or those working to establish new cultural projects, the results of their efforts are usually the same: frustration, exasperation, leading to apathy and, eventually, retreat* (Kazi Stastna, 1999)

## **Introduction**

The utilization of cultural initiatives to fuel a city's reputation and identity has become a hallmark of urban regeneration, especially over the last twenty years (Hall, 2000; Landry, 2000). Many worldwide examples abound – from Barcelona's tourist revival following the 1992 Olympic Games, Montreal's renowned comedy and jazz festivals, to Newcastle Upon Tyne's recent Culture<sup>10</sup> initiative.<sup>1</sup> Major cities around the world - including Eastern European and even 'developing' world capitals - have become magnets for visitor not only because of their history and architecture, but through the development of their tourism infrastructure, including a year-round programme of cultural activities. Perhaps the most notable example is the so-called 'Festival City' of Edinburgh, which claims to generate over 200m pounds a year from its various cultural events.

The city of Prague is no exception to this general rule. Since the 'Velvet Revolution' of 1989 the number of foreign visitors to the Czech Republic have swelled around 400%, with the vast majority being attracted to the capital, and the city is now recognised as one of the premier destinations of Europe. In addition to being named as the European City of Culture in 2000, along with 9 others (Sjoholt, 1999), Prague is home to a plethora of cultural festivals and has also gained a reputation as a tourist Mecca and a popular nightlife destination. However, alongside these 'successes', there are also problems associated with the city's development from a socialist to a capitalist city (see Sykora, 1994; 1999) and challenges that need to be addressed, particularly with regard to advancing new cultural initiatives.

A particular case in point is the relatively new Prague Fringe Festival (PFF). The first of its kind in Eastern Europe, and, until recently, the newest fringe in the world, the Prague festival is currently in its fourth year of operation. Created by two Scots (one based permanently in Prague) and a Geordie, and based loosely on their involvement in and experience of the 'grandfather' of all fringe theatre festival, Edinburgh, the PFF has grown from 13 companies performing 63 shows over 5 days in 2002 to 31 companies performing 158 shows in 2004 (ticket sales corresponding have grown around 500% from 400 in 2002 to 2100 in 2004). Despite these advancements and the festival receiving critical acclaim and some financial support from various quarters, the organizers have struggled to find adequate funding, resources and ways to target new audiences. As such, the Prague fringe adequately represents Kazi Stastna's example of a new cultural initiative facing 'frustration' and 'exasperation' in the Czech Republic.

Although neither a feasibility study nor a marketing exercise, this document attempts to put the operation of cultural festivals like the PFF into a wider context in terms of what is happening in the city of Prague more generally. As such, background information on tourism, including numbers, types of visitors, leisure/ entertainment trends, government policies regarding culture and tourism, and potential audiences, are provided. Of particular concern is the uneven development of different types of tourism, specifically with the rise of entertainment tourism (fuelled by so called 'stag and hen' parties), and its potential impact on more traditional forms of tourism including cultural events. It is hoped that such background information will be utilized by a variety of organisations, agencies and governmental bodies to address the issue of how to provide a more balanced cultural and tourism policy in the city in the future (Simpson, 1999; Cooper, 1998).

### **Tourism in the Czech Republic and Prague**

Tourism ranked among the most dynamic industries in the Czech Republic throughout the 1990s and thus has become a significant driving force behind Prague's economic and cultural development. Tourism in the Czech Republic today is the second most lucrative industry in the country, contributing 11% to the country's GDP, and accounting for more than 10 percent of total employment in the country. Prague, the capital, accounts for 75% of all total foreign tourists in the Czech Republic (<http://www.buyusa.gov/czechrepublic/en/37.html>).

The number of 'foreign visitors' to the Czech Republic rose rapidly in the first seven years after the Velvet Revolution, from 26.9 million in 1989 to 109.4 million in 1996 (statistically speaking, a foreign visitor is anyone from outside the CR who crosses the border and stays at least one night in the country, so this entails a far greater number than just tourists) (Beckman, 2000). These foreign visitor figures dropped somewhat the next two years up to 1998. While the past 6 years show a somewhat uneven pattern of visitors, due to a series of events including terrorist attacks around the world (September 11<sup>th</sup>, 2001 being the most notable), the stagnation of the German economy, and the 2002 floods in Prague, the most recent figures again show an upward trend ([http://www.czso.cz/kraje/pr/data/char\\_eng.html](http://www.czso.cz/kraje/pr/data/char_eng.html)).

