International Centre for Responsible Tourism

CaixaForum Barcelona

Taking Responsibility for Development Through Tourism

Prof. Harold Goodwin
Taking Responsibility for Development Through Tourism

1. Responsible Tourism
2. Engaging the Private Sector
3. Tourism and Development
4. Local Economic Development & Pro-Poor Tourism
5. Practical Strategies
6. Measuring the Results
1. What is Responsible Tourism?

- a triple bottom line approach to Tourism Management
- a way of travelling – it offers a better experience
- a movement
- diverse: particular to cultures, places and organisations
- characterised by transparency
- requires the acceptance of responsibility and the willingness to take action
Taking responsibility for sustainability

WTO Global Code of Ethics
Principle of Sustainability
Economic, Social & Environmental
Taking and Exercising Responsibility

Tour Operator  Inbound Operator  Hotelier/ Accommodation  Local/ National Government  Attraction Managers National Parks/ Heritage  Local Community  Tourists Travellers Holidaymakers

You cannot outsource responsibility ..
Responsible Travel takes a variety of forms, it is characterised by travel and tourism which

1. minimises negative environmental, social and cultural impacts;

2. generates greater economic benefits for local people and enhances the wellbeing of host communities, by improving working conditions and access to the industry;

3. involves local people in decisions that affect their lives and life chances.
4. makes **positive contributions** to the conservation of natural and cultural heritage and to the maintenance of the world’s diversity;

5. provides more **enjoyable** experiences for tourists through more **meaningful connections** with local people, and a greater understanding of local cultural and environmental issues;

6. provides **access** for physically challenged people; and

7. is **culturally sensitive** and engenders **respect** between tourists and hosts.
Making better places for people to live in

And making better places for people to visit
2. Engaging the Private Sector

1. Consumer trends – demand is changing in established markets

2. Competitive Advantage
   1. Cost-savings
   2. Product enhancement
   3. Business environment
   4. Investment
... we recognize that in carrying out our work as Tour Operators we have a responsibility to respect other people’s places and ways of life.

We acknowledge that wherever a Tour Operator does business or sends clients it has a potential to do both good and harm, &

we are aware that all too often in the past the harm has outweighed the good.
AITO

- **Protect** the Environment – its flora, fauna and landscapes
- **Respect** local cultures – traditions, religions and built heritage
- **Benefit** local communities – both economically and socially
- **Conserve** natural resources – from office to destination
- **Minimise** pollution – through noise, waste disposal and congestion
What is Driving Change?

- Consumer demand for “richer” engagement with destinations and the communities who live there
- Broader consumer trends in originating markets
- People want guilt free holidays – particularly at times of maximum indulgence
- Changes in the investment climate
- Demands from those in the industry and on the margins of it
- Legislation and regulation
- Demands of people in the destination
The Market Opportunity

- Trend towards experiential holidays and baby boomers looking for community and engagement – significant market segments are looking to get more out of shorter holidays
- Ethical
  - Responsible
  - Guilt Free
- Non-price competition
- Offer richer more meaningful experiences
- Extend length of stay
The problem

Tourism and the travel industry “is essentially the renting out for short-term lets, of other people’s environments, whether that is a coastline, a city, a mountain range or a rainforest. These ‘products’ must be kept fresh and unsullied not just for the next day, but for every tomorrow”

Sir Colin Marshall, British Airways 1994
Responsible Tourism the commercial opportunity: how can you do well by doing good.

1. The green agenda was often originally sold as cost savings – the RT Agenda has moved beyond that.

2. New Consumerism
   1. Activity
   2. The Experience
   3. The local
   4. The Authentic

- Marketing & PR
- Cost savings
- Enlightened self interest
- Staff motivation
- Responsibility to stakeholders – communities
- Local community expectation - license to operate
- Customer expectation
Experiential Tourism

- The experience economy
- Seeking memorable experiences
- Driving increased tourism
- Viral marketing

- Engagement in culture, community and the environment
- Shared product of host and guest
- Quality, depth, create memories

You can taste the difference
Union Coffee Roasters

Sourcing ethically, fairly and responsibly is a cornerstone of our business. We strongly believe the way coffee is sourced, and the relationships through which this is established, are inherently linked to the quality you experience in the final cup.

Working closely with producers and developing strong, personal bonds, not only enhances the quality of the coffee we receive, year on year, but also brings consumers closer to those who's monumental efforts go into making the beverage we know and love.

