

PRO-POOR TOURISM: PUTTING POVERTY AT THE HEART OF THE TOURISM AGENDA

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This paper examines how tourism affects the livelihoods of the poor and how positive impacts can be enhanced. In doing so, it assesses the relevance of tourism to the poverty agenda, and the factors that encourage or constrain economic participation of the poor in the industry. In conclusion it outlines strategies for promoting pro-poor tourism – PPT.

Policy conclusions

- Tourism development has not, to date, incorporated poverty elimination objectives. It remains driven by economic, environmental and/or cultural perspectives at national and international levels.
- Given the massive impact that tourism has on many of the world's poor, how and how far pro-poor tourism can be promoted needs to become a central issue.
- The poverty impacts of tourism include a wide range of impacts on livelihoods of the poor – not just jobs or incomes – with differential costs and benefits.
- Participation by the poor in tourism, and the benefits they gain, depends on a range of critical factors including the type of tourism, planning regulations, land tenure, market context, and access to capital and training. Many of these can be influenced by changes in policy or external support.
- There is plenty of unexploited scope for adapting tourism interventions to enhance livelihood benefits to the poor from tourism.
- PPT strategies must be commercially realistic. Although the private sector cannot be expected to prioritise poverty objectives, it must be included in the process of developing PPT.

Introduction: Putting poverty at the heart of the tourism agenda

Lack of focus on poverty within the tourism agenda

The International Development Target of halving the proportion of people living in extreme poverty by 2015 has been widely adopted. A number of prominent development agencies, including the UK's Department for International Development (DFID), are developing sustainable livelihoods approaches in response to these targets.

In the tourism sector, national governments and donors have generally aimed to promote private sector investment, macro-economic growth and foreign exchange earnings, without specifically taking the needs and opportunities of the poor into account in tourism development (i.e. what we term here 'pro-poor tourism'). Donor-supported tourism master plans focus on creating infrastructure, stimulating private investment and attracting international tourists. Investors are often international companies and local élites, whose profits are generally repatriated abroad or to metropolitan centres. Links with the local economy are often weak, with the possible exception of employment.

Since the mid-1980s, interest in 'green' tourism, eco-tourism and community tourism has grown rapidly among decision-makers, practitioners and advocates. All of these focus on the need to ensure that tourism does not erode the environmental and cultural base on which it depends. But these generally do not consider the full range of impacts on the livelihoods of the poor.

The current challenge for governments and donors in tourism development is to respond to changes in broader development thinking, by developing strategies to enhance impacts of tourism on the poor. Recent research in India, Indonesia, Namibia, Nepal, the Philippines, Uganda, Zambia and Zimbabwe helps to shed light on the issues involved.

Can tourism really be pro-poor?

Tourism is a complex industry driven by the private sector, and often by large international companies. Governments

have relatively few instruments to influence this sector, particularly in developing countries where fiscal and planning instruments for capturing non-commercial benefits are generally weak.

Nevertheless, as a sector for pro-poor economic growth, tourism has several advantages:

- The consumer comes to the destination, thereby providing opportunities for selling additional goods and services.
- Tourism is an important opportunity to diversify local economies. It can develop in poor and marginal areas with few other export and diversification options. Remote

Box 1 Significance of tourism in poor countries

In 1997 developing countries received 30.5% of world international tourist arrivals, compared with 24% in 1988 (WTO, 1998). International tourism is significant (over 2% of GDP or 5% of exports) or growing (i.e. by at least 50% in 1990–7) in almost half of the 48 low income countries, and in virtually all the 53 low income and middle income countries. Among the 12 countries that are home to 80% of the world's poor, tourism is significant or growing in all but one.

Problems of definition

These statistics only cover some economic aspects of international tourism. Macro-economic data generally only capture arrivals and foreign exchange receipts associated with international tourism. There are two problems with this:

- They do not capture domestic tourism, nor do they disaggregate regional tourism, both of which are significant and growing in Asia, Africa and South America, and often important markets for the poor.
- Foreign exchange receipts do not accurately reflect the economic contribution of tourism. In addition to 'core' services of accommodation and transport, the tourism-related economy also involves food and drinks, supplies to hotels, local transport and attractions, guiding, handicrafts and souvenirs. Tourism-related services are particularly important for expanding participation by the poor.

areas particularly attract tourists because of their high cultural, wildlife and landscape value.

