

This policy briefing paper is based on the report: *Pro-Poor Tourism Strategies: Making Tourism Work for the Poor* by Caroline Ashley, Dilys Roe and Harold Goodwin (April 2001).

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The research centres on six case studies of pro-poor tourism initiatives in South Africa, Namibia, Uganda, Nepal, St Lucia, and Ecuador.

Reports, case studies, and further details are on: www.propoortourism.org.uk

Further contributions of experience in pro-poor tourism are welcome via the website.

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What is pro-poor tourism?

Pro-poor tourism (PPT) is tourism that generates net benefits for the poor. PPT is not a specific product or sector of tourism, but an overall approach. Rather than aiming to expand the size of the sector, **PPT strategies aim to unlock opportunities** – for economic gain, other livelihood benefits, or engagement in decision-making – **for the poor**.

Why bring a poverty perspective to tourism?

Reducing poverty requires 'pro-poor growth'. Tourism, one of the world's largest industries, is already growing or significant in most poor countries. Certain characteristics of tourism enhance its pro-poor potential. It can be: labour intensive; inclusive of women and the informal sector; based on natural and cultural assets of the poor; and suitable for poor areas. Harnessing tourism for pro-poor growth means capitalising on these features, while reducing negative impacts on the poor. Potential for *change* stems from the continued 'master planning' role of governments, and strong commercial and international interest in sustainable tourism.

Lessons from experience

Do PPT strategies work?

Case studies show that PPT strategies can 'tilt' tourism at the margin, generating new opportunities and benefits for the poor. Where this happens, tourism is invaluable to the poor: a few are able to exit from poverty, many see a reduction in vulnerability. Benefits tend to be dispersed – though unevenly – across communities and are particularly significant in remote areas. But because the implementation of PPT strategies is in its early stages or is limited to specific destinations, they have so far had only a minor effect on poverty at a national level.

How are PPT strategies implemented?

The focus and scale of PPT interventions vary enormously: from one private enterprise working with poor neighbours, to a national programme enhancing participation by the poor at all levels. They often include, but go well beyond, 'community tourism' and are not confined to any one sub-sector, product or market niche.

Implications for policy makers

There is potential to increase direct benefits to the poor from tourism by adapting the industry. Extending lessons from early experience across the industry would be a challenge – with considerable potential return – involving different constituencies:

- Those involved in planning tourism – policy makers, planners, businesses, consultants – should incorporate pro-poor concerns at all levels.
- Those involved in the wider field of poverty reduction or rural development should explore and exploit the *comparative* potential of tourism as a sector.
- PPT can make good business sense, especially if it gives consumers more choice. Corporate engagement should be based on commercial opportunity not just ethical appeal.
- The 'sustainable tourism' agenda should be harnessed for poverty reduction. This requires a shift in focus from environment to poverty and from Northern to Southern destinations.

PPT and the sustainable tourism agenda

The principles of sustainable tourism (ST) have been widely adopted by the tourism industry. There is considerable overlap with PPT but they are not the same:

- ST focuses mostly on mainstream destinations, often in the North.
PPT focuses on the South, where the poor are.
- In ST, environmental concerns dominate. Social benefits are just one aspect of sustainability.
Poverty is the core focus of PPT.
- In ST, practical guidance on social issues is often weak: few standards exist for social practices.
PPT experience has generated practical lessons which could be incorporated within ST.

Implementing PPT Strategies

Practical examples

Six case studies illustrate the diversity of PPT actors and approaches. They range from bottom-up social mobilisation to top-down investment packaging. Some are isolated initiatives, others have national application. They operate within safari, coastal, adventure and trekking tourism. Though not 'mass' tourism, these are generally mainstream sectors in the countries concerned. Table 1 shows the case studies while Box 1 summarises their PPT strategies.

