Pro-Poor Tourism’s Viability In International Development

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Introduction

There is controversy surrounding the place tourism occupies in international development. Tourism is arguably one of the most important industries for job creation and gaining foreign revenues in developing countries (UNDP, 2011). Travel is considered a “household commodity” in the modern world (Ioannides, 1995). Views on tourism development in impoverished countries are very divided. There are scholars who believe tourism to be a great way to diversify the economy and alleviate poverty through new sustainable practices and interventions (Mowforth & Munt, 2009). Others suggest that tourism development causes a dependency on the global market, that it produces more harm than good, and that sustainability is impossible in practice (Schilcher, 2007). Crick (1989, p.315) states:

“Tourism is not a secure growth industry. Not only are there the obvious seasonal fluctuations in arrivals, but the developed economies themselves also go through economic cycles; and during recessions, demand for overseas travel decline. Vacationing is price elastic, and costs are unstable, given the politics of oil marketing. Pricing in general is beyond the control of the destination countries. Tourists are also faddish in their tastes, so the general growth of international tourism does not mean that any particular Third World destination has a secure future.”

Awareness of the many problems and market failures of traditional tourism development led to the concept of Pro-Poor Tourism (PPT). It has gained ground in tourism development literature where it is highly debated. PPT is defined as a way to ensure that tourism receipts benefit the local poor directly, as opposed to traditional tourism practices and to mitigate many of the issues mentioned above.

Tourism is perceived as effective in combating poverty because of its ability to integrate a variety of employment opportunities and to bring the consumers to the producers (Torres & Momsen, 2004). An International Monetary Fund (IMF) study cited
in Arezski, Cherif & Piotrowski, (2009), presented a positive relationship between economic growth and tourism specialization. Foreign direct investment as well as “Policies designed to foster tourism, by improving security, stability, and openness, can also enhance growth in other sectors” (Arezski et al., 2009, p. 4). It has been observed however, that tourism contributes to the widening of the gap between the rich and the poor, as the net benefits of tourism do not ‘trickle down’ to the poor as previously thought. It is not the poor but the local elites who often reap most of the profits (Singh, 2003; Jameison, Goodwin, & Edmunds, 2004). Often by focusing and expanding the tourism industry has resulted in “Dutch disease” (Arezski et al., 2009). Sustainable tourism and community-based tourism have not effectively contributed to poverty alleviation, as they are small in scale and do not connect to the greater tourism industry. (Mowforth & Munt, 2009; Jameison et al., 2004; Harrison, 2008).

Pro-poor tourism breaks the mold according to Harrison, “PPT is not a specific theory or model, and is not tied to any theories or models. It is not reliant on any such perspective as modernisation or underdevelopment, statism or neoliberalism. Rather, it is an orientation, an approach to any form of tourism which focuses on the net benefits accruing to poor people in tourist destination areas” (Harrison, 2008, p. 856). PPT emerged as poverty concerns in the developing world became part of the global agenda in the late 1990’s and gained further momentum due to the establishment of the Millennium Development Goals in 2000. Advocates of PPT believe that if tourism were conducted in

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1 A de-industrialization due to the “expansion of the tourism sector may increase the relative price of non traded goods, crowding out the factors of production at the expense of the traded goods sector, a phenomenon known as ‘Dutch disease’” (Arezski et al., 2009, p.4)
a pro-poor manner, the money generated would help to eradicate poverty and achieve many of the other millennium development goals (United Nations, 2010). PPT differs from the “trickle down” economic theories, popular in the 1970’s that expected regional economic growth to spread and somehow, ultimately trickle down to the poor. PPT requires changing the industry in ways producing direct positive economic and social impacts on the poor. PPT should yield desired outcomes without increasing the overall size of the industry but through an evolution within the scope of status quo (Scheyvens, 2011). Ashley, Roe and Goodwin (2001) note it has been observed that the success of PPT is dependent on a successful pro-poor development that encompasses an entire tourism destination. Equally,

“Pro-poor tourism is defined as tourism that generates net benefits for the poor. Benefits may be economic, but they may also be social, environmental or cultural. The definition says nothing about the relative distribution of the benefits of the tourism. Therefore, as long as poor people reap net benefits, tourism can be classified as ‘pro-poor’ (even if richer people benefit more than poorer people)” (Ashley, Roe, & Goodwin, 2001, p. 2).

It is important to note that the concept of PPT was generated for the developing world and can be applied to all types of tourism, mass, eco, community-based etc. PPT has also been criticized as being “[w]orthy, perhaps, but hardly an inspiring vision of what might be possible” (Butcher, 2005). Or “With a policy bias towards growth, tourism may be rendered marginally ‘more pro-poor’ yet increase inequalities due to disproportionate benefits accruing to the ‘rich’ ” (Schilcher, 2007, p. 179). PPT aims only to increase the net benefits to the poor², not to necessarily decrease the net benefits to the rich.

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Due to PPT’s general definition and approaches, it is not easy to distinguish between a mainstream tourism destination and a PPT destination. The proponents of PPT argue that there is not one single approach to PPT but rather are multiple ways to change business practices of the tourism industry leading to increased net benefits to the poor. Examples include: using local supply chains for food and crafts within hotels as well as investing in local businesses to expand their capacity and provide a transfer of knowledge that will enable them to supply goods and services to the hotels and their guests. Critics of PPT question whether PPT is not just a passing trend to dress up the industry and try to reclaim tourism’s credibility within the development agenda (Scheyvens, 2011).

We live in an increasingly connected world. Azarya (2004, p. 949) eloquently writes that, “Tourism is both a cause and a consequence of globalization.” Due to the increased ease of travel over the last century, there has been a significant rise in the volume of international tourism. In fact, tourism is described as a movement of people, goods and services at the largest scale most likely ever seen (Smith, 1989). Tourists, in their search for authenticity, are continuously looking for novel experiences and stimulating cultural contacts. Impoverished countries seemingly offer the “real,” “rustic,” and “untouched” landscape and culture perceived to have disappeared in the developed world (Smith, 1989). Twelve countries are home to 80% of the world’s poor. All of them with one exception have significant tourism sectors (Tsounta, 2008).³ Tourism figures high on the agenda of 80% of the poverty reduction strategy papers (PRSPs). Tourism receipts amounted to $851 billion (USD) in 2009. Developing countries receive roughly

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³ The percentage of population living under US$ 1 a day for India 53%, China 22%, Bangladesh NA, Kenya 50%, Indonesia 15%, Nepal 53%, Nigeria 29%, Ethiopia 34%, Brazil 29%, Peru 49%, Philippines 28%, Mexico 15%. All of the countries listed either have economically significant travel and tourism sectors or have seen a significant travel and tourism sector growth. The countries listed plus Pakistan, make up 80% of the world’s economic poor (Tsounta, 2008).
30.5% of international travel (Torres & Momsen, 2004). Tourist arrivals in developing countries continue to rise annually (UNDP, 2011). Globally, one person in twelve is directly or indirectly employed by the tourism industry (WTTC, 2012). It is estimated that by 2020 there will be 1.6 billion international tourist arrivals worldwide. “Seventy-five million of these will occur in Africa and 416 million in Asia — the two regions with a great number of least developed countries (LDCs)” (UNDP, 2011, p. 6). The tourism industry is continuously growing and shows no signs of stopping.

All of these statistics make tourism a popular option for development in impoverished nations. Impoverished countries and international agencies are trying to maximize on this global trend and develop tourism as a way to gain foreign exchange and reduce poverty rates. As tourism development is being promoted to help in the reduction of poverty, it is important to understand the relationship between tourism and poverty. This paper aims to examine this relationship and explore whether pro-poor tourism is able to ensure greater benefits to the poor than traditional tourism.

There is an abundance of literature stating the importance of tourism development for poverty reduction and advancing theories on how to achieve poverty reduction goals through tourism. However, the literature dealing with the relationship between tourism and poverty alleviation is based on studies providing insufficient empirical data for drawing valid generalized conclusions. Therefore tourism development designed to alleviate poverty (pro-poor tourism) lacks solid theoretical framework (Jamieson et al., 2004; Ashley & Mitchell, 2008; Zhao & Ritchie, 2007). This paper will attempt to achieve an optimal assessment of the viability of PPT in development with full awareness of the restrictions imposed by the character of the available data.
The theories explaining why tourism development has not created net benefits to the poor suggest barriers for future poverty alleviation such as lack of: capacity to plan, proper legislation, accessibility, marketing, standards, investment, and heritage conservation and protection (UNDP, 2011). The market alone will not produce favorable outcomes. Therefore it is necessary to create interventions to enhance the capacity of impoverished countries (Croes & Vanegas Sr., 2008). Introducing measures promoting and facilitating PPT seems arguably the most suitable form of intervention. While currently, there is no hard evidence that PPT practices are more efficient in alleviating poverty that those of standard tourism, it is essential that this area is more thoroughly researched and the resulting empirically validated best practices are introduced to maximize beneficial effects of tourism on global poverty levels.

