

# Pro-Poor Tourism: Harnessing the World's Largest Industry for the World's Poor

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## EXECUTIVE SUMMARY

**T**ourism is one of the world's largest industries, generating an estimated 11%<sup>1</sup> of global Gross Domestic Product (GDP), employing 200 million people and transporting nearly 700 million international travellers per year – a figure that is expected to double by 2020. Developing countries currently have only a minority share of the international tourism market (approximately 30%) but this is growing. International tourism arrivals in developing countries have grown by an average of 9.5% per year since 1990, compared to 4.6% worldwide. The tourism industry makes important contributions to the economies of developing countries, particularly to foreign exchange earnings, employment, and GDP.

Tourism is clearly of great significance to developing countries. But is it important in those countries with the highest proportion of poor people? The small island economies which are most dependent on tourism tend to be middle income and contain few of the world's poor. Nevertheless, analysis of tourism data shows that in most countries with high levels of poverty, tourism is significant or growing. Tourism is therefore a fact of life for many of the world's poor.

A reduction in world poverty is an internationally agreed priority and targets have been set to halve poverty by the year 2015. Achieving poverty reduction requires actions on a variety of complementary fronts and scales, but a prerequisite of significant progress is **pro-poor growth** – growth which

benefits the poor. As an industry that is clearly important in many poor countries, can tourism can be one source of such growth?

### Can tourism benefit the poor?

Sceptics argue that because tourism is often driven by foreign, private sector interests, it has limited potential to contribute much to poverty elimination in developing countries. It is noted for high levels of revenue 'leakage', and of the revenue that is retained in the destination country, much is captured by rich or middle-income groups – not the poor. Tourism is also a volatile industry, being extremely susceptible to events which are difficult to control – political unrest, exchange rate fluctuations, natural disasters. The recent foot and mouth outbreak in the UK is an obvious example of the speed and severity with which a national tourism industry can be affected by events outside its control. In poor countries, tourism can have a particular effect on the poor themselves, causing displacement, increased local costs, loss of access to resources and social and cultural disruption.

However, many of the supposed disadvantages of tourism are in fact common to many types of economic development in a globalising world while many of the advantages do appear to have greater pro-poor potential:

- It is a diverse industry. This increases the scope for wide participation, including the participation of the informal sector
- The customer comes to the product, providing considerable opportunities for linkages (e.g. souvenir selling)

## KEY CHALLENGES:

- **The potential for tourism to deliver pro-poor growth in the least developed countries offers significant benefits to the world's poorest people**
- **International tourism often falls between departments dealing with development, trade, environment and other issues – greater co-ordination should be attempted, in order to maximise the potential to support sustainable, pro-poor tourism (PPT)**
- **The private sector, community organisations in destination countries, international NGOs and governments should all be involved in efforts to develop PPT**
- **The Johannesburg Summit offers an opportunity to highlight the potential for tourism to make a real difference, to draw attention to existing examples of PPT, and to pressure the industry, consumers and governments to do more in future**

- Tourism is highly dependent upon natural capital (e.g. wildlife, scenery) and culture. These are assets that some of the poor have, even if they have no financial resources
- Tourism can be more labour intensive than manufacturing (though less labour intensive than agriculture)
- Compared to other modern sectors, a higher proportion of tourism benefits (jobs, petty trade opportunities) go to women

Given that tourism is already a fact of life for many of the world's poor, whether or not it is more or less pro-poor than other sectors is perhaps irrelevant. The challenge is to enhance the many positive impacts it can have and reduce the costs it can place on the poor.

### Pro-poor tourism and sustainability

The World Tourism Organisation defined sustainable tourism as early as 1988 as "leading to the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems". However to date, much of this debate has focussed around environmental sustainability or enhancing community involvement in tourism. While many initiatives incorporate pro-poor elements, this approach to 'sustainable tourism' fails to take into account the links between poverty, environment and development. In a world of growing inequality, there can be no doubt that attacking poverty is a critical component of sustainable development. Significantly though, the 1999 meeting of the UN Commission on Sustainable Development urged governments to: "*maximise the potential of tourism for eradicating poverty by developing appropriate strategies in co-operation with all major groups, indigenous and local communities.*" **Pro-poor tourism** attempts to do this, putting poor people and poverty at the centre of the sustainability debate.