By 2002 it was estimated that although fewer foreigners came to spend their holidays in the Czech Republic than previous years, they tended to stay longer and spend more money. Still, the country was a destination for 4.6 million tourists, who collectively spent just under 100 billion Kc. By 2003, over 6 million tourists visited the country and spent about 105 billion Kc (\$4 billion) (Pasternak, 2004). Tourism experts are predicting that 2004 could be one of the most successful tourist seasons in the country's history, due to events like joining the EU and holding the recent World Ice Hockey Championships. In all, the number of tourists coming to the country is expected to grow by as much as 12 percent to 7.5 million, according to the Czech Tourism Authority. (Kawaciukova, 2004).

### **The Czech Tourist Industry in Figures:**

- Foreign visitors to the Czech Republic spend on average 61 US dollars (1890CZK) per person a day
- According to research involving 9,600 foreign respondents, conducted by the TNS Factum Agency for the Czech Tourist Authority, foreign visitors to the Czech Republic spend approximately USD7.5 billion (CZK 230 billion) annually
- The highest average spending is to be found among Japanese visitors (USD 96), followed by Spanish tourists (USD 93), and Russians (USD 92)
- Foreign visitors spend on average 5.7 days in the Czech Republic (in Prague the figure is 3.9 days signaling the importance of the weekend break)
- Americans, Canadians and Russians stay for the longest time in the Czech Republic (almost ten days), followed by Israelis (eight days) and Belgians (seven days)

Source:

[http://66.102.9.104/search?q=cache:jqLkdM8NG0MJ:www.tsjechie.nl/tsjechischverkeersbureau/bulletin\\_1\\_2003.pdf+prague+tourist+industry+figures&hl=en](http://66.102.9.104/search?q=cache:jqLkdM8NG0MJ:www.tsjechie.nl/tsjechischverkeersbureau/bulletin_1_2003.pdf+prague+tourist+industry+figures&hl=en) or CTA

Because of its excellent air links, historic beauty and culture, and its nightlife, Prague is host to many of the Czech Republic's foreign tourists. Of the 2.9 million guests visiting Prague in 2001, 85% were foreigners. The city enjoyed 8,419 thousand overnight stays in 2001 and boasts over 70,000 available beds. The average duration of stay is low in Prague (3.9 days), reflecting the popularity of weekend trips fuelled by cheap air transport. The city also caters for business and congress tourism with about 20% of visitors staying in five star hotels. Furthermore, the tourist season in Prague is not particularly seasonal, with visitors streaming in for much of the year, enjoying its cosmopolitan nature and its burgeoning nightlife.

### **Air Transportation and Tourism**

Pivotal to the success of tourism in Prague has been the development and expansion of airport facilities and resultant cut-rate prices. Tourists arriving by air account for almost one-third of all international visitors every year. Prague-Ruzyne airport cleared over a million passengers for the first time in history in a single month in July 2004. Last year, the airport cleared almost 7.5 million passengers (Source:<http://www.czech.cz/index.php?section=1&menu=113&action=new&id=1830>), while this year numbers grew to 9.7 million. Reports from CSL (the airway agency) said that a new terminal is planned for 2006, raising the capacity to 10-15 million passengers.

Ruzyne will serve 98 cities directly in the summer of 2004, compared to 76 the year before and this expansion is attributed to a successful business strategy, and low landing and airspace fees. Starting in March 2003, three London airports -- Heathrow, Stansted and Gatwick -- began operating 124 direct flights to Prague per week (Kawaciukova 2004).

#### **Top Cities Offering Direct Flights to and from Prague Each Week**

- London: 124 flights (Heathrow 46, Stansted 39, Gatwick 39)
- Paris: 71 flights
- Vienna: 55 flights
- Frankfurt: 51 flights
- Amsterdam: 48 flights

Source: *Czech Airports Authority* (obtained from Kawaciukova 2004)

Expansion has in turn fuelled competition and lower ticket prices. Ruzyne has effectively become the No. 1 low-budget airline hub in Central and Eastern Europe, and now has 12 low-cost airlines currently operating out of Prague. Last year 680,000 travelers arrived via low-cost airlines, almost double the year before, according to data from the Czech Airports Authority. Prices have also dropped dramatically. The popularity of the no-frills flights has also led traditional airlines to cut costs to compete. CSA, the national airline, has cut the prices of round-trip tickets to European cities such as Amsterdam, Birmingham, Brussels, Edinburgh, Goteborg, Madrid, Oslo Stuttgart and London Heathrow to 2,990 Kc, while in March, British Airways announced the same price cut to Heathrow, discounting its round-trip fare by 1,000 Kc (Kawaciukova 2004).

