

Pro-Poor Tourism: Principles, Methodologies and Mainstreaming

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[1] I welcome this opportunity to reflect on the development of the concept of Pro-Poor Tourism over the last six years. Early in 1998 I was asked to prepare a discussion paper for a workshop in London on whether or not tourism could assist in the eradication of poverty. [2] In 1998 there was a new Labour government and a department with a full Cabinet minister, for the first time since the nineteen sixties. Clare Short made it very clear that the UK government's objective was the **elimination** of poverty and that the new Department for International Development (DFID) was expected to place more emphasis on economic development. For DFID the emphasis was on the elimination of poverty in line with the Millennium Development Goals which were then being formulated – the language of alleviation smacked of welfarism and was not acceptable. The key question was how “existing tourism to developing countries [could] be improved and new tourism developments planned, so as to maximise their contribution to local sustainable economic development and poverty elimination.”¹

The discussion in Britain, then as now, was about how and to what extent, the positive impact of the British outbound tourism industry on development could be maximised. The movement towards more responsible forms of tourism was beginning to gather pace in 1998 with the Voluntary Service Overseas campaign underway – there is not time here to look at the impact of this trend on poverty reduction but it is important to recognise that some tour operators and travellers are actively looking for ways to maximise their

¹ Goodwin H (1998) Sustainable Tourism and Poverty Elimination, A Discussion Paper for the Department for the Environment, Transport and the Regions and the Department for International Development www.haroldgoodwin.info/resources/dfidpaper.pdf

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positive economic impacts.² My focus here is on what can be done in destination areas to develop pro-poor tourism – although it is important to emphasise the need for strong commercial linkages with operators and the travellers, the consumers and ultimate purchasers of tourism products. .

The paper and workshop, back in 1998, established the case for the contribution which could be made by the UK outbound tourism to poverty elimination; and DFID commissioned Deloitte & Touche with the IIED (Dilys Roe) and the ODI (Caroline Ashley) to research what the development industry was doing to harness tourism for poverty reduction. Their report coined the phrase Pro-Poor tourism.³

At the UN CSD7 in April 1999 DFID launched its *Tourism and poverty elimination; untapped potential* briefing paper and argued in the EU group and at CSD7 for including poverty eradication as part of the agenda for Sustainable Development with the framework of Rio – successive ministers and NGOs stood up at CSD7 and argued that the Rio conference in 1992 had been about environment and development – not only about conservation.

[3] The UN decision on tourism and sustainable development made explicit reference to the potential of tourism for eradicating poverty and linked it with indigenous and local communities⁴. . [4] Late in 1999 Caroline Ashley, Dilys Roe and I secured some desk research money from DFID and undertook a comparative study of tourism and poverty

² For more detail on the Responsible Tourism movement in the UK and elsewhere see www.responsibletourismpartnership.org

³ Pro-poor tourism is tourism that generates net benefits for the poor (benefits greater than costs). Strategies for pro-poor tourism focus specifically on unlocking opportunities for the poor within tourism, rather than expanding the overall size of the sector ('tilting' not expanding the cake).

Issues of overall approach include treating tourism like any other economic sector; collaborating with other donors where possible, recognising that pro-poor tourism is different from what has gone before, drawing on lessons from other sectors; recognising that 'the poor' are not homogeneous and will not benefit uniformly; and, learning by doing. The **Sustainable Tourism and Poverty Elimination Study** April 1998 This report was compiled by a core team representing the three collaborating institutions Deloitte & Touche: Oliver Bennett, International Institute for Environment and Development (IIED): Dilys Roe Overseas Development Institute (ODI): Caroline Ashley

⁴ Tourism and Sustainable Development, Commission on Sustainable Development Seventh Session 19-30 April 1999, Agenda item 5, Economic sector/major group: tourism E/CN.17/1999/L.6 <http://www.icrtourism.org/Publications/UNSustainable.pdf>

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reduction in seven countries; and the Pro-Poor Tourism Partnership was born. In April, 2001 we published on Poor-Poor Tourism Strategies – much of what I am going to say today is drawn from that initial work and I want to acknowledge the contribution of Dilys and Caroline to the evolution of my thinking on pro-poor tourism – but I must emphasise that I am speaking only on my own behalf today.

[5] In 2002 I was asked by the World Tourism Organization to draft a report on tourism and poverty and they published *Tourism and Poverty Alleviation* at the World Summit on Sustainable Development in Johannesburg. There have since been two further reports and ST_EP, Sustainable Tourism and the Elimination of Poverty has been launched – it is a big ambition. I was going to leave it Trevor Sofield to talk about those reports and ST-EP, as he has been more closely involved than I have in the ST-EP initiatives. I am sorry that he is unable to be with us today.