- It offers labour-intensive and small-scale opportunities compared with other non-agricultural activities (Deloitte and Touche, 1999), employs a high proportion of women (UNED, 1999), and values natural resources and culture, which may feature among the few assets belonging to the poor.

However, the poorest may gain few direct benefits from tourism while bearing many of the costs. It is important to mitigate those costs, while maximising the benefits to the fairly poor (e.g. casual workers and the semi-skilled). Strategies for promoting PPT are emerging, suggesting that there is potential for much more to be done. In the past, the search for market niches (e.g. community tourism, eco-tourism) has been dominant. Strategies to enhance net benefits to the poor need to be developed across the whole industry, drawing on a range of expertise in pro-poor growth.

What factors influence economic participation by the poor in tourism?

Benefits to the poor from tourism depend on whether and how they can participate economically in the industry – though the non-economic impacts discussed below must also be considered. A wide range of factors ranging from the local (assets, gender, livelihood strategies) to the policy environment (tenure, regulations) and commercial context (market segments) influence their participation, and all embody constraints which can be reduced.

Human and financial capital of the poor

Particularly important skills in tourism include language, and an understanding of tourist expectations. Training for small-scale tourism often has to begin with ‘what is a tourist?’, because being a tourist is such an alien experience for the poor. Financial capital is critical for the poor to be able to expand informal sector activities within tourism. Poor entrepreneurs have generated their own capital over time, by starting small and reinvesting profits over several years. However, they may be squeezed out if outside investors drive rapid growth in the industry – as occurred at Boracay Island in the Philippines (Shah, 2000).

Social capital and organisational strength

Where the poor have access to dynamic and flexible forms of social capital, the potential for participation may be greater. For example, in Bali, most restaurants are managed either by families or *Sekaha* – voluntary associations with clear

principles for division of work and revenue. This system is also used for car and bicycle rentals, running minibuses and restaurants. Rooms for tourists have been added to traditional homes. At Indonesia’s Bromo Tengger Semeru National Park, activities such as horse and jeep rides are organised through associations which ensure a fair share of the market to all their members (Shah, 2000).

However, in Upper Mustang region in Nepal, it is outside interests that are organised. The tour agencies association, TANA, has helped to frame rules which prevent independent travellers, thus reducing opportunities for local entrepreneurs (Shah, 2000).

Gender

The percentage of tourism jobs filled by women varies from over 60% in some countries such as Bolivia, to under 10% in some Muslim countries (UNED, 1999). The service nature of the industry and high proportion of low-skill domestic-type jobs increase accessibility to women. Often women are most involved in informal sector activities, particularly hawking (Shah, 2000).

Fit with existing livelihood strategies and aspirations

Tourism is generally an *additional* diversification option for the poor, not a substitute for their core activities. Whether tourism clashes with or complements the seasonality of agriculture, livestock management or fisheries is often a key issue. But risks also have to be low.

Table 1 shows many ways in which tourism affects other rural activities in Namibia: analysis of these by local residents influenced their choice of tourism activities, in some cases leading to smaller-scale options with fewer trade-offs and less risk. By avoiding forms of involvement in the industry which require capital investment and choosing forms which complement existing livelihood strategies, the poor can maximise their returns.

Aspirations to participate in tourism are often high among local residents. Employment in the tourism trade is often regarded as a ‘good job,’ though the preferred forms of participation vary between households. Achieving these aspirations requires a good fit between the types of service which tourists demand and those which local people are willing to provide.