#### **Nationality of Tourists:**

In the past few years, some of the biggest increases in foreign tourism in the Czech Republic generally have come from visitors from the United Kingdom, the Netherlands and Slovakia (Patsternak 2004). In particular, while 368,000 Britons visited the country in 2002, that number jumped by 26 percent to almost 497,000 in 2003 (Kawaciukova, 2004). Additionally, about 130,000 Russian tourists came to the Czech Republic in 2003 - a 30 percent increase over 2002, according to preliminary statistics of the Czech Tourism Authority. The growth is thanks in part to a special campaign that the Czech Tourism Authority has been conducting in Russia (Zapletnyuk, 2004).

Of course the majority of foreign tourist visits are concentrated in the city of Prague. Figures from 1999 showed the leading nationalities were German visitors (420,575 people), then Italians (175,283), British visitors (166,161), Americans (137,161) and Spanish tourists (118,040) (Source: <http://www.czech.cz/index.php?section=1&menu=113&action=text&id=88>). While German and Slovakian tourist number remain high, there has been a significant explosion of British travelers in the past few years, encouraged by cheap flights, accommodations and food/ drink.

Prague is now the third most popular citybreak destination for British travelers, after Paris and Amsterdam, and ahead of Rome, and it attracted around 300,000 Britains in 2004, up 44% from 2003. Jaromir Beranek, director of tourism analyst *Mag Consulting*, said the number of British tourists coming to the country is expected to grow at an annual rate of 8 to 12 percent. 'Overgrown teenagers traveling on no-frills airlines are the most frequently seen group all year long', Beranek was quoted in reference to the growing number of young men who come here to party. 'Middle-aged tourists visit mainly in the spring and fall' (quoted in Kawaciukova, 2004). The dominance of this particular age group and nationality, particularly because of cheap fares from the UK and through the increased popularity of Prague as a stag party venue is beginning to change the tourism face of the city. It also has implications for other kinds of tourism, including those coming to see cultural events and festivals.

### **Types of Tourism in Prague**

There are numerous kinds of tourism that a city can offer and market itself on. While a beautiful place full of history, fantastic architecture, culture and food, Prague is also increasingly branded as the city of beer/ drinking, ice hockey, attractive women and stag and hen parties. The problem comes when some kinds of tourist lifestyles begin to dominate and start to discourage other types. Putting all one's tourist eggs in a single basket (i.e. mono-tourism), eventually can run into financial difficulty when it starts to impinge on local use of the city and other types of visitors (Simpson, 1999), or when that particular brand of tourism moves on to cheaper rival locations.

'Traditional' forms of tourism often tend to be organised around famous architectural sites and or high cultural activities (museums, opera, theatre) although cuisine and popular culture have always been a feature of urban attraction. With regard to traditional tourism, the city is well served, with 81 museums, 108 art galleries, and 71 resident theatres and concert halls. Architectural monuments such as Prague Castle, the Old Town Square, Charles Bridge, the Jewish Quarter and the ruin of Vyšehrad castle, all remain important tourist attractions. Increasing however, business or convention tourism and entertainment/ leisure tourism has begun to rival these more traditional forms.

For example, convention tourism in Prague, while dropping slightly over the last few years, is estimated to account for around 15% of total tourism revenue. The Prague Association of Congress Tourism (PAKT) announced that revenue from this sector of the tourism industry would increase to 16 billion Kc in 2004 from 12 billion Kc in 2003, and



could grow to 20 billion Kc in 2005, due to increases in VAT for accommodation beginning in January 2005 ([http://www.praguepost.com/P03/2004/Art/0819/b\\_briefs.php](http://www.praguepost.com/P03/2004/Art/0819/b_briefs.php)). Convention tourism while potentially lucrative, can however, result in inflated accommodation, food and drink prices, pricing out foreign travelers working on a more modest budget, not to mention excluding many local inhabitants from enjoying their own city (Cooper, 1998).



