

ST/ESA/2003/DP/29
DESA Discussion Paper No. 29

A New Approach to Sustainable Tourism Development: *Moving Beyond Environmental Protection*

Frederico Neto
March 2003

DESA Discussion Paper Series

DESA Discussion Papers are preliminary documents circulated in a limited number of copies and posted on the DESA website <http://www.un.org/esa/papers.htm> to stimulate discussion and critical comment. This paper has not been formally edited and the designation and terminology used do not imply the expression of any opinion whatsoever on the part of the United Nations Secretariat. Citations should refer to a "Discussion Paper of the United Nations Department of Economic and Social Affairs."

Frederico Neto

Frederico Neto is an economic affairs officer in the Economic Affairs and Policy Unit of United Nations Department of Economic and Social Affairs. The views expressed in this paper are those of the author and do not necessarily represent the views of the United Nations. Comments should be addressed to the author at the United Nations, Room DC2-2178, United Nations, New York, NY 10017 (e-mail: neto@un.org).

Acknowledgements

This paper is based on a presentation made by the author at the Twelfth ACUNS/ASIL Workshop on International Organization Studies held in Windhoek, Namibia and Johannesburg, South Africa from 18 to 30 August 2002. I have benefited from comments made by various participants in that meeting, as well as those made by Linda Haley, Ian Kinniburgh, Anatoly Smyshlyayev and Chikako Takase on earlier drafts.

Authorized for distribution by **Ian Kinniburgh**,
Acting Director
Development Policy and Planning Office
Department of Economic and Social Affairs
United Nations

Abstract

Tourism is one of the largest and fastest growing industries in the world. It is an increasingly important source of income, employment and wealth in many countries. However, its rapid expansion has also had detrimental environmental (and socio-cultural) impact in many regions. In this DESA discussion paper, I examine the main economic benefits and environmental impact of tourism, and review the development of the international sustainable tourism agenda. While much of international tourism activity takes place within the developed world, this paper will focus on the (economic) development of the industry in developing countries. I conclude that new approaches to sustainable tourism development in these countries should not only seek to minimize local environmental impact, but also give greater priority to community participation and poverty reduction. I argue, in particular, that more emphasis should be given to a 'pro-poor tourism' approach at both national and international levels.

Key words:

Tourism, sustainable development, natural resource management, poverty reduction.

JEL classification code:

L83; Q01.

Contents

	<i>Page</i>
Introduction: Recent and future trends in world tourism	1
Economic benefits of tourism	2
Interaction between tourism and the environment	4
Pressure on natural resources	4
Damage to ecosystems	5
Environmental threats to tourism	6
Sustainable tourism development	6
International efforts to promote sustainable tourism development	7
The growing importance of ecotourism	7
Pro-poor tourism: A poverty reduction strategy?	8
Conclusion	9
Notes	10
References	10

List of figures

1. Change in international tourism arrivals by region, 2001/2000	2
2. Share of international tourism receipts by region, 2000	3

List of tables

1. International tourism arrivals by region, 1990-2000	1
2. Worldwide export earnings of top ten industries, 1999	3

Introduction: Recent and future trends in world tourism

Tourism can be considered one of the most remarkable socio-economic phenomena of the twentieth century. From an activity “enjoyed by only a small group of relatively well-off people” during the first half of the last century, it gradually became a mass phenomenon during the post-World War II period, particularly from the 1970s onwards.¹ It now reaches an increasingly larger number of people throughout the world and can be considered a vital dimension of global integration.²

Although domestic tourism currently accounts for approximately 80% of all tourist activity (UN, 1999a), many countries tend to give priority to international tourism because, while the former basically involves a regional redistribution of national income, the latter has now become the world’s largest source of foreign exchange receipts. According to the latest figures compiled by the World Tourism Organization (WTO), foreign exchange earnings from international tourism reached a peak of US\$ 476 billion in 2000, which was larger than the export value of petroleum products, motor vehicles, telecommunications equipment or any other single category of product or service (WTO, 2001a).