Pro-Poor Tourism Principles

[6] I have been asked to look first at the principles which underlie pro-poor tourism and then at methodologies and mainstreaming. This is a tall order in 25 minutes or so – we now have a whole MSc course at the International Centre for Responsible Tourism⁵ on local economic development and poverty reduction – we'll be teaching it in The Gambia in October [7] Pro-poor tourism requires a shift of focus: less emphasis on numbers of international arrivals, foreign exchange revenues and FDI. More focus on local economic development, length of stay and linkages for local community development.

[8] Pro-Poor Tourism is **tourism that generates net benefits for the poor**. Tourism often has negative impacts, particularly where the poor loose access to natural resources or where there are negative social and cultural impacts – to be pro-poor it is essential to demonstrate that the poor are gaining more from tourism than they are loosing. There are three categories of benefits economic, other livelihood benefits, for example improved road or water supply, and empowerment.

⁵ www.icrtourism.org/msc.html

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tourism is a sensible strategy for them; and the community empowered to manage its impacts, maximising the positives and minimising the negatives. .⁶

[11] Pro-poor Tourism strategies can bring economic, and non-economic benefits including infrastructure gains, capacity building and training; and empowerment. Whilst the main focus is generally on direct employment; and indirect employment through micro-enterprise development, it is important to look at the whole range of potential benefits (and possible negative impacts) and to look at livelihood diversification – the focus of pro-poor tourism is on additional and supplementary livelihoods at the individual and household level. It is far less risky for communities to engage in tourism if that engagement complements their existing livelihood strategies rather than competes with or replaces them.

[12*] I have listed here some of the key issues which I think need to be considered, it is certainly not an exhaustive list and the issues differ from community to community. I would emphasise the importance of market access that requires both tourists nearby and opportunities to sell to them – if they pass by on a bus and cannot be effectively tempted to stop there is no opportunity. Commercial sustainability is the critical issue – there are lots of good ideas which are not commercially viable. There need to be enough willing purchasers to ensure the viability of an initiative – the tourists need motivation, opportunity and cash enough to purchase. . Tourism businesses are sometimes willing to engage with local communities but lack the skills or capacity to carry all the transaction costs of setting up an initiative – project funding can assist with this, but sustainability requires a viable commercial business.

[13] This is the agenda for action identified back in 1998 – fundamental to pro-poor tourism is building on and complementing existing livelihood strategies through employment and small enterprise development.⁷

⁶ Ashley C. (2000) The Impacts of Tourism on Rural Livelihoods: Namibia's Experience, Overseas Development Institute Working Paper 128

⁷ Goodwin H (1998) Sustainable Tourism and Poverty Elimination, A Discussion Paper for the Department for the Environment, Transport and the Regions and the Department for International Development www.haroldgoodwin.info/resources/dfidpaper.pdf

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[14] To turn now to the **second** element of my brief: methodologies. There is not time to talk in detail about particular cases, reflecting on research and consultancy I have tried to pull together some of the key elements necessary to realise the benefits of tourism for economically poor people – this generally means creating employment **for them** or opportunities to sell things which they can produce, or control access to, to tourists and/or hotels and tour operators.

[15] The realisation of benefits generally depends on the creation of employment opportunities for poor people and the development of economic linkages which benefit the local economy – if a new resort or hotel attracts in migrant labour and imports its food and soft furnishings from outside of the local economy this is not benefiting the local community.

[16] There are some key principles, avoid creating dependency on tourism, develop forms of tourism which can benefit the economically poor and involve local communities in decision making, engage them in discussions about how they think they can engage with tourism and to what extent they want to do so, for example, through the sale of crafts or food produce; or by providing local guiding or boat services. We must recognise that tourism is only one opportunity for development – it is not always appropriate, we must engage in debate about whether or not it is a viable strategy for particular communities. Not every community wants tourism and before encouraging any community to engage in tourism you need to be sure about the market and their ability to sell tourism goods and services – there need to be tourists and travellers wanting to buy,. It is not tourism until it is sold. .

[17] Krishna Ghimire⁸ has drawn attention to the importance of the domestic tourism market in developing countries, recently in South Africa it has been recognised that domestic tourism amounts in expenditure to nearly as much as domestic tourism – in developed and developing countries tourism generally causes money generated in

⁸ Ghimire K B (2001) The Native Tourist Earthscan

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relatively wealthy urban areas to be spent in more marginal less wealthy rural areas.

Domestic tourism can be as pro-poor as international – perhaps more so.

[18] Location matters, the poor producers generally need to be close to where the tourists are if they are to sell to them – if they are selling to hotels they need to be able to get their produce delivered, if they are selling excursion experiences through tour operators the local ground handler needs to be encouraged to bring tourists to them. Engaging the private sector is critical as they often control access to the market. In Humla in West Nepal, an SNV project has demonstrated the significant community benefits of developing local supplies of things previously imported into the Humla Valley⁹ by operators. This made a very significant difference to local incomes, despite the relatively small numbers of tourists involved. Domestic import substitution strategies can make a very significant impact – if the challenges of quality, price and volume & continuity of supply can be met. Local supplies provide local flavour for the tourists and improve the livelihoods of local communities.