### **Charles Bridge – One of Prague’s Famous Tourist Attractions**

One of the largest growth sectors is entertainment/ leisure tourism. This is a large category including the drink and restaurant industries, casinos, sports events, music concerts, stag and hen parties, the sex industry and various other popular cultural events and festivals (see Hannigan, 1998; Chatterton and Hollands, 2003).

Prague is more than well served in a number of these categories. For example, while one of the best known is undoubtedly the Prague Spring festival, other annual events that promote music include the Agharta Prague Jazz Festival, the international festival of music by Jewish composers Musica Iudaica, the International Festival of Student Orchestras, the International Festival of Brass Bands and the KHAMORO International Festival of Roma Music. The Summer Shakespearean Festivities at Prague Castle and the International Festival of Children’s Puppet Theatre are the most successful of the well-established theatre festivals held in Prague, while the relatively new PFF is growing in popularity each year. The City of Prague also supports the Prague Dance international festival of contemporary dance, the Days of European Cinema film festival and the Prague Writers’ Festival as well as several festivals of alternative culture (<http://www.praha-mesto.cz/fsts.aspx?l=2&n=0>).

In addition to these cultural festivities, the city also has a wide range of different types and classes of restaurants today, and a plethora of bars, cafes, pubs and clubs. It also has



36 casinos and a vibrant, if not somewhat seedy, gambling culture and a significant sex industry ranging from outright prostitution and brothels to lap-dancing and strip clubs. Prague also hosts world class music performances, both classic, jazz and pop/ rock and has recently hosted the world ice hockey championships.

One of the largest growth sectors within entertainment tourism, which has implications for other sectors, is the 'stag and hen party' phenomenon. What traditionally was a local night out for the future bride and groom before the wedding, has become a global, long-weekend of hedonism, drinking and sex in a foreign city. With its cheap flights, food and accommodations, not to mention its 1000 pubs and 200 strip bars serving cheap beer, Prague has become famous for stag and hen nights particularly amongst the British. Of the 300,000 Britons that now travel to Prague every year, it is estimated that around 20% of this total (around 60,000 individuals) form around 7000 stag groups spending some 4 million pounds (2003 figures derived from 'Stags Do Prague', Channel 5). A July 2003 report from TNS Factum revealed that while tourists on average spend \$61 per day during their stay in the Czech Republic, UK stag groups spend approximately \$110.

In fact stag and hen parties have become such big business in Prague that there are now dedicated web-sites that one can go to, set up by companies which organise such festivities. One of the biggest companies promoting stag parties is PraguePissUp, set up, not surprisingly, by two British men. Their website -<http://praguepissup.com/> - advertises: 'You made a great choice, Prague is a fantastic destination and can offer you more than enough to keep you fully-entertained with a fun-fuelled weekend! Our all-in packages start at only: £25 / €37 / \$37 a night and with beer at 40p a pint you'll be in heaven'. Various packages include: Shooting With Rambo, Paintball and BBQ, and Steak and Tits. One of the company managers, Tom Keynon says that the company will organise about 150 trips this year catering for 2,000 travelers, including lots of bankers and people from the City (Whitworth, 2004).

Business opinion about the impact of this phenomenon on the city is mixed. As Courtney Powell of the Prague Post states: 'No one likes the marauding stag parties, but everyone loves their money' (Powell, 2003). It is estimated that these groups represent around 20% of weekend turnover in the city's drink and food establishments. 'They bring a huge injection of business with them', says Robbie Norton, owner of Rocky O'Reilly's. "There's a magic figure of 500 pounds. They all come with 500 quid in their pocket, and they fill hotels and bars, eat three meals a day in restaurants, use taxis and then stay at strip clubs for hours" (quoted in Powell, 2003).

Yet there are hidden social and economic costs to this phenomenon. Deepak Sharma, manager at Bombay Café in Prague 1 said, 'The stag groups are too noisy and they disturb our regular customers. They make a mess, start fights and spoil the business' ([http://praguepissup.com/v2/hen/5\\_references/5\\_press\\_coverage/press\\_coverage2.asp?story=27](http://praguepissup.com/v2/hen/5_references/5_press_coverage/press_coverage2.asp?story=27)). Caffrey's, an Irish pub on Old Town Square in Prague, banned stag and hen parties for 6 weeks only to find their takings down some 15-20% (Powell, 2003).