Table 1: Case studies of pro-poor tourism initiatives

Case study & country	Type of actor	Type of PPT intervention and level of engagement (micro/macro)
Wilderness Safaris (WS), Maputaland, South Africa	Large commercial company (Southern African tour operator)	Tri-partite equity partnership WS, neighbouring communities, state conservation authority. Works with neighbours to develop additional products and services. Main focus at micro level (2 lodges). Some provincial interaction.
Tropic Ecological Adventures, Ecuador	Small commercial company	Tour packages run by or with remote Amazonian communities. Main focus community ventures in several sites plus engagement with government, trade association and international marketing.
NACOBTA & UCOTA * Namibia, Uganda	Trade association of small tourism operators – domestic, non-governmental	Direct support to member enterprises: training, marketing. Liaison with private sector (micro at specific sites and macro-level discussions). Representation of members in policy discussions.
SNV, Humla Region, Nepal	International donor-funded NGO	Facilitating participation of poor people in tourism in remote region of Nepal. Mainly micro focus: capacity building, mobilisation, enterprise support, plus support to district planning (meso level) and to Nepal Tourism Board (macro).
St Lucia Heritage Tourism Programme (HTP)	Government programme – within Tourism Ministry	Diversification of existing tourism and development of new 'heritage tourism'. Works across all levels: small enterprise development, policy reform, public awareness, marketing of heritage tours.
SDI & CPPP** at Makuleke and Manyeleti, South Africa	South Africa Government – cross-departmental initiatives	Investment packages to leverage tourism investment into poor high-potential areas. Strong socio-economic criteria and/or community stake. Links policy development with implementation and lesson-learning at specific sites.
* NACOBTA = Namibia Community Based Tourism Association UCOTA = Ugandan Community Tourism Association		** SDI = Spatial Development Initiative CPPP = Community Public Private Partnership Programme

Box 1: PPT strategies

Strategies focused on economic benefits

- Expansion of business opportunities for the poor.
- Expansion of employment for the poor.
- Development of collective benefits for the wider community.

Strategies focused on non-economic impacts

- Capacity building, training and empowerment.
- Mitigation of the environmental impact of tourism on the poor.
- Improved social and cultural impact of tourism.

Strategies focused on policy/process reform

- More supportive policy and planning framework.
- Increased participation.
- Pro-poor partnerships with the private sector.

Enhancing economic benefits is a focus of all the case studies. They tackle many obstacles to economic participation, including lack of skills, low understanding of tourism, poor product quality, and limited markets.

Strategies to maximise non-economic impacts are less explicit, but capacity building combined with dialogue are the first steps in all cases.

Strategies to enhance policy, participation and partnerships include lobbying for policy reform, involving the poor in local planning, amplifying their voice through producer associations, and developing formal and informal linkages between the poor and private operators.

Emerging lessons on 'good practice'

PPT is relatively untried and untested, and there is no blueprint. Nevertheless the case studies reveal some common lessons:

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

Implications for the roles of different stakeholders

The private sector is an essential player in PPT – as partner, customer, marketing channel and/or advisor. Private companies can:

- Maximise use of local suppliers and local staff. If commercial obstacles exist, explain them.
- Provide technical advice, support and clients to local tourism enterprises. Help develop understanding of the tourism industry.
- Establish business partnerships with residents: e.g. equity share, concession arrangement.
- Develop or share access to infrastructure (road, water), key equipment (telephone, radio) or services (health care).
- Respect and promote local guidelines and norms. Consult with poor neighbours.
- Explain to customers and suppliers why pro-poor commitments matter and what can be done to meet them.

Examples: Wilderness Safaris established an equity share with neighbouring Tribal Authorities, employs a high percentage of local staff and supports culturally-based local attractions. Tropic Ecological Adventures takes tours to community ventures, assists community members with health care, and collected donations from tourists for a community radio.

There is much that only governments can do – in terms of policies, regulations, and co-ordination. They can:

- Consult with poor residents when making decisions about tourism.
- Provide secure tenure for the poor over tourism land or assets.
- Use planning controls and investment incentives to encourage private operators to make and implement pro-poor commitments.
- Encourage dispersion of tourism to poor areas, through infrastructural investment and marketing.
- Revise regulations that impede the poor in employment or small business, and support small business more generally.
- Incorporate pro-poor elements into tourism, rural development and growth strategies.
- Catalyse PPT, facilitate efforts of others, or at least remove obstructions.