[19] Diversifying the local tourism offer, enriching the tourist experience will increase length of stay and assist with improving bed occupancy, the development of complementary product benefits both new entrants to the industry – in this case the poor – and the established stakeholders. If the challenges of quality, price and volume & continuity of supply can be met then locally sourcing fruit and vegetables, meat or fish and soft furnishings can benefit the hotelier and the local economy. Partnerships and joint ventures reduce risk and ensure engagement by the private sector.

[20] Donors have identified the importance of proper planning, private sector engagement and local community and government participation – all the stakeholders need to be engaged if tourism is to benefit poor producers.¹⁰ [21] The ILO has pointed to the importance of improved working conditions, the GEF has funded a great many initiatives in and around protected areas and some agencies have focussed on training and human

⁹ Saville N (2001) Practical strategies for pro-poor tourism. Case study of pro-poor tourism and SNV in Humla District, West Nepal. www.propoortourism.org.uk/nepal_cs.pdf

¹⁰ DFID Sustainable Tourism and Poverty Elimination Study April 1998

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resource development, others including UNEP have so far focussed primarily on the environmental agenda.

[22] Tourism provides opportunities for the poor to engage directly in exporting – every drum sold by a Gambian to a tourist is an export as are the guiding services provided by local guides. In The Gambia British tourists in 2001/2 were spending £8.50 per day in the informal sector – directly benefiting local people and contributing to the reduction of poverty, (and 40% of tourists arrived with gifts – mainly for schools).¹¹

Mainstreaming

[23] Finally, I was asked to address the issue of mainstreaming, here there are many challenges. We need to convince development agencies that tourism is a viable way of reducing poverty – this requires that we demonstrate that tourism can make a real difference to the livelihoods of poor people and we need to do that in ways which identify target groups and which deliver measurable benefits. We need to move beyond multipliers and trickledown and we need to beware of claiming that we can deliver more than we can and then being seen to fail. [24] Private sector engagement is critical – they need to be partners in this endeavour, it is not a zero sum game¹², the benefits accruing to the poor are not necessarily at the expense of the industry – it is possible to grow the cake. All forms of tourism can potentially contribute to poverty reduction, all kinds of tourism businesses can play their part – through philanthropy but potentially more sustainably through the way they do their business.¹³ Pro-poor tourism is about the way a business chooses to do its business.

[25] One of the major challenges is to secure a sympathetic hearing for tourism projects in the development banks and agencies. The tourism industry can be viewed in

¹¹ Goodwin H et al (2002) Harnessing Tourism for Poverty Elimination: A Blueprint from the Gambia, NRI Report No: 2693 www.haroldgoodwin.info/resources/GambiaFinalSummaryReport2.pdf and Bah A & Goodwin H (2003) Improving Access for the Informal Sector to Tourism in The Gambia Pro-Poor Tourism, <http://www.haroldgoodwin.info/resources/15gambia.pdf>

¹² A situation in which a livelihood gain by one individual or group: must necessarily be matched by a loss by another individual or group:

¹³ For the business case see Goodwin H et al (2004) Tourism and Local Economic Development - International Business Leaders Forum and International Tourism Partnership http://www.haroldgoodwin.info/resources/Flyer_Final.pdf

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Greenwood's phrase as "a great school for the modernisation of a people's values"¹⁴, a fast track to modernisation - others see tourism as maintaining dependency on the former colonial originating markets. They see it as providing only low grade jobs and undermining the traditional local economy by undermining agriculture. .

[26] This image seems to me to represent the view of many development agency staff about tourism – the juxtaposition of conspicuous wealth and consumption with poverty, a degree of guilt about their own trips in the developing world, and a strong feeling that tourism does not provide proper jobs. [27]

This matters because development assistance is often necessary to ensure that tourism does benefit local economic development and poor people in particular, tourism is in relatively few of the Poverty Reduction Strategy Papers which determine development agency and bank country programmes. [28] Many development professionals underrate the importance of tourism in developing countries and operate at the level of textbook generalisations. For example they may assert that tourism causes prostitution and spreads AIDs, the same is omitted – some forms of tourism cause prostitution and spread aids.

UNCTAD¹⁵, has no axe to grind for tourism. UNCTAD has reviewed the importance of tourism to developing economies [29] Of the 47 poorest countries for which there are records, tourism is significant in all but two (the Central African Republic and Moldova). In 41 of these tourism contributes over 5% of GDP or 10% of exports. In the 12 countries with the most poor people tourism is significant in all of them and tourism is over 5% of GDP and/or over 10% of exports in 11 of them. [30] As Pierre Encontre, a senior UNCTAD economist has argued, five of the countries to graduate from Least Developed Country status . Botswana, Cape Verde, Maldives, Samoa and Vanuatu each demonstrates a close association between tourism development and the socio-economic progress that explains graduation from Least Developed Country status .