You can taste the difference
Drivers of Change

- Consumer demand for “richer” engagement with destinations and the communities who live there
- Broader consumer trends in originating markets
- People want guilt free holidays – particularly at times of maximum indulgence
- Changes in the investment climate
- Demands from those in the industry and on the margins of it
- Legislation and regulation
- **Demands of people in the destination**
Ethical Consumerism & CSR

1. Travel and Tourism has lagged behind
2. 1999-2004 the market share for ethical products has grown 22%
<table>
<thead>
<tr>
<th></th>
<th>‘99</th>
<th>‘04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actively sought information on a company’s reputation</td>
<td>24</td>
<td>35</td>
</tr>
<tr>
<td>Felt guilty about an unethical purchase</td>
<td>17</td>
<td>35</td>
</tr>
<tr>
<td>Chosen product/service on basis of company’s responsible reputation</td>
<td>54</td>
<td>62</td>
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<tr>
<td>Recommended</td>
<td>52</td>
<td>57</td>
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<tr>
<td>Recycled</td>
<td>73</td>
<td>93</td>
</tr>
</tbody>
</table>
Becoming Mainstream

- Mintel: by 2010 outbound UK ethical market forecast to be 2.5m trips per year.

- Jane Ashton head of CSR at First Choice:
  “We’re not experiencing a huge demand from the average consumer, but we do believe that awareness is increasing, and in a few years time we will have needed to have integrated these principles into our supply chain.”
Mintel (2007) Holiday Lifestyles

Responsible tourism is an emerging sector and is at a stage where many consumers are aware that they need to do something but few are currently translating this into actions. This may be due to consumer apathy or because of confusion around the plethora of green accreditations that exist. What is important, however, is how the travel sector embraces this trend and moves it forward. Could this be an opportunity for the travel sector to finally move away from the downward spiral of cost-cutting we have seen over the past few years?
The purchasing decision
1. Destination/activity
2. Price
3. Availability/ trip length
4. USP or “added value”- non-price competition
   – For some consumers that can be a responsible tourism element
   – Brand positioning and repeat business and referrals
   – Market trend towards more experiential holidays

Not just a stamp…
More than a certificate
Better stories – better holidays

- Menu of choice – celebrating diversity
- Transparent, specific and measurable claims; auditable, progress should be monitored and reported – the way the company does business.
- Telling credible stories – transparency, clear commitments, verification, certification?
- Capitalising on market trends to benefit local communities their quality of life defined by triple bottom line - harnessing market forces to benefit local communities.
3. Tourism and Development

- There are different perspectives on the desirability of development
- There are social impacts – some good (?) some bad (?)
- Tourism is too often the last resort and the only option.
- Tourism rarely squeezes out other development options
- Tourism does have negative economic impacts for some
Advantages of tourism for development

1. Less subject to protectionist barriers (visas)
2. the consumer pays transportation costs - the consumer comes to collect the goods
3. dynamic source of foreign exchange
4. can complement other primary and secondary exports
5. brings infra-structural development and modernisation of the economy – reaches marginal areas.
6. the importing country consumers come to the factory
7. Relatively labour intensive
8. tourism temporary addition to the residential population – additional local market
9. tourism will continue to grow
Contrasting approaches to tourism development

- Top down
  - traditional approach
  - foreign exchange earnings
  - volumes

- Bottom up
  - Community ethos
  - Local economic benefit
    - supplementary and alternative livelihoods
    - integrated rural development
Tourism and Social Change

- The tourism industry can be viewed as “a great school for the modernisation of a people’s values”

Greenwood (1972) quoted in Harrison p.21

- Neo-colonialism: tourism a successor to colonialism?
Competing Perspectives on Tourism

- A form of development
- Transfers
  - Capital
  - Technology
  - Expertise
  - Modern values
- Incorporation into the world economy
- Maintenance of underdevelopment & dependency
- Metropole/periphery
- Low grade jobs
- Non-local ownership
- Distortion of the local economy
A change of approach

Tourism development has often been focused at the macro level, on international promotion, attracting inward investment and major hotel and resort developments and on national and regional master planning.

There needs to be a shift towards building partnerships which bring to the international and national market places tourism experiences which reflect the characteristics of the destination, involving local communities and giving them a degree of control as hosts.

There needs to be a shift from top-down to bottom-up approaches to tourism development.
Livelihoods Approach

- Livelihood analysis is a methodology, which can be used to analyse the contribution that different forms of tourism might make to the livelihoods of the local people.