Location

Tourism will only thrive where there are sufficient quality products (landscapes, wildlife, heritage sites, recreational facilities, etc.), infrastructure and commercial services to attract

Table 1 How tourism supports or conflicts with other livelihood activities in Namibia

Livelihood activities	Conflicts between tourism and current activities	Complementarities between tourism and other activities
Livestock	Competition for water and grazing Exclusion of livestock from core wildlife areas Litter and environmental damage harm livestock Can increase tension and decrease cooperation with neighbours	Cash for investing in herds Jobs near farm so tourism worker can continue as farmer Cash in dry years limits livestock de-stocking Can boost community management of RNR, including grazing
Agriculture (crops)	Competition for time Crop damage by wildlife (elephants)	Cash for investment
RNR harvesting	Competition for time Lost access for harvesting in exclusive tourism areas	Can boost community management of RNR
Employment Small enterprise		Transferable skills Market expansion
Livelihood strategies		
Cope with drought	Lost access to grazing and bush foods	Income continues in drought
Diversify		Additional livelihood opportunity
Minimise risk	Risky investment	
Maintain liquidity and flexibility	Earnings lagged High initial investment	
<i>Source: Ashley, (2000)</i>		RNR = renewable natural resources

Box 2 Leakages and linkages

On average, around 55% of tourism expenditure remains outside the destination country, rising to 75% in specific cases such as the Gambia and Commonwealth Caribbean (DBSA), but as little as 25% for large economies such as India. Leakage occurs due to use of imported skilled labour and luxury products, repatriation of profits by owners, and the considerable role of marketing, transport and other services based in the originating country. What is important from a poverty perspective is not simply how much stays in the country, but how much is within the destination and spent on goods and services of the poor.

tourists. PPT cannot be developed without latching onto an existing tourism product or transit market. Opportunities for the poor to migrate to tourism areas will be affected by many factors including bureaucracy, transport, and social networks.

Land ownership and tenure

Where land is privately owned from the start, local residents are less likely to be forced out, but often sell up early in tourism development to outside speculators. As a result, they may end up as workers in the industry, but not owners or decision-makers.

Tenure over land and natural resources can give the poor market power, and enable them to negotiate and secure benefits from tourism. Tenure may be over land, wildlife, or other tourism assets, but it needs to include rights of exclusion, so that access can be charged for. At Mahenye in Zimbabwe's southeast lowveld, the local community has gained significantly from a lease agreement for two lodges. This was only possible because the community and local authority controlled the lease rights, the local council used its power to support community interests, and the CAMPFIRE programme provided a supportive policy context. There are many other examples where a few private entrepreneurs exclude local people in order to gain key assets, often through unauthorised land-grabbing. For example, Sabang is the gateway town for St Paul's National Park in the Philippines, and 20–30 years ago contained much public land, almost all of which has now been privately exploited. The local authority lacks effective power to prevent breaches of planning regulations.

Planning gain

Where the poor lack rights to negotiate directly with tourism companies, government authorities can promote their interests. For instance, control over planning approval can be used to require or encourage investors' commitments to benefiting local communities. Within South Africa's Strategic Development Initiative, investors' plans for boosting local development are one criterion for selecting between bids for tourism concessions (Koch et al., 1998). This approach can only work where local authorities have effective power and desirable tourist assets.

Regulations and bureaucracy

Tourism regulations covering tourist activities, qualifications of workers, or service standards are often geared to the more formal sector enterprises and may impinge most on those lacking contacts and capital.

Near Sa Pa in Vietnam and in Upper Mustang in Nepal, regulations ostensibly designed to protect ethnic minorities from socio-cultural intrusion have also prevented them from participating in and benefiting from tourism (Shah, 2000). However, in Namibia, accommodation classifications that excluded very basic but clean campsites and homestays are being revised, as are guide training systems that were suitable only for those with English, formal education and access to the capital city. As in many other countries, there is a strong case for 'local guide' registration systems.

Box 3 How does participation by the poor differ by market segment?

Domestic or regional tourists are particularly important clients for self-employed sellers and owners of small establishments (the skilled poor and not-so-poor). Studies in Yogyakarta (Indonesia) and elsewhere in South East Asia show that domestic and other Asian tourists tend to buy more from local vendors than Western tourists (Shah, 2000).

Budget and independent tourists, particularly backpackers are also more likely than luxury tourists to use the cheaper guest houses, home-stays, transport and eating services provided by local people. They tend to stay longer at a destination than group tourists and interact more with the local economy, but spend less per day, often bargaining hard over prices.