Pro-poor tourism (PPT) is defined as **tourism that generates net benefits for the poor**. Benefits may be economic, but they may also be social, environmental or cultural. Pro-poor tourism is not a specific product or sector of tourism, but an approach to the industry. Strategies for making tourism pro-poor focus specifically on *unlocking opportunities* for the poor within tourism, rather than expanding the overall size of the sector. Three core activities are needed: increasing access of the poor to economic benefits (by expanding business and employment opportunities for the poor, providing training so they are in a position to take up these opportunities and spreading income beyond individual earners to the wider community); addressing the negative social and environmental impacts often associated with tourism (such as lost access to land, coastal areas and other resources and social disruption or exploitation); and policy/process reform (by creating a policy and planning framework that removes some of the barriers to the poor, by promoting participation of the poor in planning an decision-making processes surrounding tourism, and by encouraging partnerships between the private sector and poor people in developing new tourism products.

### How can pro-poor tourism be supported?

Government, the private sector, non-governmental organisations, community organisations and the poor themselves all have critical and very different roles to play in PPT. The private sector can be directly involved in pro-poor partnerships. At a minimum, private operators should participate in product and market development to ensure commercial realism. There is much that only governments can do, so a leading role for government in PPT is a great advantage. At a minimum, there needs to be a policy environment that facilitates PPT. The poor themselves are critical to PPT, but they often also need to be organised at the community level in order to engage effectively in tourism. It is often invaluable to have a fourth party to catalyse and support PPT efforts of others – this is often, though not always, a role for a non-governmental organisation. Donors, through their role in supporting tourism plans, and the 'sustainable tourism' agenda, can also promote PPT.

Early experience shows that PPT strategies do appear able to 'tilt' the industry, at the margin, to expand opportunities for the poor and have potentially wide application across the industry. Poverty reduction through PPT can therefore be significant at a local or district level. National impacts would require a shift across the sector, and will vary with location and the relative size of tourism. This would be a challenge indeed, but surely a challenge worth rising to? ●

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## Introduction

Tourism is one of the world's largest industries, generating 11%<sup>1</sup> of global GDP, employing 200 million people and transporting nearly 700 million international travellers per year – a figure that is expected to double by 2020. Developing countries currently have only a minority share of the international tourism market (approximately 30 per cent) but their share is growing. International tourism arrivals in developing countries have grown by an average of 9.5 per cent per year since 1990, compared to 4.6 per cent worldwide.

The tourism industry makes important contributions to the economies of developing countries, particularly to foreign exchange earnings, employment, and Gross Domestic Product (GDP) (**Box 1**), although the economic significance of tourism varies greatly from country to country, with those economies most highly dependent on tourism tending to be small island states. The Caribbean is the most tourism dependent region in the world (25% average GDP) and the Maldives the most dependent country (55% GDP).

Tourism data does not provide the full picture of its economic significance. Statistics cover the contribution of *international* tourism to *national* GDP. They hide the significance of *domestic* tourism (and may under-estimate regional tourists travelling by land), and the importance of tourism to a *local* economy. For example, tourism accounts for approximately 2.5 per cent of GDP in India, but it has been estimated that tourism (domestic and international) accounts for approximately half of economic activity in the hill region of Uttar Pradesh, popular for pilgrim trails.

### BOX 1: Tourism facts and figures

- International tourism accounts for:
  - 36% of trade in commercial services in advanced economies and 66% in developing economies;
  - 3–10% of GDP in advanced economies and up to 40% in developing economies;
  - US\$476 billion in tourism receipts in 2000.
- Tourism is one of the top 5 exports for 83% of countries and the main source of foreign currency for at least 38% of countries.
- 10 countries, of which 6 are European account for 67% of all international tourists.