### **Stag parties in Prague are tied up with the sex industry**

The stag party business is closely tied in with the strip club industry, but also more generally is bound up with brothels and prostitution (Hughes, 2004). In addition to the 200 or so strip clubs/ bars, there is also a thriving sex trade in the city – so much so that Prague is developing a reputation as ‘the Amsterdam of the east’ and the government is considering a draft bill to legalise and regulate the industry (O’Conner, 2004) It is estimated that in the Czech Republic as a whole, there are around 5000 prostitutes working in an industry worth 3 billion Kc, and much if it is concentrated in the city of Prague (Pitkin, 2001). Fuelled by foreigners and sexual tourism and rich Czech’s, the industry suffers from a range of associated problems like sexually-transmitted diseases, underage sex and pedophilia, violence, drug abuse and sex trafficking,<sup>2</sup> not to mention its affect on conventional tourism.

The catch 22 situation here is that stag and hen parties form a significant proportion of the bar and restaurant business and many proprietors are dependent on them as clientele, hence it is difficult to regulate against them. However, in the long run, the very success of this phenomenon might lead to its own downfall. A dominant mono-cultural nightlife means that other types of tourism are squeezed out and/or marginalised, hence missing out on other important parts of the tourism market (families, the middle-aged, locals, low budget travelers etc, see Chatterton and Hollands, 2003). Ironically, the very dependence on this form of tourism spells its own demise, for as prices begin to rise according, this tourist niche will be likely to move onto the next cheap East European city.

As such, all cities, including Prague, need to actively plan to ensure that there is a diverse mix of cultural activities and populations (including tourists and locals) using their city (Simpson, 1999; Cooper, 1998). It also points toward a rationale for the city to support and fund a range of different types of cultural events to offset a developing mono-tourism situation. One way to do this is to begin to understand who the city’s potential audiences are for cultural events and festivals.

## **Potential Audiences for Cultural Events and Festivals**

Clearly foreign tourists are a significant potential audience for cultural events and festivals. Despite the increasing popularity of Prague as a stag destination for many young men from the UK (a group not likely to engage with cultural events in the city), 80% of British visitors are not coming for this reason and form an important potential audience. Similarly, the majority of tourists from Europe and North America are also coming to Prague to enjoy its history, architecture and culture. In the specific case of the PFF, English speaking theatre would seemingly be an ideal cultural activity for both UK and North American tourists visiting the city, although its target audience is by no means confined to this sector.

The difficulty for small and relatively short cultural festivals like the PFTF however, is how to effectively get programme information to this potentially large audience. Czech restrictions on leafleting and charges for providing information on events at the airport deter targeting this particular audience when they land. However, advertising the event through posters at the airport might prove a good investment, despite the cost, as would inclusion of event details in some of the main tourist brochures. Business tourists, although less of potential audience, might also be targeted through providing information about festival events at some of the more expensive hotels in the city.

However, it is probably the English-speaking ex-pat crowd living in and around Prague that is the most lucrative potential audience. Living and socialising in the city, either permanently or temporarily, this group is likely to be attracted to low cost, high quality English-speaking theatre. It is estimated that there are some 35,000 Americans plus significant numbers of Britons and Canadians in the city. One mechanism for targeting this particular audience is through advertising the festival early through ex-pat web-sites.

Finally, there is the mass audience making up Greater Prague - 1.3m people spread out over 500 square kilometers. This rather undifferentiated market while huge, is perhaps the most difficult to reach. For many, language is perhaps the barrier. For others it is a lack of understanding of what fringe theatre actually is. For the majority it may be a lack of adventure in trying some new cultural type of activity. Finally for some it may be a question of money, despite attempts to keep prices low at festivals like the PFF (ticket prices range from 50 to 100 Kc). Overall, however, it is generally recognised that targeting a number of niche audiences, rather than trying to attract an undifferentiated mass, is a more successful strategy.

There are a number of specific local audiences to tap into here in the city. One possible local audience, as the PFTF puts on some children's theatre as well as adult, is the cities school age population. Prague (in 1999/2000) had 362 nursery schools with 27,992 children and 241 elementary schools with 101,795 pupils. If there was a way to target even a fraction of this audience through the city council or education department, this could generate a potentially large audience for children's shows. Surprisingly, last year ticket sales for children's shows at the PFTF averaged only around 10 tickets per show.