Nature-based tourism (including 'eco-tourism') does not necessarily provide more opportunities for the poor than 'mass tourism'. Nature tourism does offer four advantages: it takes place in less developed areas, often involves smaller operators with more local commitment, has a higher proportion of independent travellers, and if marketed as 'eco-tourism' may stimulate consumer pressure for socio-economic benefits. But it remains a niche in the market, can be heavily dependent on imports, and can spread disruption to less developed areas.

Mass tourism is highly competitive, and usually dominated by large suppliers who have little destination commitment, and are unlikely to use local suppliers. But it generates jobs and negative impacts may not spread beyond immediate localities. More knowledge is needed on how local economic opportunities can be expanded and negative impacts minimised in the mass tourism segment, given its size.

Cruises and all-inclusives are rapidly growing segments, but likely to generate few economic linkages. The Gambian Government has recently decided to ban 'all-inclusives' in response to local demands.

The informal sector is where opportunities for small-scale enterprise or labour by the poor are maximised. For example, at Bai Chay, Ha Long Bay in Vietnam, almost a dozen local families run private hotels, but local involvement in tourism spreads far beyond this, to an estimated 70–80% of the population. Apart from those with jobs in the hotels and restaurants, local women share the running of six noodle stalls, many women and children are ambulant vendors, and anyone with a boat or motorbike hires them out to tourists. However, the informal sector is often neglected by planners.

Access to the tourist market

Tourists often stay in accommodation that is owned by outsiders and local élites, and spend time at attractions from which local poor people – for instance, suppliers of goods and services – are excluded. Access to the tourism market is most constrained where 'enclave tourism' and all-inclusive packages develop. Often the only option for local people then is hawking, either at the enclave entry and exit points or at roadsides. Organised markets, particularly at prime sites, can greatly facilitate local sales to tourists. For example, women craft-sellers have sites within some parks in KwaZulu Natal (South Africa), while at Gonarezhou National Park in Zimbabwe, one of the demands of local communities is for a market at the Park entrance.

Linkages between the formal sector and local suppliers

Formal sector tourism enterprises can provide a market for the labour and products of the poor. But often labour and luxury goods are imported from outside the locality (Box 2). There is some evidence that where the local élite, rather than external élite, own formal sector enterprises, they are more likely to use local suppliers (Shah, 2000).

Tourism segment and type of tourist

Community tourism is often thought of as the main avenue for the poor to participate in tourism (for example through community run lodges, campsites or craft centres, which are often supported by NGOs). However, poor individuals engage

in all types of tourism through self-employment (e.g. hawking, or small enterprise) and casual labour. There is a lack of data on how participation of the poor varies by market segment, but emerging trends indicate the importance of domestic/regional tourism, the need to assess participation of the poor in mass tourism, and the vital role of the informal sector in any segment (see Box 3).

How does tourism impact on the livelihoods of the poor?

Assessing the livelihood impacts of tourism is not simply a matter of counting jobs or wage income. Participatory poverty assessments demonstrate great variety in the priorities of the poor and factors affecting livelihood security and sustainability. Tourism can affect many of these, positively and negatively, often indirectly (Elliott et al., forthcoming). It is important to assess these impacts and their distribution.

Economic impacts

Tourism can generate four different types of local cash income generally involving four distinct categories of people:

- Wages from formal employment.
- Earnings from selling goods, services, or casual labour (e.g. food, crafts, building materials, guide services).
- Dividends and profits arising from locally-owned enterprises.
- Collective income: this may include profits from a community-run enterprise, dividends from a private sector partnership and land rental paid by an investor.

Waged employment can be sufficient to lift a household from insecure to secure, but may only be available to a minority, and not the poor. Casual earnings per person may be very small, but much more widely spread (Ashley, 2000; Shah, 2000), and may be enough, for instance, to cover school fees for one or more children. Guiding work, although casual, is often high status and relatively well paid. There are few examples of successful and sustainable collective income from tourism. Cases from Kenya and Namibia illustrate that it can match wage income in scale, can in principle benefit all residents, is often particularly significant for communities who

Box 4 Tourism affects livelihoods by changing access to assets

In several cases, tourism's impact on people's access to natural resources or physical infrastructure has been identified as the most important benefit or concern.