*Source: World Tourism Organisation*

### BOX 2: Significance of tourism to South Africa

While South Africa is considered a medium income country, the inequality levels are amongst the highest in the world, and levels of poverty are high (11.5% living below \$1/day in 1993). In 1998 the tourism economy contributed 8.2% of South Africa's GDP, and 7% of total employment. While this was up from a GDP contribution of no more than 2% in 1994, it is still lower than the world average of over 10%. Tourism is a major export (accounting for 13% of total exports in 1998), with inbound visitors bringing foreign exchange directly into the economy. The growing international tourism market is balanced by a strong domestic market, making South Africa different from many other developing countries. Tourism's potential for job creation is critical to harness for a country where the increasing outward orientation of the economy has seen a net loss of jobs to date.

**TABLE 1: Significance of international tourism to poor countries**

Country	Population below US\$1 a day <sup>a</sup> (%)	Contribution of tourism industry (economy) to GDP <sup>b</sup> (%)	Growth in demand, year 2000 <sup>b</sup> (%)
Mali	73		9.0
Nigeria	70	0.5 (2.0)	13.5
Central African Republic	66	1.2 (2.3)	10.8
Zambia	64	3.9 (11.0)	3.4
Madagascar	63	3.8 (8.0)	3.4
Niger	61	1.9 (3.6)	7.5
Burkina Faso	61	2.2 (4.8)	3.0
Sierra Leone	57	1.8 (2.7)	15.9
The Gambia	54	5.6 (11.0)	3.5
India	44	2.5 (5.2)	9.7
Lesotho	43	2.0 (10.4)	na
Honduras	41	4.4 (10.6)	4.3
Ghana	39	5.5 (8.4)	34.0
Mozambique	38	na	na
Nepal	38	4.5 (7.7)	6.3

(a) World Bank 2001 World Development Indicators

(b) WTTC Year 2001 Country League Tables

na = not available

### Overlap between tourism and high incidence of poverty

Tourism is clearly of great significance to developing countries. But is it important in those countries with the highest proportion of poor people? The small island economies which are most dependent on tourism tend to be middle income and contain few of the world's poor. Nevertheless, analysis of tourism data shows that **in most countries with high levels of poverty, tourism is significant or growing (Table 1)**. Tourism is therefore a fact of life for many of the world's poor.

### Tourism and poverty reduction

International targets aim to halve the number of people living in poverty (defined as living on less than \$1 per day) by 2015. Poverty reduction requires strategies on a variety of complementary fronts and scales, but a prerequisite of significant progress is **pro-poor growth** – growth which benefits the poor. As an industry that is clearly important in many poor countries, can tourism be one source of such growth?

Sceptics argue that because tourism is often driven by foreign, private sector interests, it has limited potential to

contribute much to poverty elimination in developing countries. It is noted for high levels of revenue ‘leakage’, and of the revenue that is retained in the destination country, much is captured by rich or middle-income groups – not the poor. Tourism is also a volatile industry, being extremely susceptible to events which are difficult to control – political unrest, exchange rate fluctuations, natural disasters. The recent foot and mouth outbreak in the UK is an obvious example of the speed and severity with which a national tourism industry can be affected by events outside its control. In poor countries, tourism can have a particular effect on the poor themselves, causing displacement, increased local costs, loss of access to resources and social and cultural disruption.

However, many of the supposed disadvantages of tourism are in fact common to many types of economic development in a globalising world while many of the advantages appear to have greater pro-poor potential:

- It is a diverse industry. This increases the scope for wide participation, including the participation of the informal sector.
- The customer comes to the product, providing considerable opportunities for linkages (e.g. souvenir selling).
- Tourism is highly dependent upon natural capital (e.g. wildlife, scenery) and culture. These are assets that some of the poor have, even if they have no financial resources.
- Tourism can be more labour intensive than manufacturing (though less labour intensive than agriculture).
- Compared to other modern sectors, a higher proportion of tourism benefits (jobs, petty trade opportunities) go to women (though it is not known whether these are necessarily the poorest women).