The purpose of this master’s research paper is to assess whether PPT is a viable, strategic tool for development. By evaluating traditional tourism’s impact on poverty, I will highlight the market failures in mainstream tourism practices, as well as past industry interventions and their outcomes. I will then discuss the concept of Pro-Poor Tourism (PPT), evaluate the available information and explore whether there is enough empirical data on PPT to generate solid conclusions promoting it as a viable method for development. Finally I will synthesize the capacity of local governments, the role of corporate social responsibility in the private sector, and the abilities of international organizations. Through analyzing major stakeholders in the industry, I will be able to identify the potential and actual efficiency of PPT interventions such as policies, legislation and international assistance. While the paper’s main concern remains PPT’s viability for poverty reduction, it will also address issues such as environmental and
cultural sustainability since they are also important aspects of PPT’s potential success and because of that should be integrated in the PPT agenda.
Chapter 1: Mainstream Tourism and Poverty

Even though some aspects of tourism are debated if not controversial, it is still today being thought of as a panacea to cure the ailments of impoverished country’s economies (Chok et al., 2007; Scheyvens, 2011). While mainstream tourism practices have been successful in bringing in foreign direct investment (FDI), infrastructure, and economic diversification, there is a consensus within the tourism literature that mainstream tourism development had not had a pro-poor focus in the past (Chok et al., 2007; Scheyvens, 2007; Scheyvens, 2011; Schilcher, 2007; Zhao & Ritchie, 2007). “The promise of tourism for developing countries both as a vehicle to gain a competitive advantage and as a vehicle to reduce poverty is often based on its potential impact on growth” (Croes & Vanegas Sr., 2008, p. 94). However, there is insufficient evidence that mainstream tourism practices have been efficient in bringing benefits to the poor (Croes & Vanegas Sr., 2008; Chok et al., 2007). Due to this, the ‘presumed causal link’ between tourism and environmental, socio economic and cultural degradation should also be questioned (Chok et al., 2007, p. 146). “Furthermore, tourism development, as an economic activity, operates within the same socio-political confines as other forms of development that have failed struggling economies” (Chok et al., 2007, p. 146). Scholars have pinpointed theories as to why mainstream tourism has not contributed net benefits to the poor without conclusive evidence. Leakages and high dependency issues are two considerable theories (Ashley & Mitchell, 2008; Ashley, Roe, & Goodwin, 2001; Chok et al., 2007; Overseas Development Institute, 2006; Torres, 2003). This chapter will discuss the history and trends of mainstream tourism. It will highlight the theories examples of
market failures as well as positive contributions in the development of tourism.

**The History of Mainstream Tourism and Poverty**

To understand the development focus of mainstream tourism, it is pertinent to examine the history of mainstream tourism’s relationship to poverty. Poverty alleviation only became a main issue of the development agenda as of the 1990s, after the highly criticized structural readjustment programs (SAP) of the 1970’s and 80’s failed to yield positive outcomes (Scheyvens, 2011). Scheyvens (2011, p. 27) notes,

> “SAPs were driven by the logic that structural reforms could lead poorer countries out of indebtedness and put them on the road to economic recovery. In fact the impacts of SAPs on many societies were extremely harsh due to the requirements such as reductions in government support for domestic industries and requirement of fiscal constraint (particularly, cuts in social spending), meaning poverty was in some cases entrenched.”

In 1961, the Department of Commerce funded the Checchi Report. It used case studies of various Pacific island states to show that tourism could boost the impoverished countries’ economies (Wood, 1979; Mowforth & Munt, 2009). This inspired international institutions such as the World Bank and the United Nations Development Program (UNDP) to provide assistance to tourism development programs (Crick, 1989).

Unfortunately, these programs promoted an unsustainable type of tourism, one that did not accomplish the long lasting economic goals they set out to achieve. The failure of these programs can be attributed to the philosophy behind tourism development initiatives during that time. The initiatives were focused on regional economic growth: poverty alleviation was considered secondary or an expected outcome of that regional growth, not a primary objective. Therefore, the goal was to expand the industry and bring
regional wealth, which in turn was expected to spread the benefits to the poor (Zhao & Ritchie, 2007). Within 20 years, both agencies toned down their tourism initiatives and ultimately dissolved the departments dispensing these programs (Ioannides, 1995; Torres & Momsen, 2004). Due to these past interventions, tourism today is still highly criticized in development literature even though current scholars’ ideas on tourism development are significantly different from those prevalent in the 1970’s.

Theories in Tourism

In theory, the development of a successful tourism sector would help to expand other industries due to a spill over effect, through this spill over, the benefits of the tourism industry would trickle down and reach the poor. However, it has been observed that the spillover effect is contained and there are limited amounts of benefits from the mainstream tourism industry that trickle down to the poor. There have been studies that positively link tourism development to positive macro economic growth. However, the distributional effects on different social groups vary; the poor do not receive the bulk of the benefits (Croes & Vanegas Sr., 2008). The term leakage, can explain why mainstream tourism does not reduce poverty in the trickle-down, spillover manner that was expected in the past (Torres & Momsen, 2004; Meyer, 2007). “Leakage is a term used to describe the percentage of the price of the holiday paid by the tourists that leaves a destination in terms of imports or expatriated profits, or that never reaches the destination in the first instance due to the involvement of northern- based intermediaries” (Meyer, 2007, p. 561). It is expected that a large percentage of profits from a tourist destination is repatriated and does not enter the local economy due to leakages. Leakage percentages are
determined through the calculation of a multiplier effect. The multiplier effect is created when foreign money enters the local economy through tourism spending on goods/services. In theory, the multiplier effect is strengthened each time the money is then re-spent within the local economy until it is spent on a good/service imported from abroad and is no longer circulating in the local economy. It is believed, the more times the currency changes hands, the greater effect it has on the local economy.

The chart below shows a simplified model of multipliers and leakages.

![Diagram from (Meyer, 2007)](image)

The figure above shows the flow of money in the tourism industry. The larger grey circle represents the host economy and the direct, indirect and induced economic impacts caused by tourism spending. The smaller circle represents the external economies that receive a percentage of the flow of the money due to leakages. The more times the flow of money circles within larger circle or the host economy, the greater the multiplier. Some believe that the impact leakages have on the tourist destination are highly
exaggerated (Honeck, 2008; Mitchell & Faal, 2008). Others cite leakages as a main concern, sometimes claiming high percentages (> 50%) of tourism dollars never reaching the host country (Meyer, 2007). They claim that inadequate linkages of local industries to the tourism sector and the use of vertically integrated tour operators are much to blame for the high level of leakages. (UNDP, 2011; Meyer, 2007).

“Leakages tend to be highest when the local destination economy is weak and lacks the quantity and quality of inputs required by the tourism industry and thus appear to be particularly high in small developing countries and island economies, for many of which tourism is the principal export earner” (Meyer, 2007, p. 561)

Small island countries are considered especially vulnerable to high leakages, because they have a weak capacity to provide for tourism needs without importing (Wilson, 2008; Meyer, 2007). If a country imports most or all of their products to support the tourism industry, indirect job creation will not be realized and therefore there will be a limited amount of spill over effects. But, there is a “lack of sound empirical analysis to support [leakage claims]” (Mitchell & Faal, 2008, p. 5). Different scholars at times cite different percentages of leakages for the same county: such discrepancies suggest a lack of a standardized method of collecting and analyzing data (Meyer, 2007). Without a standardized method of collecting data, scholars are unable to thoroughly track (empirically) the success/failure of tourism’s impact on poverty. It also does not allow for comparing different case studies to find commonalities. Problems with gathering adequate data would ultimately affect the ability to judge PPT’s viability in development. Furthermore, every country’s leakage levels and multiplier effects will be different. Making it difficult to suggest an overarching plan to cure leakages and strengthen the multiplier effect in all tourism areas.

While there is a shortage of sound empirical data including specific percentages
and numbers, qualitative data has been recorded. Since the hotels are built for the foreign tourists or the local elite, the standard of the hotels must be a level higher than the local condition of that country. In consequence, materials used for infrastructure usually are imported as well as is most of the food that will be served at the resort. Which in turn weakens the multiplier effect.

“A major problem is the high import content of construction material and equipment and the many consumable goods required to cater to the needs of tourists. It is difficult to bring local suppliers into the supply chain, since the goods required by tourists may not be produced locally, and, when they are, tourists tend to reject them” (Cabezas, 2008, p. 27).

Generally, the higher end hotels are more likely to have a higher import content than their lower end counterparts (Scheyvens, 2011). Money spent within a hotel will be leaked out of the country due to too many imports in the supply chain. Currently, many international hotels use international supply chains for food and will import crafts from other countries citing issues of reliability and quality. This causes less induced impacts. In cases like these, it is usually more expensive and a larger hassle to buy locally than to import especially due to the low import taxes of the neo-liberal programs instated to generate foreign tourism development (Mowforth & Munt, 2009; Cabezas, 2008). While the cost of importing is a problem in wealthy and impoverished countries alike, it becomes especially problematic when a country is dependent on one major sector to generate income for the entire economy.