For example, Il Ngwesi lodge in Kenya was developed by members of Il Ngwesi group ranch (a registered group of around 500 pastoral households with collective tenure rights over their land). A recent participatory assessment of livelihood impacts revealed that impacts on natural capital, particularly grazing resources, and access to physical infrastructure are more important to most members than the nearly 50 new jobs. The wildlife/wilderness area around the lodge provides emergency drought grazing. The lodge's physical presence, radio, and vehicle help to keep others out and provide emergency access to a hospital, which was previously lacking.

However, there are more numerous examples where local residents lose access to local natural resources. For example on Boracay Island in the Philippines, one quarter of the island has been bought by outside corporations, generating a crisis in water supply and only limited infrastructure benefits for residents. Similarly in Bali, Indonesia, prime agricultural land and water supplies have been diverted for large hotels and golf courses while at Pangandaran (Java, Indonesia) village beach land, traditionally used for grazing, repairing boats and nets, and festivals, was sold to entrepreneurs for a five-star hotel (Shah, 2000).

do not have other options to earn collective income, but can be problematic to manage (Elliott et al., forthcoming; Ashley, 2000).

Negative economic impacts include inflation, dominance by outsiders in land markets and in-migration which erodes economic opportunities for the local poor (Shah, 2000).

Impacts on assets and other activities of the poor

Tourism development can change poor people's access to assets and to related livelihood options (see Box 4). On the positive side, it can generate funds for investment in health, education and other assets, provide infrastructure, stimulate development of social capital, strengthen sustainable management of natural resources, and create a demand for improved assets (especially education). On the negative side,

Table 2 Potential positive and negative impacts of tourism on aspects of livelihoods

Tourism affects	Possible positive impacts	Possible negative effects
Livelihood goals	<i>Tourism can support livelihood goals such as economic security, cultural life, health</i> E.g. by increasing cash income of workers/entrepreneurs, contributing to cultural restoration, catalysing improvements in hygiene.	<i>Tourism can undermine economic security, self-determination and health</i> E.g. by creating dependency on a volatile industry among workers, creating local inflation, disempowering residents from decision-making, exacerbating spread of disease.
Livelihood activities	<i>Expand economic options</i> E.g. by creating employment and small business options for the unskilled and semi-skilled, or by complementing other activities, e.g. earnings in agricultural lean season; development of transferable skills.	<i>Conflict with other activities</i> E.g. constrain fishing, gathering, or agriculture if land and natural resources are taken away; clash with busy agricultural seasons; increase wildlife damage to crops and livestock.
Capital assets	<i>Build up assets (natural, physical, financial, human, and social)</i> E.g. enhanced physical assets, if earnings are invested in productive capital; enhanced natural capital, if sustainability of natural resource management is improved.	<i>Erode assets</i> E.g. lost access to natural assets if local people are excluded from tourism areas; erode social capital if conflict over tourism undermines social and reciprocal relations; over-burdening of physical infrastructure (sewage, water supply).
Policy and institutional environment	<i>Improve the context or residents' ability to influence it</i> E.g. by expanding local markets, focusing policy-makers' attention on marginal areas. Participation in tourism planning and enterprise can give residents new status, information and skills to deal with outsiders.	<i>Exacerbate policy constraints</i> E.g. diverting policy-makers' attention, resources and infrastructure investment to prioritise tourism over other local activities. Improved transport access and markets can undermine local production.
Long-term livelihood priorities	<i>'Fit' with people's underlying long-term priorities</i> E.g. to diversify against risk, or build buffers against drought, by developing an additional source of income which continues in drought years.	<i>Create or exacerbate threats to long-term security</i> E.g. physical threats from more aggressive wild animals due to disturbance by tourists; economic vulnerability can be exacerbated due to dependence on volatile tourism.

Adapted from Ashley and Roe, (1998); Ashley, (2000); Elliott, (forthcoming)

tourism can reduce local access to natural resources, draw heavily upon local infrastructure, and disrupt social networks.