- The great advantage of livelihood analysis is that it provides a methodology that looks at the positive and negative impacts of a particular form of tourism development upon the livelihoods of local people and the poor.
Policy Priorities are Important

- National Revenues
  - Foreign exchange earnings
    - Debt servicing
    - Imports

- International Arrivals
  - Often do not calculate net value of international arrivals

- Local Economic Development
  - Expenditure
    - Local currency
    - Foreign exchange

- Linkages

- Employment
4. Local Economic Development & Pro-Poor Tourism

- Economically poor, culturally rich
- Domestic and international markets
- Language comes from pro-poor growth.
- Not a product or a market niche
- Not the same as fair trade, community-based tourism or ecotourism
Pro-Poor Tourism

- An approach to tourism development and management applicable to government and the private sector.
- Increases linkages between the poor and tourism businesses and tourists as consumers.
What is pro-poor tourism

- Tourism that generates net benefits for the poor.
- PPT is not a specific tourism product or sector, it is an overall approach designed to unlock opportunities for the poor.
  - Economic gain
  - Other livelihood benefits
  - Engagement in decision making

- Incorporation of PPT into the planning process

- Importance of focus on particular groups of poor people and of realism, we need to take care over raising expectations.
Becoming Mainstream?

- 1998 Sustainable Tourism and Poverty Elimination for UK Department for International Development & DEFRA
- 1999 CSD 7
- WTO ST-EP initiative
- SNV Practice Area
- Still very few examples of projects where pro-poor impact can be demonstrated.
Moving beyond “trickledown”

1. facilitate access of poor producers to the tourism market - post Tsunami opportunity
2. maximise linkages into the local economy and minimise leakages
3. build on and complement existing livelihood strategies
4. the poor are vulnerable - avoid over dependence and risk associated with debt and excessive competition
5. evaluate tourism initiatives for their contribution to poverty reduction and local economic development not just the increase in international arrivals.
6. scalability and replication are key issues
Dependent on a thriving destination

- Small and poor producers are unlikely to have a product or service, or control an attraction, which will bring a flow of international or even domestic tourists to their place.

- Small producers are best able to provide goods and services to tourists, international and domestic, who are already in their area.

Supply and Demand
Realising the Opportunity

- Whole Government Policy and Action
- Strong Private sector engagement – any kind of tourism can be used to benefit the poor
- Encourage tourists to spend money on locally produced crafts & art, performance, to eat local foods and try local drinks.
- Build on existing livelihood strategies.
- Multi-stakeholder partnerships
The realisation of benefits depends on

- the creation of employment at all skill levels and where there is existing capacity – wage/progression/additional
- the extent of linkages to existing local economy - maximise linkages and minimise leakages.
- the extent of local/non-local ownership of tourist enterprises - small scale and low risk.
Mainstreaming

- Tourism is a business opportunity
- Scale
- Sustainability
- Routine engagement with the issue
- Multi-stakeholder partnerships
- Changing the way tourism development and business is done.
5 Practical Strategies

- Employment
- Sales to tourism businesses (supply chain)
- Sales to tourists
- Philanthropy
- Infrastructure Gain
- Levies and revenue shares
The Gambia

- Economically poor destination.
- Its major tourism assets are the people and their culture and sunshine.
- Association of Small Scale Enterprises in Tourism (ASSET)
- Market Access and Product Development for the informal sector.
Kotu Beach Fruit sellers

2001/2002 earnings increased 50-60%
Juice Pressers

- Registered association
  - Badging
  - Self-regulation overseen by GTA
  - Fixed prices and no hassling

- Income more than doubled 2001-2002
- Require access to clean water and toilet facilities
Craft Markets

- Reduce Hassle through codes of conduct.
- Demonstrations of craft working
- New products
- Labelling and interpretation
- Tailor made to order
Free market days

- Change in atmosphere on the beach
- More use by hotel guests
- Three fold increase in revenues at Kotu Beach and 43 new “jobs”
- Incomes doubled at Senegambia
6. Measuring the Results

- Measurement
  - Demonstrates benefits
  - Focuses the implementation on the target beneficiaries
  - Ensures that the implementers are accountable to the funders and the communities
Revenue from Coffee Tours and Campsite, 2005 – investment ± $30,000