International tourist arrivals grew at an annual average rate of 4.3% during the 1990s, despite major international political and economic crises, such as the Gulf War and the Asian financial crisis.³ According to the latest WTO figures, the turn of the millennium recorded one of the most impressive annual growth rates in international tourism. As table 1 shows, all regions of the

world recorded significant growth in international tourism in 2000, during which the number of international arrivals grew at an extraordinary rate of nearly 7% to reach almost 700 million arrivals.

The September 2001 terrorist attacks in the United States, however, appear to have had a more serious impact on the tourist sector than any other major international crisis in recent decades. The attacks had a particularly severe impact on air transport, business travel and long-haul travel. Worldwide travel reservations were estimated to have dropped by 15% at the end of October 2001, although not every destination nor every part of the tourism sector was badly affected (see WTO, 2001c). For example, while air transport and luxury hotels have suffered from considerable fall in demand, travel within the same country or region, as well as travel by rail and road, appear to have weathered the worst effects of the crisis, or even benefited from it.

Nevertheless, initial forecasts of 3-4% rise in international tourist arrivals for 2001, made before the September 2001 attacks, were subsequently revised downwards to around a 1% increase over the 2000 figures (WTO, 2001c). The latest WTO (2002) data show that there was an actual decline of 0.6% in international arrivals, to a total of 693 million, in 2001. Given that the northern hemisphere summer holiday season was coming to end by the time the attacks took place, this significant drop confirms that the short-term impacts of the attacks were devastating to international tourism as a whole. The last four months of 2001, in fact, recorded a drop of almost 9% in arrivals worldwide and substantial decreases in all regions of the world (see figure 1).

Table 1: International tourist arrivals by region, 1990-2000

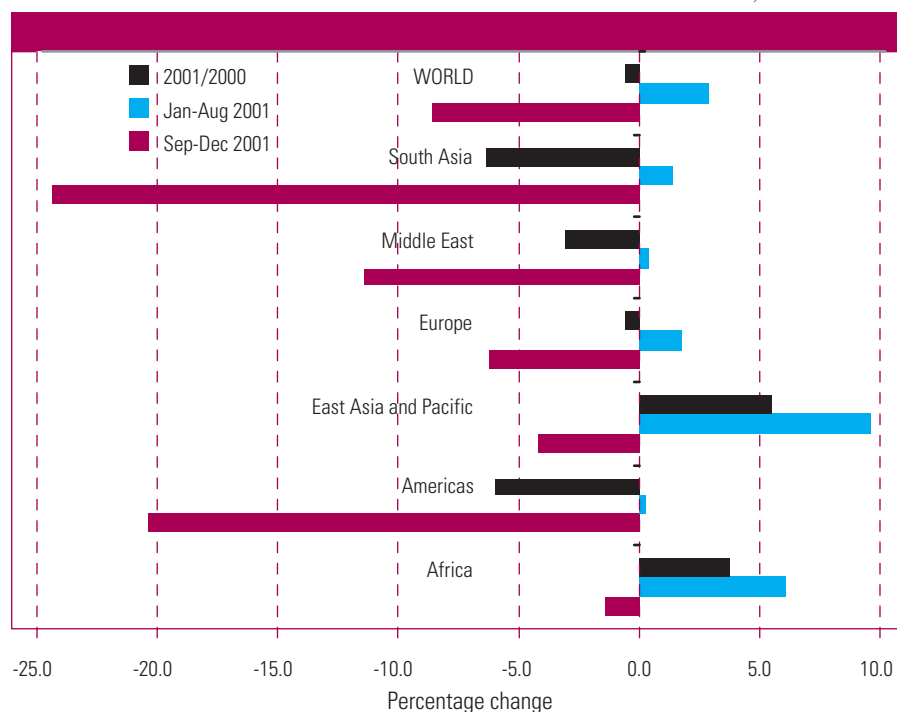
Region	Million arrivals			Market share (percentage)			Growth rate (percentage)
	1990	1999	2000	1990	1999	2000	2000/1999
Africa	15.0	26.5	27.2	3.3	4.1	3.9	3.4
Americas	92.9	122.2	128.4	20.3	18.8	18.4	5.0
East Asia and Pacific	54.6	97.6	109.1	11.9	15.0	15.7	12.7
Europe	282.7	380.2	402.7	61.8	58.5	57.8	5.8
Middle East	9.0	18.2	23.2	2.0	2.8	3.3	13.2
South Asia	3.2	5.8	6.1	0.7	0.9	0.9	5.4
World	457.3	650.4	696.7	100.0	100.0	100.0	6.8

Sources: WTO (2001e) and revised updates released in June 2002 (WTO, 2002).