Social impacts

Local residents often highlight the way tourism affects other livelihood goals – whether positively or negatively – such as cultural pride, a sense of control, good health, and reduced vulnerability. Socio-cultural intrusion by tourists is often cited as a negative impact. Certainly sexual exploitation particularly affects the poorest women, girls and young men. The poor themselves may view other types of cultural change as positive. Tourism can also increase the value attributed to minority cultures by national policy-makers. Overall, the cultural impacts of tourism are hard to disentangle from wider processes of development.

The overall balance of positive and negative livelihood impacts will vary enormously between situations, among people and over time, and on the extent to which local priorities are able to influence the planning process. A key principle is to consider the many ways in which tourism affects different components of livelihoods, and a 'sustainable livelihoods framework' (Carney, (ed) 1998) helps to provide a checklist (Table 2).

Taking distribution of livelihood impacts into account

The poor are far from a homogenous group. The range of impacts outlined above will inevitably be distributed unevenly among poor groups, reflecting different patterns of assets, activities, opportunities and choices. The most substantial benefits, particularly jobs, may be concentrated among few. Net benefits are likely to be smallest, or negative, for the poorest. A review of 24 case studies in Asia indicates economic gains for all sections of the community, but with those already better off gaining most (Shah, 2000).

Impacts differ between men and women. Women can be the first to suffer from loss of natural resources (e.g. access to fuelwood) and cultural/sexual exploitation, but may benefit most from physical infrastructure improvements (e.g. piped water or a grinding mill) where this is a by-product of tourism.

Where a local elite does not exist, migrants may move in

to exploit new opportunities. The poverty impact of this depends on whether migrants are poorer groups, more willing to work for lower returns to escape desperate conditions elsewhere, or skilled entrepreneurs seizing new opportunities before local skills have a chance to develop.

Policy implications: What strategies enhance the poverty impacts of tourism?

Despite innumerable case studies of tourism development, there is relatively little assessment of practical experience in strategies to make tourism more pro-poor. Nevertheless, lessons can be drawn from a wealth of small initiatives (many from 'community tourism' or 'conservation and development' programmes), supplemented by expanding knowledge on 'pro-poor growth strategies' (among poverty experts). Building on the analysis above of issues affecting participation and impacts, several policy implications clearly emerge.

Strategies

1. Put poverty issues on the tourism agenda

A first step is to recognise that enhancing poverty impacts of tourism is different from commercial, environmental, or ethical concerns. PPT can be incorporated as an additional objective, but this requires pro-active and strategic intervention. There may well be trade-offs to make – for example between attracting all-inclusive operators and maximising informal sector opportunities, or between faster growth through outside investment, and slower growth building on local capacity. But at least the trade-offs should be addressed.

2. Enhance economic opportunities and a wide range of impacts

On the evidence above, two approaches need to be combined:

- Expand poor people's economic participation by addressing the barriers they face, and maximising a wide range of employment, self-employment and informal sector opportunities (see proposed actions in Table 3).
- Incorporate wider concerns of the poor into decision-making. Reducing competition for natural resources, minimising trade-offs with other livelihood activities, using tourism to create physical infrastructure that benefits

Table 3 Actions to enhance economic participation of the poor in tourism enterprise

Barriers to participation of the poor in tourism	Actions that can reduce barriers
Lack of human capital	Education and training targeted at the poor, (particularly women) to enable up take of employment and self-employment opportunities.
Lack of finance, credit	Expand access to micro-finance. Gradual pace of tourism development; avoiding crash development relying on outside investment.
Lack of organisation. Exclusion by organised formal sector interests	Recognise and support organisations of poor producers. Recognise organised tourism interests as just one voice to be heard among others.
Location – far from tourism sites	Develop core tourism assets and infrastructure in relatively poor areas – where a commercially viable product exists.
Lack of market power. No ownership/control over resources of market value. No bargaining power with investors	Strengthen local tenure rights over land, wildlife, cultural heritage, access to scenic destinations, and other tourism assets. Use planning gain to encourage potential investors to develop their own strategies for enhancing local impacts for the poor.
Regulations and red tape. Exclusion from registered and promoted categories of tourism facility/service	Minimise red tape, revise or remove regulations that exclude the least skilled, ensure necessary tourism regulations embrace sectors and activities operated by the poor with appropriate standards and processes.
Inadequate access to tourist market	Enhance vendors' access to tourists through, e.g. siting resorts near public access routes and vice versa, supporting organised markets for informal and small-scale sellers in towns or adjacent to national parks.
Limited capacity to meet requirements of tourism market	Business support to improve quality, reliability of supply, transport links.
Under-development of domestic/regional/independent tourism by comparison with international tourism and all-inclusives	Incorporate domestic/regional tourism and independent tourism into planning strategies. Avoid excessive focus on international all-inclusives.
Government support targeted to formal sector	Recognise the importance of the informal sector; support it in planning processes
New tourism opportunities conflict with existing livelihood strategies	Avoid promoting only full-time jobs. Expand range of options for flexible, part-time involvement. Enhance local control over types of tourism developments.