Additionally, there is a potential teenage market to tap into, with the city having 58 high schools with 21,078 students, 102 vocational schools with 27,444 students, and 54 training colleges with 16,385 pupils. Finally, there is a relatively large and potential local audience from the university sector. Compared to other regions of the CR, the Prague higher education sector is relatively large. It consists of 8 universities with 37 faculties and 72,274 students. In addition to that, there are 7,376 doctoral students, 5,621 pedagogical workers and 495 research workers (all population figures here derived from <http://www.czech.cz/index.php?section=1&menu=113&action=text&id=88>.) Concerning the PFTF, it is clear that this relatively highly educated sector of the population, with a reasonable command of the English language, might also be another potential target for advertising, either through posters, the student/ university media or through theatre departments.

### **Impediments to Tourism and Cultural Events Like Prague Fringe Festival:**

Despite all of its successes, it is clear that Prague still has some way to go to improve its position among the European tourist centres, not to mention dealing with a range of problems and issues created by and for the tourist industry. Some of these problems are general ones such as under-investment in the tourism industry, crime, new taxation laws, etc, while other problems are more specific as to how to balance support for cultural festivals in light of the dominance of a developing mono-tourism. Initially this report will deal with some of the general issues before moving onto some of the specific issues affecting cultural festival like PFTF.

#### *Under-Investment*

One of the major general impediments to tourism in the CR and Prague in particular is under-investment in the industry. Historically, Czech investment in tourism development over the past decade has been very poor indeed. In 1997, for example, an estimated 0.6 percent of earnings from tourism was reinvested in the sector (Beckman, 2000).

However, there is a growing recognition in the country that this sector requires more investment and emphasis. Luring visitors to the country has been aided by the Czech Republic's European Union membership. For example, the Czech government is now hoping for up to 100 million Euro from EU funds to develop its tourism infrastructure (including new sports facilities, but above all to improve the transport network with new roads and better rail services) (Source: <http://www.fvw.com/index.cfm?ID=41161>). The tourist federation and the American Chamber of Commerce have also established goals for tourism development. Among them is to put Prague, by 2006, among the top 10 cities for attracting international conferences, a position it enjoyed in 1996. Further, the group wants to see Prague considered among the top five historical and cultural destinations in Europe, also by 2006 (Frye, 2003).

Additionally, in 2004, the tourist authority had more than 210 million Kc (\$8 million) to fund its activities, the highest amount in its history. Though it is a milestone for the CR,

the amount still pales in comparison with the money neighboring countries sink into promoting themselves. 'While this year we had six times less money than our Hungarian colleagues, next year we'll have only five times less for publicity', said authority spokeswoman Hana Cermakova (quoted in Pasternak, 2003). In particular a 1 million Euro (33 million Kc/\$1.2 million) government advertising campaign touting the country as a destination of choice for its European neighbors and North Americans has taken place (highlighted by TV ads on CNN, BBC, Eurosport and Discovery (Pasternak, 2003). Unfortunately, the use of the slogan 'Come to slow down', combined with visual footage of forests and countryside, did not convey the kind of vibrant and cosmopolitan urban image some feel that the Czech Republic needs to project (<http://www.radio.cz/en/article/62710>).

### *Crime/ prostitution*

Other general impediments to tourism in the city are issues like crime and prostitution. Crime in the CR in general has rise rapidly since the Velvet Revolution and Prague is no exception to this general rule, although it has been suggested that since the late 90s crime figures have leveled off somewhat ([www.ok.cz/iksp/sum272.doc](http://www.ok.cz/iksp/sum272.doc)). While serious crime and Mafia-type activity usually happens outside of the tourist bubble, even petty street crime like robbery, pick-pocketing and mugging can have an impact on tourist perceptions. As the Prague Mayor Pavel Bem has said 'Looking at the crime in the whole city, the petty crimes on Wenceslas Square are not the No. 1 problem. However, looking at tourism and the impact of petty crime on Prague tourism, I think it's a major concern' (quoted in Powell, 2003).

Furthermore, as mentioned, prostitution in the city has also grown and with its associated cultures of drugs and violence, can also impact on the tourist industry. On the other hand, it has already been argued that foreign tourism can itself fuel the sex industry, and the stag party phenomenon is part of a thin end of a wedge in promoting more strip bars, lap-dancing clubs and illegal brothels. While the government is currently considering regulating the industry to deal with its worst excesses, it needs to understand the connection between stag parties, foreign sexual tourism and the sex industry generally.