These potential opportunities need to be located within the context of several tempering factors: tourism is a demanding and highly competitive global industry, with the potential for much greater social impacts inherent in the fact that the customer comes to the product. The reliance of tourism upon natural and cultural capital highlights the importance of protecting the resource base on which the industry depends.

Given that tourism is already a fact of life for many of the world’s poor, whether or not it is more or less pro-poor than other sectors is perhaps irrelevant. The challenge is to enhance the many positive impacts it can have and reduce the costs it can place on the poor. **Pro-poor tourism** (tourism that generates net benefits for the poor) attempts to do this.

## Tourism and sustainable development: the evolving debate

There is already debate about how to make tourism more sustainable and/or responsible. The World Tourism Organisation (WTO) defined **sustainable tourism** as early as 1988 as “leading to the management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems”. In 1992 the ‘Earth Summit’ in Rio established the triple bottom line of environmental, economic and social sustainability. Since then however, the major – but not exclusive – emphasis of the tourism industry has been on ‘greening’. For example, *Agenda 21 for the Travel and Tourism Industry: Towards Environmentally Sustainable Tourism* refers to the interdependence of development and environmental protection, but the main thrust of the document is on environmental sustainability.

Coincidental with this has been the emergence of **ecotourism** (variously defined but generally agreed upon as tourism that is nature oriented, but that incorporates a desire to minimise negative social and environmental impacts) – particularly in response to debates about the viability of top-down approaches to conservation in and around protected areas. This in turn spawned a broader interest in **community-based tourism**, often as a component of community-based natural resource management (CBNRM) strategies. Obligations of donors and governments under the Convention on Biological Diversity (CBD) with its emphasis on sustainable use and benefit sharing have served to reinforce this trend. Ecotourism remains an important focus for many, but disillusion with the term is spreading and there is an increasingly acrimonious debate over the declaration by the UN of 2002 as the International Year of Ecotourism.

### BOX 3: Tackling poverty through tourism in South Africa

South Africa has identified tourism as a priority sector in terms of boosting the economy, job creation, foreign exchange generation, rural development and poverty alleviation, and black economic empowerment. Since the transition to democracy in 1994, greater resources have been allocated towards creating a supportive environment for tourism development. Given that attacking poverty and redressing past inequities of the apartheid system are overriding national priorities, promoting a kind of tourism that meets these goals is critical for the hosts of the 2002 World Summit.

### BOX 4: The road to Johannesburg

- 1980** *Manila Declaration on World Tourism*
- 1989** *The Hague Declaration on Tourism*
- 1996** *Agenda 21 for the Travel and Tourism Industry*
- 1997** *Malé Declaration on Sustainable Tourism Development*  
*Berlin Declaration on Biological Diversity and Tourism*  
*Manila Declaration on the Social Impact of Tourism*
- 1999** *CSD 7 – Tourism and Sustainable Development*
- 2002** *World Summit on Ecotourism*



Within the tourism industry a number of initiatives have been established more recently in a move towards **responsible tourism**, including the *VISTA* (Vision for Industry in Sustainable Tourism Action) initiative of the Association of British Travel Agents, the *Tour Operators Initiative* backed by WTO/UNEP/UNESCO, the *International Hotels Environment Initiative* (IHEI) and *Responsible Tourism Guidelines* adopted by the UK Association of Independent Tour Operators.

In addition, tourism has continued on the international UN agenda since the Earth Summit. A *Global Code of Ethics* has been developed by WTO and *Principles for the Implementation of Sustainable Tourism* by UNEP.

However while many of the above initiatives incorporate pro-poor elements, poverty reduction has not been seen as a priority on the sustainable tourism agenda of northern countries. Significantly though, in 1999, explicit reference to pro-poor tourism was made at the 7th meeting of the Commission for Sustainable Development which urged governments to: “*maximise the potential of tourism for eradicating poverty by developing appropriate strategies in co-operation with all major groups, indigenous and local communities*”.