the poor and addressing cultural disruption will often be particularly important.

3. *A multi-level approach*

Pro-poor interventions can and should be taken at three different levels:

- Destination level – this is where pro-active practical partnerships can be developed between operators, residents, NGOs, and local authorities, to maximise benefits.
- National policy level – policy reform may be needed on a range of tourism issues (planning, licensing, training) and non-tourism issues (land tenure, business incentives, infrastructure, land-use planning).
- International level – to encourage responsible consumer and business behaviour, and to enhance commercial codes of conduct.

4. *Work through partnerships, including business*

National and local governments, private enterprises, industry associations, NGOs, community organisations, consumers, and donors all have a role to play. It is particularly important to engage businesses, and to ensure that initiatives are commercially realistic and integrated into mainstream operations. Inevitably private operators will be unable to devote substantial time and resources to developing pro-poor actions. NGOs and donors can help in reducing the transaction costs of changing commercial practice – for example, facilitating the training, organisation, and communication that would enable businesses to use more local suppliers.

Changing the attitudes of tourists (at both international and national levels) is also essential if PPT is to be commercially viable and sustainable. Specific actions could include working with the tourism industry to integrate pro-poor approaches into voluntary codes and certification systems, and educating tourists on socio-economic issues. Valuable lessons can be learned from the environmental sphere. However, it is likely to be more difficult to raise interest among industry and consumers in poverty issues, than in environmental issues.

5. *Incorporate PPT approaches into mainstream tourism*

PPT should not just be pursued in niche markets (such as eco-tourism or community tourism). It is just as important that mass tourism is developed in ways that reduce barriers to activities by the poor and take a range of livelihood concerns into account in the planning process. Furthermore, PPT strategies are dependent on the health of the overall industry, so need to be complemented by more conventional support, such as in infrastructure development and marketing.

While avoiding marginalising PPT, it is also important to assess which tourism segments are particularly relevant to the poor. For example, if domestic tourists are important customers, they should not be neglected.

6. *Reform decision-making systems*

It is impossible to prescribe exactly how each tourism enterprise should develop in ways that best fit with livelihoods. The most important principle (Box 5) is therefore to enhance participation by the poor in decision-making. Systems are needed that allow local livelihood priorities to influence tourism development. Three different ways of doing this can be identified:

- i Strengthen rights at local level (e.g. tenure over tourism assets), so that local people have market power and make their own decisions over developments.
- ii Develop more participatory planning.
- iii Use planning gain and other incentives to encourage private investors to enhance local benefits.

These approaches require implementation capacity among

Box 5 Principles underlying PPT

Participation – poor people must participate in tourism decisions if their livelihood priorities are to be reflected in the way tourism is developed.

A holistic livelihoods approach – the range of livelihood concerns of the poor – economic, social, and environmental, short-term and long-term – need to be recognised. Focusing simply on cash or jobs is inadequate.

Distribution – promoting PPT requires some analysis of the distribution of both benefits and costs – and how to influence it.

Flexibility – blue-print approaches are unlikely to maximise benefits to the poor. The pace or scale of development may need to be adapted; appropriate strategies and positive impacts will take time to develop; situations are widely divergent.

Commercial realism – ways to enhance impacts on the poor within the constraints of commercial viability need to be sought.

Learning – as much is untested, learning from experience is essential. PPT also needs to draw on lessons from poverty analysis, environmental management, good governance and small enterprise development.

governmental and non-governmental institutions within the destination, and also require a supportive national policy framework.

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