### *Lack of local government intervention*

Since the Velvet Revolution, it has been suggested that the city of Prague has largely embraced a lassie-faire type of capitalism, with only selective local government intervention and planning (Nagy, 2001:342-3; Sykora, 1994:1154). Some of the worst excesses of this transformation are evidenced in increased crime, prostitution, uneven and short-sited city planning, corruption and rampant consumerism.

For example, high levels of government corruption in terms of building tenders existed as late as 2002 when the then-Prague Mayor Jan Kasl resigned because of his distinct impression that City Hall was organized in such a way that it was impossible to eliminate corruption (Ortmann, 2004). While there have been clear improvements under the new Major Pavel Bem, a range of problems persist including a 'fire-fighting' type approach to

urban issues rather than a carefully planned strategy (although see the ‘Strategic Plan for The City of Prague’ (<http://www.praha-mesto.cz/fsts.aspx?l=2&n=0>). Additionally, there has not nearly been enough planning around tourism and cultural development in the city.

More positively, it has been suggested that there has been a change in the attitude of the town council towards not only actively encouraging, but also regulating, tourism. ‘Finally, the city’s mayor has realized the importance of tourism’ said Klaus Pilz, the tourist federation’s first vice president (quoted in Frye, 2003). Regulation of the city’s sex industry and clapping down on overcharging taxis are two examples of a more interventionist approach by the town council. Recently, the mayor Pavel Bem has drawn attention to this issue by going incognito as a tourist, and was grossly overcharged by a taxi driver (<http://www.radio.cz/en/news/62361#2>). Furthermore, in the wake of a terrorist grenade blast in August the Finance Ministry announced plans to introduce tougher conditions for granting licenses to run casinos (Editorial, 2003).

*Restaurant, pub and accommodation tax:*

The city has already seen the introduction of a rise in restaurant and pub tax (via an increase in VAT), and the same tax is set to be applied to accommodations in 2005. Many predict that such an increase will simply be passed onto the consumer making Prague more expensive, while others suggest that it will put smaller operators, in particular, out of business.



**How will the new tax affect Prague’s many restaurants?**



### *Specific Impediments to Cultural Festivals: The Case of PFF*

Fringe festivals like PFF, can best be described as innovative, alternative, experimental, and inclusive. There are a range of impediments to such festivals - however, first and foremost is the issue of initial funding and 'seed money' to allow such activities to get established. The British Embassy provides much moral support to the PFF, with the former ambassador Ann Pringle acting as patron of the festival in the past. And while the PFTF in particular has received valuable financial support from the City of Prague, 'spot-funding' for particular events from the British Council and largely 'in kind' support from a number of business sponsors, it continues to function literally on a shoe-string (Arak, 2004).

1-6.6-2004

Divadlo hlavou dolů

158 představení  
31 divadelních spolků  
6 dní

**FRINGE**  
FESTIVAL PRAHA

Theater on its head

Nosticovo divadlo  
A Studio Rubín  
Palác Akropolis

Divadlo Na Prádle  
Studio Damúza

Spolunořadatel Hlavní město Praha

CORINTHIA  
TOWERS HOTEL  
PRAGUE

future perfect

BRITISH COUNCIL

RADIO 1  
97.9 AM

THE PRAGUE POST

B  
ALLYMORE

ARDEACZ

WD/LUX  
prodej a pronájem světa

ZENTIVA

TIME IN

NP  
BEST PRODUCTIONS

Canadian Embassy  
Ambassade du Canada

ANF DATA  
Siemens Company

Holiday Inn  
PRAGUE CONGRESS CENTER

New Europe Promotions  
targeted media services

HOUSSER

### **Despite its numerous sponsors, Prague Fringe still requires core funding**

The rationale for greater public support from local government for festivals like PFTF whilst convincing, is controversial. Prague town council has a range of financial responsibilities and must prioritise its use of public monies. However, it also needs to be aware of not only some of the financial spin-offs of such events, but their role in helping to 'place-market' the city in the future.