## Making sustainable tourism more pro-poor

Moving the sustainable tourism agenda to tackle poverty alleviation requires action on a number of fronts:

- Expanding the focus of mainstream tourism initiatives beyond mainstream destinations, to destinations where many of the world’s poor live and/or recognising that many of the world’s poor live alongside mainstream destinations and their voices need to be heard.
- Putting the poor and poverty (including the environmental dimensions of poverty) at the centre of the sustainability debate, rather than *just* the environment.
- Moving beyond a community tourism focus to developing mechanisms that unlock opportunities for the poor at all levels and scales of operation.

The key distinctive feature of pro-poor tourism is that it puts poor people and poverty at the centre. Starting from there, it sees tourism as one component of the household, local and national economies and environment that affects them. The current sustainable tourism debate starts with mainstream destinations as a priority and targets environmental concerns with social issues towards the periphery. Poor people of the South are thus at the edge of the picture. The current approach to ‘sustainable tourism’ fails to take into account the links between poverty, environment and development. In a world of growing inequality, there can be no doubt that attacking poverty is a critical component of sustainable development. Global stability depends upon this recognition.

### BOX 5: Responsible tourism in South Africa

South Africa has taken a slightly different approach in its conception of responsible tourism, which is stated as “tourism that promotes responsibility to the environment through its sustainable use; responsibility to involve local communities in the tourism industry; responsibility for the safety and security of visitors and responsible government, employees, employers, unions and local communities.” The transformation of the tourism industry towards a greater degree of ownership on the part of previously disadvantaged people is currently seen as critical for the implementation of responsible tourism policy principles. This transformation includes two main elements: black economic empowerment programmes aimed at emerging entrepreneurs, and policies and strategies to promote greater involvement in and benefit from tourism by poor rural communities.

Transformation is necessary to improve the structural inequalities of the tourism sector. While this is being tackled nationally in South Africa, the question of how to achieve transformation globally, in a highly vertically integrated industry, is a thorny one. It requires approaches that examine relationships at every step of the tourism supply chain from a perspective of social equity.

## Strategies for pro-poor tourism

Pro-poor tourism (PPT) is defined as ***tourism that generates net benefits for the poor***. Benefits may be economic, but they may also be social, environmental or cultural. Pro-poor tourism is not a specific product or sector of tourism, but an approach to the industry. Strategies for making tourism pro-poor focus specifically on *unlocking opportunities* for the poor within tourism, rather than expanding the overall size of the sector. Three core areas of focus include: increased economic benefits, enhancing non-economic impacts, and policy/process reform. In each area, three distinct (but often overlapping) strategies can be identified.<sup>2</sup>

- I) *Strategies focused on economic benefits*
  - (i) **Expanding business opportunities for the poor:** small enterprises, particularly in the informal sector, often provide the greatest opportunities for the poor.
  - (ii) **Expanding employment opportunities for the poor:** unskilled jobs may be limited and low-paid by international standards, but are much sought after by the poor.
  - (iii) **Enhancing collective benefits:** collective community income from tourism can be a new source of income, and can spread benefits well beyond the direct earners.

## II) Strategies focused on non-economic impacts

- (i) **Capacity building, training and empowerment:** the poor often lack the skills and knowledge to take advantage of opportunities in tourism.
- (ii) **Mitigating the environmental impact of tourism on the poor:** tourism can lead to displacement of the poor from their land and/or degradation of the natural resources on which the poor depend.
- (iii) **Addressing social and cultural impacts of tourism:** tourists' behaviour, such as photography and western habits, is often regarded as cultural intrusion. Sex tourism exploits women. Tourism can affect many other social issues, such as health care.

## III) Strategies focused on policy/process reform

- (i) **Building a more supportive policy and planning framework:** many governments see tourism as a means to generate foreign exchange rather than to address poverty. The policy framework can inhibit progress in PPT; reform is often needed.
- (ii) **Promoting participation:** the poor are often excluded from decision-making processes and institutions, making it very unlikely that their priorities will be reflected in decisions.
- (iii) **Bringing the private sector into pro-poor partnerships:** locally-driven tourism enterprises may require input to develop skills, marketing links, and commercial expertise.