Examples: The South African Government encourages tourism development in deprived rural areas through infrastructural development and investment packaging. Socio-economic criteria are used to judge competing private sector bids. The St Lucia HTP supports small enterprises and tackles attitudes, regulations and marketing practice at policy level.

The poor have many roles: as individual workers or entrepreneurs, and as members of communities that also operate enterprises or partnerships, manage benefits and participate in planning. Effective engagement of the poor can be enhanced through measures that:

- Increase understanding of tourism, explore pros and cons of involvement, generate realistic expectations.
- Develop skills for small business and tourism employment.
- Explore options for developing cultural products, supplying inputs and reaching markets.
- Strengthen community organisations, particularly in transparent management of collective assets and benefits, and engagement with private operators and government.

Examples: In Namibia, NACOBTA members – individuals and communities – receive training in tourism awareness, business skills, marketing and negotiation. In Nepal, SNV starts with capacity building of community organisations.

Facilitating PPT may require a lead from others in civil society, particularly NGOs, by:

- Acting as a catalyst and liaising between stakeholders.
- Investing in training and technical assistance to the poor.
- Exploring and facilitating business options for linking private operators and poor suppliers.
- Developing processes that amplify the voice of the poor at policy level.

Examples: In Namibia and Uganda, these roles are provided by producer organisations – NACOBTA and UCOTA. They train members, liaise with private operators and participate in policy discussions. In Nepal and St Lucia, these roles are provided by SNV (a donor-funded NGO) and St Lucia HTP (a government programme) respectively: enterprise support is combined with participatory planning processes that involve the poor.

Donors can encourage the other stakeholders to develop their roles in PPT, and specifically:

- When supporting tourism development and influencing national tourism plans, require assessment of PPT issues.
- Ensure tourism consultants are aware of PPT issues and briefed to address them.
- When supporting growth or anti-poverty strategies ensure the pro-poor potential of tourism is assessed.
- Promote pro-poor tourism at the international level, emphasising a pro-poor and Southern focus within sustainable tourism.
- Fund the implementation and spread of PPT strategies.

Key factors to address

Four key issues can constrain or facilitate progress in implementing PPT and need to be addressed throughout:

- 1 Access of the poor to the market:** physical location (how to get the poor to tourists or vice versa?), economic elites (how to create links with well-established operators?), social constraints on poor producers (how to overcome gender or caste barriers?)
- 2 Commercial viability:** product quality and price (are pro-poor products competitive?), marketing (which market to target, how, is marketing sufficient?), strength of the broader destination (if the destination is not flourishing, how can PPT thrive?).
- 3 Policy framework:** land tenure, regulatory context, planning process, government attitude and capacity (Do the poor have tenure over tourism assets? Which policies or specific regulations need reform? Can reform be achieved – and implemented? If government is obstructive, can PPT thrive?)
- 4 Implementation challenges** in the local context: filling the skills gap (who can invest, substantially, in training?), managing costs and expectations (are external funds available? How much expenditure is justified? How to ensure expectations are realistic?), maximising collaboration across stakeholders (who will act as a focal point and invest in communication?).

Impacts

What are the impacts of PPT initiatives on poor people?

The case study PPT initiatives are in the process of implementation, and direct causality is hard to ascribe. Caveats aside, however, a picture emerges of:

- Small but very significant earnings of poor individuals from PPT initiatives.
- A wide range of non-financial livelihood impacts that decrease vulnerability.
- Fairly wide, though unequal, spread of benefits among 'the poor'.

Only a minority gain *regular waged employment* as a result of PPT, but for these people earnings are generally sufficient to lift their household from 'poor' to fairly 'secure'. For many others, earnings from small enterprise or casual labour contribute to a survival strategy (Box 2). These people remain poor, but are less vulnerable and better able to meet daily needs. PPT can also provide *collective income* for the community. If effectively managed, this can be invested in goods such as schools, healthcare and communication.