Financially, there are clear financial benefits to be had for the town council to subsidise such types of events. For example even the small but developing PFF can be seen to be a money-spinner if one looks at the tourist dollars spent by those foreign visitors who specially came to the city to see the festival. Even if this number is relatively small at the moment (around 40 in 2004) this is pure 'added-value' tourism (tourists who came specifically to see the festival). This 'added value' tourism amounts to approximately 17,080 USD or approximately 530,000 Kc.

Second, if one adds to this figure the 120 performers and support staff, who also spend money during the week they are in the city on food, drink, accommodation and culture, the total spent by these two groups alone over seven days is around 68,320 USD or 2.1 m Kc.<sup>3</sup>

Third, payment for local services in setting up the PFF (accommodation hire, technical help etc), also means that much of the subsidy given by the town council is actually plowed back into the local city economy, creating temporary jobs and boosting local businesses.

Forth, at least a small proportion of money could be added from those foreign tourists already in Prague who stumbled across the festival and enjoyed it, as this may have monetary spin-offs in terms of them coming back to the city in the future.

Finally, there is the incalculable benefit of the PFF providing a week-long programme of predominantly English-language theatre for tourists, ex-pats and a range of local audiences mentioned previously. Put into a wider context, should the PFF continue to grow at its present rate over the next decade, it, along with some of the other cultural festivals, will contribute much to Prague's future reputation as a city of festivals, much like Edinburgh has.

It is clear though, that in addition to deserving greater public subsidy, which even huge festivals like Edinburgh and Adelaide (Australia) get, that cultural festivals like PFF need to get more core funding from businesses. At the moment most private business support for the PFF, although very much welcomed, comes in the guise of services 'in kind' services rather than cash contribution to pay for basic things such as advertising/marketing, hire fees and director salaries and expenses. In order to continue to succeed and grow, the founders of the PFF have to stop personally subsidising the festival and working literally for nothing. Business sponsorship of the festival could ensure that the organisers of the PFF are employed full-time and don't experience some of the exasperation mentioned in the quotation utilised at the beginning of this report.

## **Conclusions**

This report has argued that while currently 'on the fringe', cultural festivals in the city of Prague have an important role to play in terms of balancing tourist provision and providing for future city planning. Tourism in general in the CR, and Prague specifically,

while appearing buoyant is not without problems. In particular, a developing monoculture around certain types of entertainment tourism may threaten upward trends in terms of Prague becoming a world class tourist city. Under-investment in promoting tourism, the impact of crime and prostitution, rising prices and increased taxation and a lack of local government strategy and vision in providing a balanced and diverse cultural infrastructure for both tourists and local inhabitants (Simpson, 1999; Cooper, 1998), can all have a negative impact on a city.

There is some wider evidence available supporting the view that promoting cultural festivals can result in not only financial gain for cities (i.e. see Felsenstien and Fleischer, 2003), but are also helpful in shaping 'place identity' and reputation. As mentioned, Edinburgh has successfully marketed itself as a 'festival city' (Jamieson, 2004) and claims to benefit financially to the tune of some 200m pounds from its combined festivals. Its fringe theatre festival alone claims to generate around 9m pounds on ticket sales of 1m.

While the case looked at here in this report, the PFF, is literally in its infancy in comparison (Edinburgh is now 58 years old), it too has a potentially large contribution to make to the city of Prague in the future. Evidence exists already, that it provides a surplus of money in terms of 'value-added' tourism, not to mention its wider impact of putting Prague on the world fringe map, and boosting its cultural festival programme. While the PFF would seem to have a great future, there are some immediate obstacles, primarily of which core funding, either through greater public subsidy or business sponsorship, is immanently required to ensure future success.

In order to remain a competitive European destination in future, the city of Prague will need little beacons of culture to light the way for both local arts enthusiasts as well as new types of cultural tourists. It needs to start planning now for that future.

## Notes

1. For those not aware Newcastle Upon Tyne's Culture<sup>10</sup> is the city's programme of events created in place of their failed bid to become the European Capital of Culture in 2008, which went to the city of Liverpool.
2. It is estimated that around 300,000 women are smuggled or 'trafficked' each year into the European Union and the more prosperous Central European countries, with many ending up in the sex trade. Prague is often cited as one of the primary European destinations for many of these young women (<http://johnshadegg.house.gov/rsc/traffick.htm>).
3. This overall figure was arrived at through multiplying 40 foreign visitors who came specifically to see the festival plus the 120 performers/ support staff, times 61 USD per day for 7 days.

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