## Experience in pro-poor tourism

PPT is relatively untried and untested, and there is no blueprint. Nevertheless early experience<sup>3</sup> reveals a number of common lessons:

1. PPT needs a diversity of actions, from micro to macro level, including product development, marketing, planning, policy, and investment. It goes well beyond community tourism, requiring an integrated and holistic approach to the entire tourism system (see **Box 6** on the Addo Elephant National Park).
2. A driving force for PPT is useful, but other stakeholders, with broader mandates, are critical. PPT can be incorporated into tourism development strategies of government or business (with or without explicit pro-poor language). Broader policy frameworks and initiatives outside tourism, such as on land tenure, small enterprise and representative government, are also key.
3. Location matters: PPT works best where the wider destination is developing well, and where effective networks can be developed between community and mainstream tourism elements.
4. The poverty impact may be greater in remote areas, though tourism itself may be on a limited scale.
5. PPT strategies often involve the development of new products, particularly based on local culture. But these should be integrated with mainstream products if they are to find markets.
6. Ensuring commercial viability is a priority. This requires close attention to demand, product quality, marketing, investment in business skills, and inclusion of the private sector.
7. Economic measures should expand both regular jobs and casual earning opportunities, while tackling both demand (e.g. markets) and supply (e.g. products of the poor).
8. Non-financial benefits (e.g. increased participation, access to assets) can reduce vulnerability; more could be done to address these.
9. PPT is a long-term investment. Expectations must be managed and short-term benefits developed in the interim.
10. External funding may be required and justified to cover the substantial transaction costs of establishing partnerships, developing skills, and revising policies (not generally for direct subsidies to enterprises).
11. While poverty eradication is the central component of PPT, environmental sustainability concerns need to be integrated into planning and operations as well for long-term success.

### BOX 6: Pro-poor tourism around South Africa's Addo Elephant National Park

A recent study centred on a participatory analysis of the tourism trading system in the area around the Addo Elephant National Park (AENP) in South Africa's Eastern Cape province. A key aim was to promote the integration of emerging community tourism initiatives with 'mainstream' tourism, specifically as an anti-poverty strategy. This required exploring how to maximise the linkages between the different components in the tourism system, which included government service providers, a range of existing tourism businesses, the South African National Parks Board (SANP), tourism marketing organisations and poor communities living around the borders of the park. Through a multi-stakeholder dialogue process, it became clear that community tourism projects, such as the drama groups, choral groups and arts and crafts groups in the Addo area, have the potential to add value to the tourism system through diversification of the mainly wildlife-related tourism product. And, on the other hand, the role of the private sector in tourism partnerships is key for effective marketing and business skills development. The process of dialogue may ultimately lead to local standard setting and a *locally developed sustainable tourism brand*, with a strong anti-poverty focus.

## BOX 7: Stakeholder roles in pro-poor tourism

### Private companies can:

- Talk to local people to explore options. This could form part of a systematic supply chain analysis.
- Maximise use of local suppliers and local staff. Experience suggests that this may require significant commitment to capacity building. If commercial obstacles exist, explain them.
- Provide technical advice to local tourism enterprises, market them, take tourists, provide feedback.
- Establish a business partnership with residents: e.g. equity share, concession arrangement.
- Share or develop infrastructure (road, water), key equipment (telephone, radio) or services (health care).
- Respect and promote local guidelines and norms.
- Help boost understanding of the tourism industry – among the poor and others in PPT, including government and NGOs.
- Explain to customers and suppliers (eg international operators and tourists) why pro-poor commitments matter and what more they can do.

### Civil society can:

- Act as a catalyst and liaise between stakeholders.
- Invest in training, capacity building and technical assistance to the poor to increase their understanding of the tourism industry, and develop skills for small business and tourism employment.
- Explore options for linkages between private operators and poor suppliers; facilitate the process to reduce time and risk for them.
- Develop processes that amplify the voice of the poor at policy level.
- Help avoid raising unrealistic expectations amongst the poor.
- Support campaigns that aim to enhance the pro-poor objectives of tourism.
- Push for the inclusion of pro-poor objectives within multilateral trade relations.