Mainstream tourism’s all-inclusive nature currently allows for limited opportunities to link to local industries. Large all-inclusive resorts not only need to provide a high standard to their clients, but they also tend to supply everything for their guests. Food, activities, guides are all provided by the services in self-contained resorts.
The tourism industry has been built in a way to ensure monopoly on the goods and services enjoyed by their guests. This makes it difficult for the tourism industry to create indirect jobs in other industries and create a diversification of employment. Outside services from independent tour guides to local restaurants are often unable to maintain independent operations, since everything that is needed is offered within the walls of the hotels. The resorts make life especially hard for such businesses often warning their guests not to use anyone outside the hotel and applying scare tactics to ensure the guest pays the higher fees inside the hotel. The guest will purchase excursions at the hotel or before they even reach the hotel through travel agents instead of using independent local tourism operators. Ultimately, creating a system where local people must be employed by the hotels in order to work in the tourism industry.4

Even though mainstream tourism does not create sufficient indirect job growth, direct tourism employment is sought after to diversify rural economies. It has been suggested that tourism jobs can supplement traditional incomes. As tourism is an industry that is labor intensive, it is expected that tourism will create new job opportunities for low-skilled laborers. While the tourism industry does create jobs and new livelihoods, these jobs are not necessarily sustainable. Observations of the seasonal nature of tourism arrivals as well as the connection between tourism and the state of the economy, present major issues for sustainable livelihoods (Mowforth & Munt, 2009; Meyer, 2007; Torres & Momsen, 2004; Wilson, 2008; Harrison, 2008). International tourists arrivals depend

4 It is important to note that a study conducted in Fiji, showed that foreign owned resorts treated their local staff better than their locally owned counterparts. Whether that is true across multiple countries is unknown, however, it should be a consideration (Scheyvens, 2011).
on the state of the global economy; impoverished countries depending on tourism to
generate a large percentage of employment opportunities and GDP are especially
vulnerable to such fluctuations. Indeed, the tourism industry is labor intensive especially
for low-skilled workers, however it is also associated with high unemployment rates due
to seasonal fluctuations and bumps in the global economy. For example, after the
recession, “International travel declined by 4.3 percent in 2009, and there was an
associated decline of 5.8 percent in international tourism receipts” (Scheyvens, 2011, p. 12). During this time there were massive employment cuts, which generally affected the
most, ‘lower-skilled,’ ‘socially weaker’ workers (Chok et al., 2007). In regions where
tourism is highly relied upon, the effects were greater (Scheyvens, 2011). The example of
the impact of a global recession, demonstrates the dependency of the tourism industry on
the global market. Furthermore, the tourism industry is also known for “poor labor
standards and weak regulatory frameworks” (Chok et al., 2007, p. 157). Not to mention
the type of labor created does not have a transfer of knowledge and the low-level service
jobs created by tourism further the argument that tourism is a new form of colonization
(Dogan, 1989). Even though tourism development does have a high level of job creation,
it also is associated with job insecurity, and poor labor regulation that would deter
progress in poverty reduction.

A country considering expanding their tourism industry for economic benefits
must understand how competitive the tourism industry is. The competitive nature of the
tourism industry is a large obstacle to mainstream tourism’s ability to alleviate poverty
(Chok et al., 2007). Cost-cutting measures to stay competitive can mean a reduction of
wages and/or benefits or lay-offs. (Chok et al., 2007). Furthermore, the high competitive
nature of the tourism industry affects the positive economic impact tourism can have on the poor. Tourists are price driven to a high degree especially when planning a vacation in the Caribbean (Tsounta, 2008). Host countries in that region must undercut competing destinations in order to stay relevant in tourists’ vacation searches. Because the tourism industry is highly competitive, tourist destinations in impoverished nations must use mainstream tourism intermediaries in order to attract foreign tourists. A sun sand and sea (SSS) destination, must compete with all other SSS destinations on the same website. The amount of competition reduces the foreign currency entering the host country and also affects the bottom line of the destination. “Because of their lack of technological development and capital, small nation-states cannot eliminate these powerful intermediaries and deal with tourists directly” (Cabezas, 2008, p. 27). This creates the type of leakage where the money spent does not even enter the tourism destination at all. “Indeed, given the nature of inclusive package holidays where payment for airfares, accommodation, food, and services is made in advance, much foreign exchange does not even reach the destination country” (Crick, 1989). The issue of intermediaries taking the bulk of financial gain must be addressed, especially if the main reason why tourism is promoted as a development took away its ability to generate foreign currency. As tourism continues to expand, the more each destination will have to compete. However, there is a delicate balance to maintain, because without these intermediaries, many destinations would not be able to be marketed to consumers.

Tourism development is known for its non-monetary gains (Jameison et al., 2004). Indeed in areas of high tourism development, new roads are built to accommodate the influx of northerners; sewage drainage systems can also be built, along with hospitals
and other infrastructure. However, it is the wealthy who decide where and which
communities the infrastructure will benefit (Chok et al., 2007). The infrastructure is built
because the majority of mass-tourists from developed nations expect the same types of
accommodations that they would have in their own countries. Including hot water, in-
door plumbing, air conditioning, paved roads and more. Conrad Hilton is famous for his
slogan: "Each of our hotels is a little America." Large multinational hotel chains such as
Hilton have a standard that their hotels must maintain. Therefore, the infrastructure is
built for the tourist, not the locals. Locals may benefit from some of the infrastructure
projects, however, often government money is siphoned to tourism developments,
pushing aside building infrastructure for the local population to cater to wealthy visitors
(Scheyvens, 2011).

Along with infrastructure, resources are also siphoned to tourists. Without proper
consideration for the local resources to accommodate the influx of foreign tourists, the
host countries experience unprecedented environmental and social issues. An example of
this is fresh water usage. On many small islands or during the dry season that usually
coincides with peak tourism season in many destinations, there is often a shortage of
water. Due to water intensive infrastructure such as large swimming pools, golf courses
as well as to the amount of water consumed for bathing, the availability of fresh water in
many tourist destinations has been reduced. Not to mention, that the water quality has
also been altered due to the increase in tourism in some areas (Mowforth & Munt, 2009;
Stonich, 1998). The degradation of water supply does not affect all consumers alike.
Tourists can buy bottled water to drink. And, the large hotels are able to buy equipment
for water purification. However, the local people cannot afford the same luxury (Stonich,
While the rich can choose where they would like to live or travel, the poor do not have the same mobility. An issue arose in Guanacaste, Costa Rica where the water usage by resorts affected the local population needing the water for their traditional livelihood of agriculture (Mowforth & Munt, 2009). The water shortage increased cost of living for local people who are confined to their land due to monetary restraints. Similar cases have occurred in Rotan Honduras (Stonich, 1998), and Zanzibar (Gossling, 2003).

There are cases that tourism has significantly contributed to the degradation of the local environment. However, tourism also creates a renewed interest in protecting natural resources. Impoverished countries have assets that are tourism magnets such as ‘exotic’ wildlife and natural fauna, seemingly ‘untouched’ and ‘pristine’ (Chok et al., 2007). Tourists are attracted to what they believed has been lost in their own countries due to modernization. Ultimately, once it is believed that a country can profit displaying its natural resources, and be able to differentiate itself in the competitive tourism market from other tourist destinations through a unique landscape, there then is a renewed interest in protecting the landscape from being ‘modernized’. Equally, there has been global pressure to create national parks and protected areas. Such environmental enclaves are considered a sign of a modern state (Hall, Hirsch, & Li, 2011). The protection of natural resources is very important as the world continues to industrialize and tourism is a driving force for the protection of natural resources. However, some of the parks are built on land that is spiritually and culturally significant to indigenous tribes and local people.

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5 It can be noted that there is a positive correlation between tourism development and labor wages. Whether or not the price increase of water and other goods is in line with wage increases in tourism populated areas would need to be studied on a case- by-case basis. But, there is no way to mitigate the irreversible degradation of the environment.
There have been cases where the state has forcibly removed people from the newly instated national parks to “protect” the park. Or the policies put in place will limit the use of the park to paying customers only (Eagles, 2009). The exclusions from these places are especially devastating to indigenous cultures. “No compensation can make up for the loss of one’s spiritual and physical homeland, and impacts on physical or mental health of displaced people” (Bauer, 2008). Land exclusions and titling issues that arise from land becoming more valuable disregard long-standing traditions within communities. Examples of this are noticeable across the globe as countries are trying to preserve the environment and natural beauty of their country for future generations while also attracting tourism dollars. The groups that are affected the most are those who are unable to act as their own agents due to poverty and marginalization. These groups are not consulted when policies and regulation efforts are formed. Lack of forethought when implementing changes will affect those who are most vulnerable. Tourism allows for a renewed interest to protect the natural resources of the globe, but foreigners instead of the local population are enjoying the benefits of protecting natural resources.