¹⁴ Greenwood (1972) quoted in Harrison D (1992) *Tourism and the Less Developed Countries* :Wiley 21

¹⁵ WTO/UNCTAD (2001) *The Least Developed Countries and International Tourism* in *Tourism in the Least Developed Countries*

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[31] The advantages of tourism for development probably do not need to be rehearsed here, but the argument does need to be made with development professionals. There are no tariff barriers on tourism, other than visa charges and they are imposed by the seller. The tourists pay the transportation costs, for most other exports the developing country producer has to fund transportation to market. There are considerable opportunities to develop linkages and to reduce leakages and because the tourist travels to the factory, there are opportunities for additional sales to tourists who always bring discretionary spend money with them. In The Gambia that is worth more than £8 (16USD) per day, per tourist to the local informal sector producers. The average British visitor to The Gambia took £30 of what they had intended to spend home – lost to the Gambian economy.

[32] There are infrastructure gains from better roads to water supplies and tourism is labour intensive. Tourism jobs will only be taken if they are the best available – tourism should be judged on a level playing field with other potential economic development opportunities. [33] Tourism can be a powerful engine of development To achieve this

1. Tourists need to be encouraged to spend more and to leave more than footprints.
2. Tour operators and hotels need to consider their purchasing strategies.
3. We need to encourage more spending in local communities
4. We need to reduce leakages & increase linkages

None of this is rocket science, not does it need large amounts of funding.

[34] In The Gambia we worked with the stakeholders, poor producers, the private sector and government to identify the barriers faced by the informal sector producers – local guides, fruit sellers, juice pressers and craft workers – and to work out how to overcome them. [35] Through a series of multi-stakeholder workshops which debated the issues on the basis of some firm research evidence about what the tourists thought about the various products and services, an agenda for change was agreed and implemented,

¹⁶ Encontre, P. (2001) in: WTO/UNCTAD (2001) Tourism in the Least Developed Countries. Madrid : World Tourism Organisation. For more evidence see www.propoortourism.org.uk/info_sheets/7%20info%20sheet.pdf

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[36] The craft markets decided to reduce hassle, provide more demonstrations on the stalls, develop some new products, increase the amount of labelling and explanation about the products and to tailor make to order – this significantly increased their earnings.

[37] Self regulation is empowering and effective, the change in the atmosphere on the beach [38] with better working conditions for the fruit sellers, juice pressers and guides and with very much reduced hassle for the holidaymakers meant that the tourists made more use of the beach. The hotels invited in more craft workers to sell in the local hotels. As a result of all the changes earnings grew three fold year on year at Kotu beach – and 43 new jobs were created. This is both scalable and replicable. ¹⁷

[39] In South Africa Caroline Ashley has been working with colleagues to create new business linkages between hotels & resorts and local communities. Encouraging the enterprises to change their business practises, adding pro-poor business strategies to existing philanthropic initiatives. ¹⁸

[40] In order to move beyond trickledown we need to

- 1. facilitate local community access to the tourism market**
- 2. maximise linkages into the local economy and minimise leakages**
- 3. build on and complement existing livelihood strategies**
- 4. evaluate tourism initiatives for their contribution to local economic development and poverty impacts - not just the increase in international arrivals.**
- 5. be able to demonstrate and measure the impacts on the livelihoods of particular groups of the poor. Targeted poor individuals and groups need to be seen to benefit – it is a matter of bookkeeping, not multipliers. The projects also need to be scaleable.**

¹⁷ Bah A & Goodwin H(2003) Improving Access for the Informal Sector to Tourism in The Gambia Pro-Poor Tourism, London <http://www.haroldgoodwin.info/resources/15gambia.pdf> and Goodwin H et al (2002) Harnessing Tourism for Poverty Elimination: A Blueprint from the Gambia, NRI Report No: 2693 <http://www.haroldgoodwin.info/resources/GambiaFinalSummaryReport2.pdf>

¹⁸ www.propoortourism.org.uk/WTM%20Presentations/PPT%20Pilots%20WTM.pdf

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[41] We need a change of approach by all the local, national and international stakeholders. Partnerships between the private sector and local poor producers can achieve a great deal, as we demonstrated in The Gambia – we need a shift from a top down to a bottom up approach. We need more focus on developing local complementary product to increase the earnings of local poor people. [42]

www.propoortourism.org.uk/

www.responsibletourismpartnership.org

www.icrtourism.org

www.icrtourism.org/propoor.html

www.responsibletourismpartnership.org/webring.asp