Note: Totals may differ from the sum of columns because of rounding.

Figure 1.

CHANGE IN INTERNATIONAL TOURIST ARRIVALS BY REGION, 2001/2000



Source: UN/DESA, based on WTO (2002) data.

It is worth noting, however, that this considerable fall in international arrivals was caused not only by a widespread fear of traveling generated by the attacks—particularly in airplanes and to certain destinations—but also by a downturn in the world economy. The economic downturn that began in the United States during the first half of 2001 had already been affecting the tourism sector before the terrorist attacks were carried out. The attacks aggravated the economic slowdown already under way.⁴ The expected recovery in world tourism in the near future will thus depend on the evolution of the world economy, amongst other factors, including the possibility of further terrorist acts or regional conflicts. Some destinations will in any case experience a prolonged decline in tourism revenues—regardless of any world economic improvements—for various reasons, including proximity to areas of regional conflict.

In the medium and long term, however, international tourism is expected to resume its rapid growth, in view of rising living standards and discretionary incomes, falling real costs of travel, expansion and improvement of various transport modes, increasing amounts of free time and other factors. This helps to explain why WTO (2001c) has reiterated its long-term forecasts, made before the September 2001 attacks, of an average annual

growth rate in international arrivals of over 4% in the period up to 2020. The number of international arrivals is thus expected to reach the striking mark of 1 billion by 2010 and 1.6 billion by 2020 (see WTO, 2001d).

Economic benefits of tourism

Tourism comprises an extensive range of economic activities and can be considered the largest industry in the world.⁵ International tourism is one of the fastest growing sectors of the global economy. During the 1990s, when the globalization of tourism reached unprecedented proportions, international tourism receipts had a much higher average annual growth rate (7.3%) than that of gross world product.⁶ By 1999, international tourism receipts accounted for more than 8% of the worldwide export value of goods and services, overtaking the export value of other leading world industries such as automotive products, chemicals, and computer and office equipment (see table 2).

A significant proportion of world tourism expenditure takes place within industrialized countries: Europe alone accounts for around half of annual international tourism receipts (see figure 2). Tourism, however, is the only major service sector in which develop-

Table 2: Worldwide export earnings^a of top ten industries, 1999

Industry	Export earnings (US \$ billion)	Share (percentage)
International tourism ^b	555	8.1
Automotive products	549	8.0
Chemicals	526	7.6
Food	437	6.3
Fuels	401	5.8
Computer and office equipment	394	5.7
Textile and clothing	334	4.8
Telecommunications equipment	289	4.2
Mining products (other than fuels)	155	2.3
Iron and steel products	126	1.8
Total worldwide export of goods and services (including other industries)	6 890	100.0

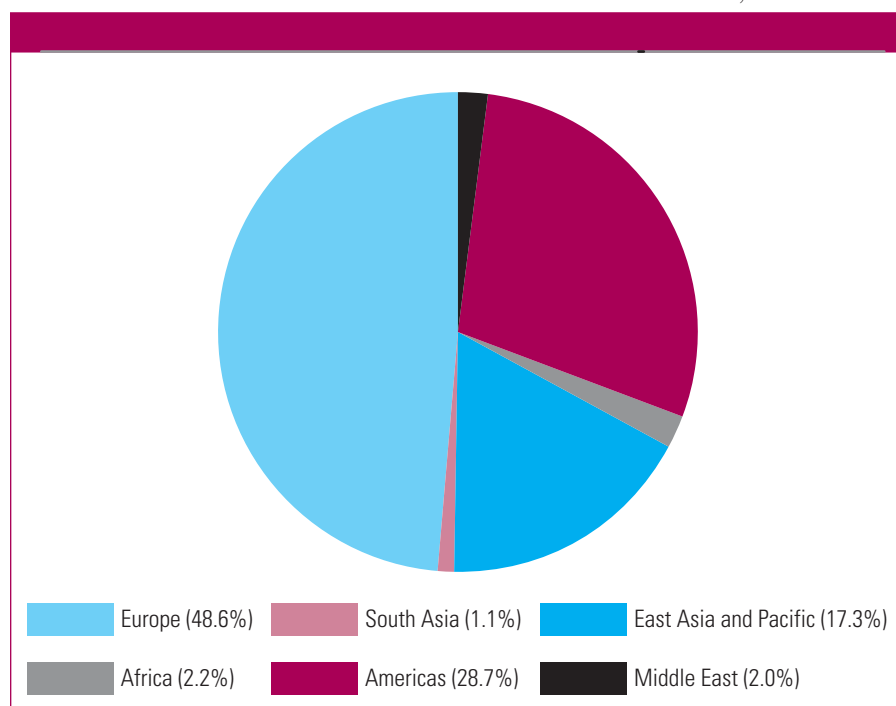
Sources: WTO (2001e).