Practical Examples

Kenya is a good example of problems arising from the creation and enforcement of parks. “Masai Mara Game Reserve and Amboseli National Park in Kenya are two of the most heavily visited parks in the world, with rhino, elephant, and lions attracting thousands of visitors annually and hundreds of millions of dollars of tourism receipts” (Robbins, 2012, p. 176). Because of the attractive natural resources and endangered wildlife within the park, tourists flock there to witness the rare animals and miraculous scenery. It can seem incomprehensible that local people would not respect the park
borders and continue to herd and hunt within the park. And yet, when we look through
the lens of history at the land where the confines of the park have been established, we
become aware of the complexity of the problem. The government legitimacy in forming
an area for protection of nature and for tourism can be challenged. The local people
before colonial occupation had been using the land for 350 years. Once the colonizers
arrived, they forbade the local people to continue traditional practices and excluded them
from using the land for their own gaming purposes. In turn, the area had become human
free for the first time. Since the park was created and its land became the property of the
Kenyan government (after liberation from colonial power) the presence of the local
people there is considered trespassing. Only a century ago the land was considered
common tribal property and those who legitimately lived there are now trying to “re-
establish control over the land” (Robbins, 2012, p. 178) Now that the park is in place,
livelihoods are at stake and lack of participation by the local population in the planning
and implementation of the park project to adapt it for tourism use further marginalizes
local groups. In fact, groups in Kenya that rely on a more traditional rural livelihood,
have a lesser incidence of poverty (between 20-50%). Whereas groups that have a
dominant tourism sector register a noticeably greater percentage of their population at
poverty levels (50-70+) (Scheyvens, 2011, p. 74). This higher incidence of poverty in
tourism areas reflects the colonial nature of Kenya’s tourism industry, where small
groups of the population experience benefits and the majority of the population does not

It is not only the formation of parks and trying to protect the land against
modernization that causes exclusion from ancestral land. Local populations often live on
or near land desirable for tourism development. In the process of developing tourism infrastructure by the government, local people may be displaced or have their access to the tourist areas restricted. Due to land title issues and the inability to prove ownership, this process has been conducted with the use of force and violence. In 2006, the Guatemalan government forcefully removed three hundred families from their homes to make way for a Spanish owned tourism complex. The government asserted that the whole area belonged to the state and therefore the families had no valid claim to the ownership of the land (Mowforth & Munt 2009). It is hard for the local population to prove ownership of the valuable land if they do not have proper titling. Furthermore, the lure of lucrative tourism dollars makes it easy for government officials to forget their duty to the people and issue rulings unfair to the local communities. One of the prevalent issues is government sanctioning of road privatization: the only access to public beaches is closed to the population and becomes a private road for resort and hotel customers only. This directly affects the livelihoods of people who rely on the access to the sea and beaches such as fishermen or local tour guides (Mowforth & Munt, 2009; Scheyvens, 2011).

Tourism is also thought as a way to diversify struggling economies. Many countries are finding that they need to look beyond their traditional agricultural exports, due to the declining value of agricultural products in the global market. Their diminishing viability is “due to the demise of traditional trade agreements which had offered preferential access to markets” (Scheyvens, 2011, p. 3). A 20 year study by Sofield et al. 2004 cited by Scheyvens 2011, p. 3, in the South Pacific comparing export crops with tourism receipts concludes that “in every case the value of these primary products in real terms has declined and the only sector to demonstrate a continuous upward trend has
been tourism.” Tourism does have the potential to mitigate the problems associated with the declining value of agricultural exports, however by advocating tourism blindly in countries experiencing these declines would be a step in the wrong direction (Scheyvens, 2011).

In Zanzibar, during the 1990’s the government needed a new source of foreign exchange earning to compensate for decline of revenues from cloves: the main export of the country cloves declined in value between the 1980s and the 1990s from US$ 9,000 per ton to 600$. The IMF, World Bank and USAID pressured the Zanzibar government to implement liberal trade and investment policies in exchange for loans; development of tourism appeared like a viable method to relieve these pressures. However, these adjustments were not well thought out and while they solved some problems, they created others. As these policies took place, and tourism was promoted on the island, the local people were forced to sell their land (which was mainly used for coconut farming) to the government for tourism development. The government paid high and fair prices for each tree, this gave peace of mind to the local people. They thought that they would be able to work in the hotels once these were built. However, there was no system that would allow them to invest and save the money they were given as compensation for their loss of land.

Also, due to the large family structure on the island, the money was spread very thin and after a short period of time the people who had once owned land with coconuts and a sustainable method of living, found themselves landless with no available way of earning income. As for the hotel jobs, many people from the mainland moved to the island, overpopulating it and leaving many without jobs. The land, at this point, had been sold for private ownership to foreigners. Many of the local people in this area not only lost
their coconut trees but also they lost their access to common property such as beaches and title zones where they used to fish on a sustainable level (Gossling, 2003). The rise in tourism and the influx of people into the island caused continuous environmental degradation. It is especially notable in the fisheries. There has been an intensive trade in lobsters and crabs for tourist consumption. This has lead to the decline and depletion of stocks. “While the overall amount of harvestable marine resources appears to be declining, demand for marine sources of protein has substantially increased, both as a result of population growth and an increase in tourist arrivals. Even for other ecosystems such as mangroves and tidal zones a critical ecological situation has been reported” (Gossling, 2003, p. 184). This policy not only deprived the local people from controlling the development of their land, but it also marginalized them making them completely reliant on the government and the tourism industry since their ability to fish and farm was no longer an option. Due to inflation of the price of land, in cases like this local people are often evicted, unable to pay the increased taxes or rent, they are also afflicted by commodity prices rising as well (Scheyvens, 2011). Jobs in the industry cannot be guaranteed for the local population due to migrant workers. The importance of fully understanding the complex nature and unprecedented challenges of using tourism to diversify economies needs to be emphasized.

Tourism as a ‘Scapegoat’

Some argue that tourism is used as a ‘scapegoat’ and that too much blame is put on tourism development as responsible for the problems of a country. The complex nature of poverty and poverty alleviation combined with the lack of clear definitions make it hard to identify and statistically document the actual cases where mainstream
tourism has alleviated poverty\(^6\) (Ashley & Mitchell, 2008; Zhao & Ritchie, 2007).

Scholars have not been able to prove that the development of tourism is the only factor in successes and failures of poverty alleviation. There is a major gap in the literature. While there are a handful of case studies that observe the different effects tourism has on local populations, there has not been a conclusive study that documents the relationship between poverty and tourism. Infrastructure development; paved roads, sewage systems and hospitals have significantly impacted the lives of people living close to tourist destinations. However, without proper documentation, scholars can only speculate the impacts (negative and positive) on poverty levels. Scholars believe PPT can mitigate the negative impacts of traditional tourism and help global poverty levels if implemented properly. However, without the proper evaluation of mainstream tourism’s relationship to poverty, PPT only generates the best theoretical practices in tourism not empirically tested methods. The next chapter will explore PPT’s strengths and weaknesses.

\(^6\) The definition of poverty not only has a financial definition. But also represents human development, vulnerability, and unfair representation (Zhao & J.R., 2007).
Chapter 2: Pro-Poor Tourism and Poverty

PPT is currently being used by many organizations as a guide to how to develop and change the tourism industry. It is also being promoted as a way to solve some of the issues presented in Chapter 1. PPT is trying to change the tourism industry to not only achieve macro-economic growth, but to also have a positive impact on the local level. This chapter will synthesize the information available on the methods of PPT, the theories, and the actual results in order to understand PPT’s viability in international development. As the goal of PPT is to mitigate the constraints of the mainstream tourism industry’s ability to bring direct benefits to the poor, I will address the constraints presented in chapter one and evaluate PPT’s approach to these constraints as well as discuss the limitations to these approaches. Understanding PPT’s methods and abilities will ensure a comprehensive outlook on PPT’s viability as a method in development.

The Data on Tourism and Poverty

There is a global need to monitor the impacts of tourism and PPT on poverty to further understand its potential. Unfortunately, there is a wide range of articles and “how to” guides for the private sector, addressing the need for PPT and how PPT should be conducted (Meyer, 2007), but there is limited data on the actual effects that PPT has had on poverty reduction as well as on monitoring the interventions and their success/failure (Jamieson et al., 2004; Ashley & Mitchell, 2008; Chok et al., 2007). A major issue with current empirical data is the lack of consistency. The conclusive findings are very general, and while the individual studies supporting these findings are solid, scholars are unable to compare the studies in a conclusive manner due to the lack of consistency of the individual studies (Scheyvens, 2011). Ideally, there needs to be one method that all
studies use to connect PPT to poverty alleviation. Unfortunately, this is not an easy task due to external factors that also affect poverty. Such as environmental issues, political instability, and social injustice.