<table>
<thead>
<tr>
<th>Month</th>
<th>Group</th>
<th>Campsite</th>
<th>Coffee tour</th>
<th>Lunch</th>
<th>Total Sales USD</th>
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<tr>
<td>June</td>
<td>s 3</td>
<td>0</td>
<td>47</td>
<td>12</td>
<td>553</td>
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<tr>
<td>July</td>
<td>12</td>
<td>70</td>
<td>183</td>
<td>64</td>
<td>2,484</td>
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<tr>
<td>August</td>
<td>10</td>
<td>102</td>
<td>164</td>
<td>46</td>
<td>2,264</td>
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<tr>
<td>September</td>
<td>10</td>
<td>81</td>
<td>154</td>
<td>59</td>
<td>2,131</td>
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<tr>
<td>October</td>
<td>11</td>
<td>97</td>
<td>154</td>
<td>44</td>
<td>2,025</td>
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<tr>
<td>November</td>
<td>2</td>
<td>31</td>
<td>30</td>
<td>0</td>
<td>417</td>
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<tr>
<td>December</td>
<td>4</td>
<td>52</td>
<td>52</td>
<td>8</td>
<td>752</td>
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<tr>
<td>Totals</td>
<td>52</td>
<td>433</td>
<td>784</td>
<td>233</td>
<td>10,62</td>
</tr>
</tbody>
</table>
### Tanzania – revenues & distribution

**Distribution of Revenues June – December 2005**

<table>
<thead>
<tr>
<th></th>
<th>Total Earnings USD</th>
<th>%</th>
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<tbody>
<tr>
<td><strong>Total Earnings</strong></td>
<td>10,626</td>
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<tr>
<td><strong>Coffee Co-operative Office,</strong></td>
<td>2383</td>
<td>22</td>
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<tr>
<td><strong>Community Development Fund</strong></td>
<td>3685</td>
<td>35</td>
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<tr>
<td><strong>Individual Earnings</strong></td>
<td>2889</td>
<td>24</td>
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<tr>
<td><strong>Total distributed</strong></td>
<td>8956</td>
<td>84</td>
</tr>
<tr>
<td><strong>Retained undistributed</strong></td>
<td>1670</td>
<td>16</td>
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</table>
Tanzania – monitoring and reporting impacts at individual and household level

Estimation of net income in USD accruing to individuals by group

<table>
<thead>
<tr>
<th></th>
<th>Beneficiaries</th>
<th>net earnings/individual</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>Tour Guides</td>
<td>6</td>
<td>130</td>
<td>780</td>
</tr>
<tr>
<td>Food Preparation</td>
<td>12</td>
<td>28</td>
<td>336</td>
</tr>
<tr>
<td>Cleaning</td>
<td>2</td>
<td>60</td>
<td>120</td>
</tr>
<tr>
<td>Campsite Office</td>
<td>1</td>
<td>72</td>
<td>72</td>
</tr>
<tr>
<td>Security</td>
<td>3</td>
<td>73</td>
<td>219</td>
</tr>
<tr>
<td>Chairman</td>
<td>1</td>
<td>143</td>
<td>143</td>
</tr>
<tr>
<td>Farmers for visits to</td>
<td>100</td>
<td>3</td>
<td>300</td>
</tr>
<tr>
<td>their land</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>125</strong></td>
<td></td>
<td><strong>1970</strong></td>
</tr>
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</table>
Cost Benefit

- Community perspective, small investment in training and use of communal land
- Return on investment
  - 1/3 of “costs” earned back in first 6 months
Cash in the pockets of British tourists departing The Gambia in 2001 Bah & Goodwin

Spending Money Being Taken Home

% of British Tourists

Unspent Money

- £1-10
- £11-50
- £51-100
- £101-200
- £201-500
- £500+

0.00%
5.00%
10.00%
15.00%
20.00%
25.00%
30.00%
35.00%
40.00%
45.00%
50.00%
Development Impacts: increased incomes.

- Fruit sellers: 50-60%
- Juice Pressers: 120%
- Guides: 18-30%
- Kotu Beach Craft Market: 300% and 43 new jobs.
- 60,000 British tourists spend £8.30/day in the informal sector - £5m / year
Master Plan Research 2005

- Confirmed £26 per tourist day in country expenditure
- Av length of stay 10.8 days => £280 per tourist
- Total expenditure £280 x 90,000 £25.2m
- Assume 1/3 is pro-poor £8.4m
Too little progress

- We know what can be done
- We know a good deal about how to do it
- We know how to measure it and to identify good practice
- Paid too little attention market and commercial sustainability
Further Information

- www.icrtourism.org
- www.haroldgoodwin.info/publications.html
- www.responsibletourismpartnership.org
- www.pptpartnership.org
- www.propoortourism.org.uk

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