Other positive *livelihood impacts* include development of skills, improved access to information, infrastructure, credit and markets, and strengthening of community organisations. Less tangible change such as renewed pride, optimism and more participation in decision-making is also highly valued.

Economic opportunities tend to be *concentrated amongst the semi-skilled* rather than the poorest, although craft production and manual work (e.g. portering and construction) involve poorer workers. *Benefits are dispersed* through: wage-earners supporting others, re-spending of wages on local products, investment of collective income, and value of the non-economic impacts across the community.

Benefits may be small in absolute terms (from a national perspective) or relative terms (compared to benefits of tourism to the non-poor). But **for the poor, where it happens, PPT is invaluable: reducing vulnerability for many and providing exits from poverty for some.** The only caveat here is that *dependence* on tourism exposes the poor to the volatility of this industry.

"The effort [is] worthwhile, considering the overall livelihood improvements that are possible. While the economic benefits may not seem robust, the communities with whom Tropic works have received significant livelihood improvements that range from improved access to communication and healthcare to technical support and connections with other committed individuals." (TROPIC case study)

Box 2: How much for how many?

There is no 'average' scale of local earnings from PPT initiatives. A single lodge, such as Wilderness Safaris' Rocktail Bay, can provide secure salaries (US\$2-3,000/year) for about 30 formerly unemployed poor people, casual earnings for at least twice as many, and collective income for 1,500. Initiatives such as SDI could spread this model widely. A number of micro-enterprises spread across a region (such as Humla) or country (such as Namibia) can provide earnings for hundreds of people, ranging from a few dollars to up to \$200 (in Humla) or \$2,000 (in Namibia) *per person* per year. In total, 40% of households in target districts of Humla stand to gain, while 26,000 Namibians live in communities earning collective tourism income (averaging a few dollars per head so far).

Total local incomes from a PPT intervention (ranging from US\$2,000 to \$200,000 per year) do not yet match the annual investment costs (which range from US\$15,000 to US\$730,000 per year). But, if future incomes, non-financial livelihood benefits and policy change were valued, a cost-benefit approach is likely to illustrate a positive return.

What is the potential contribution to poverty elimination and pro-poor growth?

Experience to date illustrates five strengths of PPT from a poverty-reduction perspective.

- i It does appear possible to 'tilt' the tourism sector at the margin, to expand opportunities for the poor. Diversification into culturally-based products, expansion of business linkages, redistribution of assets (equity, land) to the poor, and inclusion of their voice in tourism plans are long-term changes with potential for replication. However, there are also limits on the extent of pro-poor restructuring in such a sophisticated and competitive sector.
- ii PPT initiatives have been able to develop two of the key characteristics of pro-poor growth within tourism: increasing demand for goods and services provided by the poor, and increasing their asset base. In contrast, conventional tourism is often associated with undermining access to assets (particularly land) by the poor.
- iii Current thinking on poverty reduction highlights the need to support diversified livelihoods through the non-farm rural economy. It is generally pessimistic about progress in marginal agricultural areas. PPT has the dual advantage of supporting diversification and being particularly relevant to remote areas.
- iv Impacts of PPT initiatives can extend beyond their specific location by contributing to pro-poor change in policies and processes. Recognition of the poor as legitimate stakeholders as well as attitude changes in government and the private sector, and a spread of participatory approaches are likely to be of long-term significance.
- v There is already a movement for 'sustainable tourism' which could be harnessed to contribute more to poverty reduction, though this would require a shift in focus.

"PPT in Namibia is proving to be an effective poverty strategy when judged by the income it creates for and the impacts it has on the poor." (NACOBTA case study)

Poverty reduction through PPT can be significant at a local or district level. PPT strategies have made little dent in national aggregates so far, because initiatives are small-scale, site-specific, or at early stages. National impacts would require a shift across the sector and depend on the relative size of tourism in a country. The relevance of PPT strategies will vary with location, and change occurs at the margin. Nevertheless, if opportunities for the poor could be opened up in all the places where tourism is significant in the South, it would affect millions of the poor.