Value Chain Analysis (VCA) has been used to understand the viability of PPT, though it has also been criticized in the literature. VCA has been adopted by the International Finance Corporation (IFC), the Netherlands Development Organization (SNV), the Overseas Development Institute (ODI) and others to understand tourism’s impact on the poor. “Value chain analysis is a tool that enables the identification of stakeholders along a chain of transactions, from conception through production to consumption and after-use” (Mitchell & Faal, 2008, p. 2). Using VCA, they argue, it will be possible to encompass PPT’s impact in its entirety, which would enable proper interventions to take place and be evaluated. VCA would also enable interventions that would affect the impact that mainstream tourism has on the poor. VCA is argued to show what interventions need to be done as well as provide the means to accurately measure the effects (Ashley & Mitchell, 2008). There have been a few VCA on tourism in different locations, “The majority of pro-poor VCAs done so far have been to assist in designing and planning interventions, rather than for providing baselines or assessing impact” (Ashley & Mitchell, 2008, p. 15). Without having a baseline analysis, it will not be possible to access accurately future interventions. Critics of VCA have said that VCA is applied simplistically and does not address poverty at all. The “attention has focused primarily on linkages within tourism destinations, rather than on the wider global context. This is not to deny its usefulness as a framework for organizing data collection, but VCA is not a specific feature of PPT, as indicated by papers on VCA and tourism that make no
reference to poverty at all” (Harrison, 2008, p. 857). Harrison attributes the insufficient usage of VCA to funding and timing constraints. Data collection on PPT or solely the relationship between tourism and poverty in general is very hard to determine due to the abundance of variables that affect poverty levels. Therefore currently, it is very hard to correlate evidence of poverty reduction and pro-poor initiatives. It can also be noted that there is an abundance of definitions for poverty (Scheyvens, 2011). This makes comparing case studies giving a proper analysis incredibly difficult.

**PPT**

The Table Below includes the principles of PPT as determined by (Chok et al., 2007). PPT is guided by these principles; the flexibility of these principles emphasizes the fact that not every tourist destination is the same. PPT should be used on a case-by-case basis. There is no one method of PPT.

<table>
<thead>
<tr>
<th>Participation</th>
<th>Poor people must participate in tourism decisions if their livelihood priorities are to be reflected in the way tourism is developed.</th>
</tr>
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<tbody>
<tr>
<td>A holistic livelihoods approach</td>
<td>Recognition of the range of livelihood concerns of the poor (economic, social, and environmental; short-term and long-term). A narrow focus on cash or jobs is inadequate.</td>
</tr>
<tr>
<td>Balanced approach</td>
<td>Diversity of actions needed, from micro to macro level. Linkages are crucial with wider tourism systems. Complementary products and sectors (for example, transport and marketing) need to support pro-poor initiatives.</td>
</tr>
<tr>
<td>Wide application</td>
<td>Pro-poor principles apply to any tourism segment, though</td>
</tr>
</tbody>
</table>
strategies may vary between them (for example between mass tourism and wildlife tourism).

<table>
<thead>
<tr>
<th>Distribution</th>
<th>Promoting PPT requires some analysis of the distribution of both benefits and costs – and how to influence it.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td>Blueprint 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.</td>
</tr>
<tr>
<td>Commercial realism</td>
<td>PPT strategies have to work within the constraints of commercial viability.</td>
</tr>
<tr>
<td>Cross-disciplinary learning</td>
<td>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.</td>
</tr>
</tbody>
</table>

There is a ‘wide application’ of PPT. It can be applied to small tourism venues or even mass tourism venues. In this regard, PPT differs from sustainable tourism and community based tourism, which focus on small tourism initiatives, not changing mass tourism. Sustainable tourism and eco-tourism are known to push the agendas of western society (Meyer, 2007). Sustainable tourism puts social issues second to environmental concerns. Community-based tourism initiatives aim to expand local enterprises and sometimes enhance local involvement. Whereas PPT,

“Aims to expand opportunities, and places net benefits to the poor as a goal in itself, to which environmental concerns should contribute...[PPT] also includes maximizing use of local labour, goods and services within the formal sector –
particularly in high-density (urban/coastal) environments; expanding informal sector linkages; ensuring infrastructural development and environmental strategies benefit the poor; and creating a supportive policy framework and planning context that addresses needs of poor producers and residents within tourism” (Bennett, Roe, & Ashley, 1999, p. 13).

Addressing social and cultural impacts is a PPT strategy, but as stated above, PPT encompasses more than enhancing community development and sustainability. Similarly, the term, ‘Eco-tourism’ should not be confused with PPT. Eco-tourism is often thought as an eco-friendly form of tourism and part of sustainable tourism. However, the term ‘eco-tourism’ covers any type of tourism involving the outdoors, eco-friendly or not. As market trends are changing to be more eco-friendly, more people want to have an environmentally minded vacation (Ashley, Roe, & Goodwin, 2001). The ambiguity of the term ‘eco-tourism’ must be addressed. When the UN declared 2002 as the International Year of Ecotourism it did not help the matter. Overall, there has been more focus on the protection the environment then on the solution of pressing social issues such as poverty (Meyer, 2007). There is some merit to eco-tourism and the preservation of nature, however due to the fact that eco-tourism and sustainable tourism do not aim to change the norms of mainstream mass tourism, there will be limited results. PPT advocates that environmental issues should be minimized, but the health of nature comes second to that of the impoverished (Chok et al., 2007).

Within the ‘balance approach’ PPT advocates linking and strengthening the capacity of local industries. When a resort or a hotel is linked to the local industries, the spillover effects that do not occur organically in mainstream tourism are realized. It can also solve leakages problems and strengthen the multiplier effect. “Linkages can be
direct, or within the tourism sector (e.g. tourists using a taxi). Linkages can also be
indirect or intra-sectorial (e.g. hoteliers buying food and beverages from the agricultural
sector and indigenous drinks manufacturers)” (Mitchell & Faal, 2008, p. 1). In locations
that have a large enough agricultural industry linking to local farmers it has proven to be
mutually beneficial as the majority of the global poor rely on agriculture for their
livelihoods (Torres & Momsen, 2004). Since food expenditures for a tourist are
approximately one third of what a tourist spends daily, linking in local agriculture allows
for an opportunity to increase benefits to local farmers (Torres, 2003). In Jamaica, a
campaign launched by several Jamaican businesses and associations in 2003 called “Eat
Jamaican” promoted buying locally produced goods. Since the launch of this campaign,
there has been a reported growth of the agricultural sector. The campaign is linked to an
all-inclusive resort SuperClubs. The resort has been working with the local government
and the Jamaican Agricultural Society in assisting to provide technical programs aimed at
benefiting the agriculture and tourism industry (Meyer, 2007). This is an example of PPT
linking and supporting the local industries so that more indirect jobs are formed.

Unfortunately, linking to the local agricultural sector is not ‘commercially viable’
in all destinations (Torres, 2003). And, even when it is feasible, “If a linkages approach
is not explicitly adopted, it is too easy for a mine, factory or hotel to purchase only the
essentials locally, and otherwise depend on already-familiar distant suppliers, while local
entrepreneurs remain unaware of how to exploit the market and expertise that arrives on
their doorstep” (Overseas Development Institute, 2006, p. 1). Linkages need proper
assistance to connect the poor to the market.

The chart below depicts how linkages can combat leakages.
The diagram attributes three different pathways to create linkages from the tourism sector to the poor households: direct effects, indirect effects and dynamic effects. Earning income and livelihood impacts directly from the tourism sector are the direct effects. Supply chains and wages spent on goods and services by tourism staff outside the tourism sector are indirect effects. The dynamic effects are the non-economic effects that are created through tourism such as positive and negative effects on prices, markets, infrastructure, skills and natural resources. These effects can contribute to poor households within a destination or outside the destination. PPT aims to maximize the positive dynamic changes in the economy, strengthening the direct earnings and livelihood impacts from the tourism sector, and create linkages to non-tourism sector so that it too can see positive results from tourism.

A goal of PPT is for tourism to support other industries. There has been a large
focus for PPT to support the local agricultural sector. Without proper facilitation, this can prove difficult. For example, working in agriculture pays less than what an unskilled worker can make in the tourism industry. In the region of Quintana Roo, Mexico agricultural laborers make less than half of what an unskilled worker makes working in a Cancun resort. Even with the heightened cost of living in Cancun, it is hard for agricultural livelihoods to compete with working in mainstream tourism (Torres, 2003). This makes it difficult for linkages to form without facilitation. Instead of local people continuing to want to work in agriculture, they’d rather work as an employee of a hotel. Even though agricultural jobs pay smaller wages than working in tourism, labor wages in general tend to rise in tourism areas. Which means, agricultural products from tourism regions are more expensive than buying internationally or in more rural areas where goods are cheaper. In Mexico the resorts in Cancun have most of their agricultural products shipped from Mexico City (Torres, 2003). The goods are brought in from other Mexican states. Interestingly enough, the majority of food consumed in Cancun hotels are from other parts of Mexico and are not imported from other countries. The highest imports are meats at 25% (Torres, 2003). However, even though much of the food is not imported, the rural Mexican farmers are defenseless against intermediaries who undercut the farmers and then sell to the resorts. Due to the harsh competitive climate of all-inclusive resorts, they rely on low food cost to drive the profit margins up. In this case, unless, there is a PPT intervention to assist in linking local farms to resorts it is suggested that the linkages will not form due to the lower prices coming from further away. Furthermore, while the money is only being leaked out regionally, and not internationally, the farmers are not benefiting from the consumption of their products
within their own country. Linkages need to be enhanced so that the producer is able to get the proper benefits. Solely linking to the local supply chain is not enough to be considered pro-poor. Just because a product is grown or made within a country, does not necessarily mean it is pro-poor. Especially when the producer is not able to be his/her own agent.