### Governments can:

- Consult with poor residents when making decisions about tourism.
- Provide secure tenure for the poor over tourism land or assets.
- Use planning controls and investment incentives to encourage private operators to make and implement pro-poor commitments, within a framework of broader sustainability.
- Encourage dispersion of tourism to poor areas, through infrastructural investment and marketing. This needs to take place as part of an integrated and sustainable approach to rural/urban development.
- Ensure good policy is followed up with implementation, through linking policy to budgeting cycles and building sufficient implementation capacity at the appropriate levels of government, as well as devolution of resources.
- Promote pro-poor enterprises and products in national marketing material.
- Revise regulations that impede the poor in employment or small business.
- Integrate awareness of PPT into pro-poor growth strategies and small enterprise strategies.

### Donors can:

- When supporting tourism development, require assessment of PPT issues.
- Ensure tourism consultants are aware of PPT issues and have to address them, given their considerable influence in tourism national plans.
- When supporting growth or anti-poverty strategies in specific areas where tourism exists, ensure the pro-poor potential of tourism is assessed.
- Promote pro-poor tourism within the international agenda, with other governments and the industry, particularly by emphasising a pro-poor and Southern focus within sustainable tourism.

## Implications for governments, donors and civil society

Extending lessons from early experience across the industry would be a challenge – with considerable potential return-involving different constituencies. Government, the private sector, non-governmental organisations, community

organisations and the poor themselves all have critical and very different roles to play in PPT (Box 6). The **private sector can be directly involved in pro-poor partnerships**. At a minimum, private operators should participate in product and market development to ensure commercial realism. **There is much that only governments can do**, so a leading role for government in PPT is a great advantage.

At a minimum, there needs to be a policy environment that facilitates PPT. **The poor themselves are critical** to PPT, but they often also need to be organised at the community level in order to engage effectively in tourism. It is often invaluable to have a fourth party to catalyse and support PPT efforts of others – this is often, though not always, a role for a **non-governmental organisation. Donors**, through their role in supporting tourism plans, and the ‘sustainable tourism’ agenda, can also promote PPT.

- Those involved in tourism – policy makers, planners, businesses, consultants – should incorporate pro-poor concerns at all levels.
- Those involved in the wider field of poverty reduction or rural development should explore and exploit the comparative potential of tourism where they are working.
- PPT can make good business sense, especially if it gives consumers more choice. Corporate engagement should be based on commercial opportunity not just ethical appeal.
- The ‘sustainable tourism’ agenda should be harnessed for poverty reduction. This requires a shift in focus from environment to poverty and from Northern to Southern destinations. As guidance or standards on social issues are often weak with sustainable tourism initiatives, practical lessons from PPT should be incorporated.

## Does pro-poor tourism work?

Early experience shows that PPT strategies do appear able to ‘tilt’ the industry, at the margin, to expand opportunities for the poor and have potentially wide application across the industry. Poverty reduction through PPT can therefore be significant at a local or district level. National impacts would require a shift across the sector, and will vary with location and the relative size of tourism. This would be a challenge indeed, but surely a challenge worth rising to? ●

1. This figure is commonly quoted by the World Travel and Tourism Council (WTTC) although the World Tourism Organisation (WTO) puts the figure much lower. The difference reflects the difficulty in defining what is and is not included within the tourism ‘industry’ and whether services such as transport are included in the calculation. The WTTC figure also incorporates the multiplier effect of tourism spending and so reflects the wider ‘tourism economy’ rather than just the industry itself.
2. The distinctions are not rigid. Generating collective income often has non-economic implications since some collective benefits may be non-financial or spent on ‘social’ investments. Conversely, capacity building is listed here as a non-economic strategy but often enhances economic opportunities and participation.
3. See work by IIED, ODI and CRT at <http://www.propoortourism.org.uk/>

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*This paper draws heavily on a collaborative research project on pro-poor tourism strategies undertaken with the Overseas Development Institute (ODI) and the Centre for Responsible Tourism (CRT). Details of this research including the research reports and case studies can be found at [www.propoortourism.org.uk](http://www.propoortourism.org.uk).*