**Practical Examples of PPT**

PPT aims to strengthen the capacity and skill sets of local communities. Mainstream tourism allows for large resorts to monopolize employment opportunities and weaken local capacity to start small businesses. The PPT pilots project in South Africa shows how interventions of PPT and its ‘cross disciplinary approach’ in the form of capacity building by outsourcing activities to local businesses can assist in SMME development, and proves to be more beneficial than pure donations (Ashley, Poultney, Haysom, Oliver, & McNab, 2005). “The case of this South African project, mainstream tourism businesses provided support to the companies that they contract, either formally by setting them up as ‘independent’ subsidiaries, or less formally by providing access to markets, credit, training and capacity building, and advice on product development” (Meyer, 2007, p. 573). In one case the resort gave supplies such as glass bottles and old papers to a local micro-glass recycling enterprise and upgraded its equipment to be able to make greeting cards out of the paper and engrave glass for souvenirs. “Once at full production it will supply Sun City’s requirement for approximately 1000 cards per week in season” (Ashley et al., 2005, p. 4). This will ultimately enable the company to train their workers in new skills. Not all the PPT projects worked perfectly, in the case of Southern Sun’s Sandton Complex, the partnership with a local chamber of commerce did
not flourish and a key director of Southern Sun left the company. Due to this, the projects stalled (Ashley et al., 2005). It is important to create ‘strong relationships at the start’ between the resorts and communities as well as for PPT to be successfully facilitated; there is a need not solely for one director but for the entire company to be on board. PPT must be flexible in its approach. There is no blueprint on how to form PPT due to the differences in each and every situation.

Spier Leisure was able to create 33 new jobs after joining a PPT Pilot program. Out of the 33, 13 jobs were seasonal short-term contracts and 20 are regular jobs (4 part-time). Additionally, 20 jobs have been ‘strengthened or expanded’ (McNab, 2005).

“At Spier hotel, new local procurement created new contracts worth £50,000 in year one. But if the target of shifting 10% of all procurement is achieved, gross additional cash flow will be R7.5 million (£0.7 mn) into small and micro enterprises in the local economy. Simply in cash flow terms this would far outweigh Spier’s philanthropic spend on a wide array of initiatives, and would be a cash injection equivalent to a 50% increase in the local wage bill (the latter is a net amount thus not strictly comparable, but aside from liquid petroleum gas, the large part of gross contract income is for labour-intensive services, thus also accrues to poor workers and owner-operators) (Overseas Development Institute, 2006, p. 4)”

Even though the benefits after a couple of years of PPT were small in comparison to mainstream benefits from tourism, the benefits achieved at Spier were disproportionate in their potential to achieve poverty reduction. Many of the examples listed the 2005 pilot program linked to the local community. This allowed access for local businesses to the tourism market and the ability to receive the technical support and training needed to thrive. Involving the local community enterprises takes time and effort, according to Ashley et al. (2005), “It can be done.” While these pilot program examples are small in scale, they show how including and linking to local businesses in the tourism supply chain can positively affect poverty. The non-monetary gains of proper training and
capacity building of local businesses can shrink the gap between the rich and the poor. Locally owned and run businesses are the first step to shrinking this gap. Furthermore, bringing the community into the decision making process is a step in the right direction in tilting the net benefits of tourism to the poor.

PPT cannot mitigate all problems associated with tourism. While tourism is argued to preserve local traditions due to the marketability of unique culture in tourism, tourism can lessen the significance of those traditions. Even within the scope of PPT there are inadequate strategies to minimize ‘social impacts’ even if the local communities are involved. An issue presented in a 2001 study, highlights the conflicting desires by locals to increase revenues while continuing to keep visitor numbers down in order to 'minimize cultural intrusion’ in Amazonian communities (Ashley, Roe, & Goodwin, 2001). This conflict of interest within a local community make is difficult for ‘community involvement’. Unfortunately, this is a product of globalization, an arguably unstoppable force. To argue against all cultural change globally is to take a troubling stance, however just to accept that all change is good is naïve and unjust (Smith, 1989). Therefore, PPT is limited in its ability to balance the changes that occur in culture due to tourism.

Addressing New Trends

There is an overarching trend that the global poor are becoming more urban. A United Nations study in 2003 on urban poverty suggests that by 2033 one in three people globally, will live in an urban slum (cited in: Chok et al., 2007). People are moving to urban areas, as agriculture is becoming a less viable livelihood option. As PPT is focused
on helping the rural poor who live near tourism locations, the future of PPT could be even less viable if most of the poor live in dirty urban slums. However, if PPT is implemented in development and does mitigate the issues in tourism as it claims to do, it could be a method to keep people from moving to urban slums. The future of PPT should be considered, as the migration of the rural poor to urban slums is a trend that will affect a large percentage of the global population. The flexibility of PPT’s application should be able to work with societal trends.

While there is still debate as to what extent PPT is able to inherently “fix” problems that occur as a result of mainstream tourism practices even its critics are unable to say that PPT will cause more harm than good. As shown above, even without an abundance of empirical data showing the improvement on poverty levels, PPT encompasses all the theoretical best practices known in the tourism industry to promote poverty reduction. How much good PPT does, is still up for debate as VCA and other methods of data collection are inconclusive and cannot be applied to a general analysis. Future studies on the actual implementation of PPT will need to fill the gap in available data. To do this, future studies should have one definition for poverty so that different case studies can be used to synthesize conclusions on PPTs effectiveness. Presently, it is difficult to compare studies due to the differences in the definitions for poverty. Also, baseline data should be collected before PPT is implemented so that PPT can be compared directly to mainstream tourism in the same location. What is known is that in order for PPT to function, there needs to be interventions. PPT will not form organically. The market will not provide for PPT unless there is a facilitator. Chapter 3 will discuss the groups responsible for promoting and facilitating PPT. Without their key support
there would be no hope for PPT to be a viable method in development.
The Role of Tourism and Poverty Stakeholders

In order to ensure the success of Pro-Poor Tourism, the commitment and cooperation of five main stakeholders is necessary: the private sector, country governments, international agencies, the local poor and the tourists themselves. It is difficult to get these groups involved with the implementation of PPT due to limited corporate social responsibility in the private sector, lack of capacity of various government agencies strapped for cash, limited planning of interventions run by international agencies, local traditions and cultures and the tough task of making the mainstream tourists aware of the public dimension of tourism. In their 2007 article, “Tourism as a Tool For Poverty Alleviation: A Critical Analysis of ‘Pro-Poor Tourism’ and Implications for Sustainability,” Chok et al. (2007), state that “pro-poor tourism shares the same crisis as sustainable development – widespread acceptance at a general or framework level but fierce political contest over its actual implementation” (Chok et al., 2007, p. 151). This chapter will evaluate the potential of each stakeholder in the promotion and regulation of PPT with the goal of making PPT a viable method in development. It will also identify the barriers to PPT’s actual implementation by these same stakeholders.

The Private Sector

Tourism businesses are dominated by large, multinational corporations. Unlike international organizations such as the United Nations, the World Bank, and various NGOs, the private sector’s goals do not include alleviation of poverty. The private sector concerns itself with maximizing profits (Scheyvens, 2011). Being pro-poor takes time
and money. “The costs of implementing PPT strategies on any substantial scale are likely to be too large for a company, community, or even regular government tourism department to cover” (Ashley, Roe, & Goodwin, 2001, p. 35). The corporations are responsible to their shareholders and unless there are profits to be made by alleviating poverty, corporations cannot spearhead changing mainstream tourism to become pro-poor. Corporate social responsibility (CSR) initiatives are undertaken in response to the recent trend of the publics desire for corporations to be more socially responsible in their decisions, but CSR is limited in scope. Most CSR initiatives completed by tourism industry leaders have not changed corporate business strategies and practices. They fund minimalist, local, projects such as building schools or roads in a rural areas without affecting the day-to-day operations (Ashley & Mitchell, 2008). These projects are publicized in brochures or on a link of the company’s website and serve to impress their clientele enough to gain their business, but in fact do not change the status quo. “Few companies were willing to make more enduring changes to their business strategies and practices” (Ashley and Haysom, 2006). A WTTC 2002 study showed that only 3 out of 17 members implemented programs and policies that changed their internal business practices to be more pro-poor (cited by, Scheyvens, 2011). While building a school and donating supplies to local communities are socially responsible initiatives that gain the respect of the public, they do not address the roots of poverty and do not transform the company’s daily practices into truly pro-poor. When a company implements policy changes such as linking to the local supply chains and supporting local businesses with capacity building, it addresses the root problems and falls under PPT. Meyer argues that there are three stages of CSR. “The first generation of CSR has demonstrated that
companies can contribute to society without risking commercial success. The second generation sees CSR as an integral part of a company’s long-term business strategy. The third generation addresses significant societal issues, such as poverty and the environment” (2007, p. 564). I believe that Meyer’s three stages are too simplistic. Until changing the internal practices of tourism operators to be pro-poor proves economically advantageous, the private sector will continue to operate in the manner that best suits the shareholders, not the global poor. CSR has been able to make their business strategies environmentally friendly because the changes have proven cost effective. A noticeable environmentally friendly change in the industry is that many hotels now post signs in the bathrooms and bedrooms asking guests to indicate if their towels need to be washed and their sheets changed, instead of just washing all towels and sheets daily. No doubt these measures save water and limit the amount of detergent entering the water systems. The hotel owners not only save money on labor and soap but also become environmentally responsible (Overseas Development Institute, 2006). This is called CSR. It is advantageous to be eco-friendly in such cases; the hotel owners will actually save money if they invest in educating their clients on the increasing amount of water being used for washing sheets and towels. Since PPT has not yet been proven to be cost beneficial, CSR can only go so far. “In principle, the private sector should act as an important market for the products of the poor (e.g. goods and services purchased for a lodge). Private companies, particularly tour operators and agents, should also be channeling their own clients to enterprises of the poor. However, progress in tapping into private sector marketing networks appears limited” (Ashley, Roe, & Goodwin, 2001, p. 17). Due to economic restraints and the fact that only a fraction of businesses have changed their
policies to address these societal issues, it seems for now, CSR will only get as far as it is forced to go to ensure profits while societal norms continue to change. As involving private sector is a necessity, future research should focus on the economic cost of becoming pro-poor so that it will be a more viable and desirable option for the private sector. It is also possible that forming private/public partnerships can help to mitigate the costs of becoming pro-poor. “The reality that only a minority of companies will adopt a linkage approach unless there are incentives or facilitation that enhance the gains or reduce the costs” (Overseas Development Institute, 2006, p. 4). Governmental support in the form of policies could incentivize poverty reduction strategies (such as linkages) in the private sector as well.

A public/private partnership that does have the ability to change the norms of the tourism industry is the WTTC/UNWTO campaign. The World Travel and Tourism Council (WTTC), founded in 1990, is a global coalition of over fifty executives within the private sector of the tourism industry. It “advocates partnership between the public and private sectors, delivering results that match the needs of economies, local and regional authorities and local communities with those of business...” (WTTC, 2008). The WTTC has the ability to change the norms of the tourism industry due to its size and the wealth of its members. The WTTC plays an important role in connecting the private and public sectors to further promote the large role tourism plays in the world economy. They have conducted research on the economic benefits of sustainable tourism development, and advocated for long-term growth and sustainability. While members of the WTTC do have small projects that they highlight on their company websites promoting sustainability
within their corporations, they are not actively changing their policies to promote PPT growth. Instead of campaigning to change the industry internally, the efforts of the WTTC go to expand and sustain the industry, which is aligned with the private sector’s goals of making money for its shareholders.

This is apparent in the partnership between the UNWTO and the WTTC. The WTTC/UNWTO partnership promotes the recognition of tourism as a driver of economic growth and development among the Heads of State and governments globally. The partnership is leading a campaign that begins with a letter to world leaders stating the significance of tourism in the world economy and development. “In turn, Heads of State and Government will accept this letter in acknowledgment of the relevance of travel and tourism in facing today’s global challenges” (UNWTO, UNWTO/WTTC Leaders for Tourism Campaign). The letter addressed to world leaders does not address pro-poor tourism or the MDGs (WTTC, Open letter to heads of State and Government). Instead it highlights macro-economic factors not relevant to the PPT agenda. “Self regulation led by bodies such as the WTTC and the UNWTO whose stated aims are the promotion of the tourism industry rather than its restraint, is likely to lead to policies which further the pursuit of profits in a business world where profit maximization and capital accumulation form the logic of economic organization” (Mowforth & Munt, 2009, p. 197). While it is important for the world to recognize tourism’s significant economic impact, failure to mention sustainable, pro-poor tourism practices results in non-PPT promotion. PPT involves an intervention by industry leaders, governments and international agencies, unfortunately, the WTTC/UNWTO partnership does not seem to be promoting PPT
growth that would lead to net benefits for the poor; instead they use their clout to promote the expansion of the industry.

**Country Governments**

Due to fiduciary duties, the abilities of the private sector are limited. Therefore, it is up to the local governments to decide how to promote poverty reduction within their borders. The capacity of governments to promote PPT within their own borders varies. In countries that have high levels of instability and violence, promoting any type of tourism seems far-fetched due to safety concerns. In fact, among the least developed countries, only countries that have recently experienced/are currently experiencing political unrest, violence and/or instability are listed as not having a significant tourism sector contributing to their economies. This list includes Guinea-Bissau, Burundi, Solomon Islands, Angola, Afghanistan, Central African Republic, Chad, Congo (Dem. Rep. of the), Equatorial Guinea, Guinea, Somalia, and Timor-Leste (UNDP, 2011).

What all these war-torn countries have in common is the lack of government capacity to ensure the protection of investments made by their private sector. Governments around the world issue various warnings against tourist travel to a large percentage of the listed countries, deeming the security risk significant. For example, as of 2011, the governments of the United Kingdom, France, Italy, Canada and Germany advised their citizens not to travel to the Democratic Republic of The Congo, and the USA advised not to travel to at least one region of that country. A large portion of international travel originates in those six core countries, so tourism is not a main contributor to the economy of the Democratic Republic of the Congo. Similar warnings
have been issued for the other LDC countries without a tourism sector (UNDP, 2011). Other LDCs listing tourism as the largest export sector of their economy have less apparent security concerns. In those countries, the barriers to successful tourism development have less to do with security than with the government’s capacity to implement and regulate pro-poor policy changes. When impoverished countries have too much debt, underlying social problems, high levels of poverty, and corruption, it is hard for them to introduce changes in their policies to regulate the tourism industry. It is even harder to implement these policies. Therefore, these various governments need to tap into international resources to help guide policy and regulations.

The island nation of Samoa is an example of an LDC country that was actually able to gear the tourism industry to contribute to pro-poor growth. The policies and regulations of the tourism industry allowed for community control and involvement. Even though tourism is the highest foreign exchange earner in Samoa, it has provided direct and indirect jobs which have not only contributed economically, but also have ‘rejuvenated’ many rural villages (Scheyvens, 2007).

**International Agencies**

The international agencies responsible for the promotion of poverty alleviation have the ability to promote and fund PPT initiatives, but they do not always use that ability to its fullest potential. The World Trade Organization has a webpage devoted to tourism, as well as a symposium on tourism services in 2001. The purpose of the symposium was “to evaluate current developments in international tourism that may be of relevance to the GATS” (WTO, 2001). However, poverty was not a main focus of the
symposium, and they have not had a symposium or conference on tourism since. The United Nations does have a small tourism department, UNWTO as mentioned above. However, the World Bank and the IMF do not currently have specific departments that handle tourism.

Even though the World Bank does not have a specific department dedicated to tourism, it has contributed a large sum of money (2926 million) this century towards tourism development projects with the intention that these projects will reduce poverty over time (Scheyvens, 2007). While the World Bank’s philosophy on tourism has changed to be more poverty oriented since the failed SAP projects of the 1970s, their current expenditures on tourism development are criticized (Scheyvens, 2007). The renewed interest in tourism due to the pro-poor agenda may prove to be problematic in the future due to limited knowledge of the relationship between tourism and poverty alleviation. “Few if any tourism and poverty officials have any education or training in using tourism as a poverty reduction tool” (Jameison et al., 2004, p. 7). Certainly, with the help of international organizations, the viability of PPT in international development would be heightened; however, without the proper know-how, an intervention would be guided by people who do know fully comprehend the subject and therefore its rate of success would be uncertain.

The UNWTO’s ST-EP program was launched in 2002 by the UNWTO as a way to “refocus and incentivise Sustainable Tourism...to make it a primary tool for Eliminating Poverty in the world’s poorest countries” (Goodwin, 2009, p. 92). It claims

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7 In the late 1970’s the World Bank shut down its tourism department.
8 The World Bank Development Report 1990 made poverty reduction a primary objective.
to use pro-poor and sustainable tourism practices in projects around the globe to provide poverty alleviation through “training of guides and local hotel employees, facilitating the involvement of local people in tourism development around natural and cultural heritage sites; providing business and financial services to small, medium and CBT (community based tourism) enterprises; and the joint marketing of CBT initiatives” (Goodwin, 2009, p. 93). ST-EP is a small program that promotes the practices of pro-poor tourism, and has its own foundation within the UNWTO. The programs are arguably beneficial to the small communities that are affected, but, the problem with the ST-EP program is that the projects are small and isolated and do not influence mainstream tourism (Harrison, 2008). ST-EP does not connect to the larger tourism industry. To have the type of power that would make it more influential, ST-EP needs to reach out to the industry leaders who have the ability to make a difference in poverty reduction within the tourism industry as a whole. In order to “refocus and incentivize Sustainable Tourism...” (Goodwin, 2009), the UNWTO will need to utilize its existing relationship with the WTTC more effectively. Otherwise, ST-EP will just be another UN program that does some good but does not have the capabilities to change global tourism norms and priorities.

**Local Poor**

The local poor must be engaged and empowered for PPT to be successful. They are politically and economically at a disadvantage to act as their own agency.

“In the political sense, ‘empowerment’ aims to enhance the capacity of the poor to influence the state and social institutions, and thus strengthen their participation in political processes and local decision making. In the economic sense, it highlights removing the barriers that work against the poor and building their assets to enable them to engage effectively in markets. The poor being socially, economically and politically marginalised, both forms of empowerment represent
the essential processes for them to pursue and benefit from any economic opportunity” (Zhao & Ritchie, 2007, p. 124).

The empowerment and involvement of local communities in PPT initiatives are not enough to break the barriers of poverty, as poverty is not longer defined as a financial problem. Access to healthcare, financial institutions and basic security is needed to for the poor to adequately reap the economic benefits (Zhao & Ritchie, 2007). PPT must also consult the local poor in order to fully understand their needs. There is a gap between the theory and practicality in gaining local participation for development (Zhao & Ritchie, 2007). To expect that all cultures and peoples will want to participate in every PPT initiative would be negligent. Furthermore, it is necessary to thoroughly comprehend each individual community, as not every impoverished group has the same needs. As the global poor cannot be unified under one umbrella group, implementing PPT on a grand scale will require a high level of planning that most likely be skewed in the best interest of the most powerful stakeholder which will ultimately leave out the interest and participation of the poor (Chok et al., 2007).

The Tourists

Another barrier to the success of PPT is that the tourists themselves must be educated. The largest constraint to the private sector adopting pro-poor strategies is that mainstream tourists are not holding the private sector responsible to be pro-poor. Environmental standards have been gaining some momentum due to growing awareness of the effect tourism has on the environment. But pro-poor practices have not been marketed to the public as thoroughly. As mentioned above, it will cost money to implement pro-poor changes to hotels. Therefore, the education of the public on the
benefits of pro-poor tourism versus mainstream tourism practices cannot be guaranteed by the private sector. And, without the proper information, tourists will not know about local businesses that they can support, or how their hotel is or isn’t pro-poor. However, NGOs and government groups may fill the gap that the private sector cannot.

**NGOs**

Due to the lack of initiative expected from the private sector, assistance from NGOs is needed to do much of the legwork in PPT planning and capacity building (Overseas Development Institute, 2006). NGOs can play a large role in linking farmers into the supply chain. Mitchell and Faal (2008) recommend in a working paper that scaling up NGO projects in Gambia to facilitate the connection between local farmers and the greater tourism industry could improve PPT’s impact. Especially in cases where government capacity is lacking, NGOs can fill the gaps to provide training by partnering with local governments or the private sector.

They can also be involved in promoting PPT across the globe; currently, there are NGO’s that are dedicated to educating the public on ethical and sustainable tourism. Tourism Concern is a non-governmental organization that was founded in the United Kingdom in 1989 by Alison Stancliff. Tourism Concern has been successful in lobbying to different governments to stop unfair exploitation in mainstream tourism practices in poor regions of the world. Tourism Concern claims that they are the only organization of their type in Europe who is actively campaigning. They campaign for “ethical, fairly traded tourism that always benefits local people” (Tourism Concern). While Tourism Concern does not explicitly cite PPT, their work promotes fair compensation for the poor
in tourism practices. Their lobbying power and abilities in creating public awareness are steps in the right direction for the viability of PPT.

**Interventions**

PPT predominately requires interventions to change mainstream tourism practices. Past tourism interventions, such as the SAPs, have not been focused on poverty alleviation due to flaws in the theories grounded in past development methodology. The facilitation of PPT requires all stakeholders to be educated on the relationship tourism has to poverty alleviation. Due to the lack of conclusive data, new interventions would run the risk of failing to achieve positive results. Assuming that the proper facilitation of PPT will bring net benefits to the poor, NGOs, local governments and international organizations must work together to make policy changes and build capacity to regulate the industry in the best suited manner for each individual tourism destination. Without proper facilitation from the stakeholders, PPT cannot be viable.

Past international development interventions have been able to facilitate and strengthen the tourism industry in developing nations. For example, the tourism sector in Ghana built in the late 1980s by a SAP geared towards expanding the tourism industry. In this case, the SAP promoted development practices that encouraged regional growth, not pro-poor growth. Tourist arrivals did increase and tourists’ receipts increased from 20 million USD to 233 USD from 1985 to 1995, “However spatial disparities have become entrenched, the quality of life of many Ghanaians has declined and increasing rates of foreign ownership of tourism infrastructure are leading to higher leakages. Devaluation of the cedi enabled travellers to see Ghana as a ‘cheap destination’, while making it difficult
for locals to afford imported products such as medicine” (Scheyvens, 2007, p. 248). Even though the SAPs were not focused on poverty, they were successful in creating macro-economic growth. Using the same power and resources, tourism interventions today need to be formed to reflect the current poverty agenda. They could implement financial incentives for the private sector to link to local businesses or agriculture, or grants to provide training programs. Theoretically, using PPT as a guide for these new tourism interventions, international institutions, local governments and NGOs could change mainstream tourism to be pro-poor. However, this would require all the stakeholders to participate which would be a difficult task to arrange.

Currently, it seems unlikely that the stakeholders will all come together to promote PPT. Local impoverished governments do not have the capacity to regulate and impose policy changes, the poor cannot facilitate their own participation in tourism development, international agencies have limited interest and knowledge of PPT and PPT has not effectively been marketed mainstream tourists. Furthermore, there are risks associated with policy changes that require the private sector to take action; for example, PPT could result in higher prices that deter visitors. Government PPT policy changes could turn away international investors as they would rather invest somewhere that has less restrictions. These barriers make the implementation of PPT a challenging task. Until more conclusive information is known about PPT, the barriers will be difficult, if not impossible, to overcome.
Conclusion

It is important to note that tourism is now on the global agenda. Even destinations with wealthy economies are publicizing their positive views on tourism promotion within their own countries. Within the last few months, US president Obama publically acknowledged that limiting tourists’ visas to the USA was a huge detriment to the tourism industry. He sees the potential for jobs and exports through the tourism industry (Guardian, 2012). However, poorer and less secure countries are also looking towards tourism as a way to alleviate their economic and social troubles, “seduced” by the myth that tourism can solve the economic, social, political and environmental problems that cripple impoverished nations (Chok et al., 2007).

Unfortunately, PPT was developed without concrete empirical data proving its success over that of mainstream tourism. The truth of the matter is, tourism’s relationship to poverty has not been conclusively outlined and studied. There is limited empirical data on the subject, and currently, there is insufficient baseline data about mainstream tourism’s impact on poverty. This means there is no way to compare PPT’s effect on poverty levels with that of mainstream tourism. The anecdotal case studies presented in this paper show that PPT in isolated locations has created some job growth and transfer of knowledge. Similarly, the case studies concerning mainstream tourism show the ill effects of tourism on sustainable livelihoods. However, the actual sustained impact on poverty levels has not been measured in most of these cases. Furthermore, due to the wide amount of variables that affect poverty levels, it would be hard to attribute lesser or greater poverty levels to mainstream or PPT development. Since there is only a limited amount of data known on PPT’s affect on poverty levels, it is dumbfounding that the
fallacies of tourism’s capabilities in impoverished countries are continuously being spread.

Even if there was overwhelming evidence that supported PPT’s claims of providing net benefits to the poor, could PPT be properly implemented in mainstream tourism given the amount of stakeholders? It seems that those stakeholders that have the capacity to change the norms of the tourism industry through alignments with the PPT agenda are more concerned with profit margins and expanding the industry than poverty alleviation. The others lack the capacity to plan and implement PPT in an effective manner. Due to the overwhelming amount of barriers working against the actual implementation of PPT on a widespread scale, its viability seems weak.

PPT seemingly combines the best theoretical practices known in tourism to heighten tourism’s ability to alleviate poverty, however, PPT remains only a theory. It is the most marginalized populations who suffer the greatest impacts from the results of misguided development theories, as they do not have the resources to cope with negative external forces. Therefore, it would be negligent to propose that PPT is a viable method in development. It is a positive sign that development theories are now being geared towards helping the poor. As the tourism industry continues to expand, it is vital that the relationship between tourism and poverty be more thoroughly researched so that conclusive information can guide tourism development strategies instead of idealistic theories.
References