^a For economic purposes, international tourism receipts are considered exports and international tourism expenditures as imports.

^b Total international tourism receipts include those generated by international fares.

Figure 2.

SHARE OF INTERNATIONAL TOURISM RECEIPTS BY REGION, 2000



Source: WTO (2001a).

ing countries have consistently recorded trade surpluses relative to the rest of the world. Between 1980 and 1996, for instance, their travel account surplus increased from \$4.6 billion to \$65.9 billion, due primarily to the impressive growth of inbound tourism to countries in Africa, the Caribbean, and the Asia and Pacific regions (UN, 1999a). The 1990s also experi-

enced a significant growth of international tourism receipts in the 49 least developed countries: total tourism receipts in these countries more than doubled from US\$ 1 billion in 1992 to over US\$ 2.2 billion in 1998.⁷ Tourism is now the second largest source of foreign exchange earnings in the least developed countries (LDCs) as a whole.

Tourism has also become the main source of income for an increasing number of Small Island Developing States (SIDS). Foreign exchange earnings can, however, vary significantly among these tourism-driven economies because of ‘leakages’ arising from imports of equipment for construction and consumer goods required by tourists, repatriation of profits earned by foreign investors and amortization of foreign debt incurred in tourist development.⁸

Besides export earnings, international tourism also generates an increasingly significant share of government (national and local) tax revenues throughout the world. In addition, the development of tourism as a whole is usually accompanied by considerable investments in infrastructure, such as airports, roads, water and sewerage facilities, telecommunications and other public utilities. Such infrastructural improvements not only generate benefits to tourists but can also contribute to improving the living conditions of local populations. This increase in social overhead capital can also help attract other industries to a disadvantaged area and thus be a stimulus to regional economic development.

The tourism sector is an increasingly important source of employment—including in tourism-related sectors, such as construction and agriculture—primarily for unskilled labour, migrants from poor rural areas, people who prefer to work part-time, and notably women.⁹ Because the sector is relatively labour-intensive, investments in tourism tend to generate a larger and more rapid increase in employment than equal investment in other economic activities.¹⁰ Furthermore, given that the sector provides a considerable amount of jobs for women and unskilled workers, tourism can significantly contribute to empowering women and alleviating poverty.

At the same time, available data suggest that most workers in the tourism sector, notably in hotels and catering, tend to earn less than workers in socially comparable occupations in both developed and developing countries (ILO, 2001). In addition, the differential tends to be larger in less developed countries and regions, particularly those with high rates of unemployment amongst unskilled labour. Informal employment relations in small and medium-sized enterprises, which employ about half of the labour force in the hotel and catering sub-sectors worldwide, also contribute to a relatively high proportion of child labour and non-remunerated employment and other unacceptable forms of social exploitation in many countries.¹¹

The increasing reliance of less diversified economies on tourism also increases their vulnerability

to seasonal aspects of tourism and to shocks, such as, natural disasters, regional wars and other unexpected events. The recent crisis generated by fear of international terrorism and regional conflict, for example, caused devastating immediate effects on tourism-dependent economies.¹² In addition, sudden changes in consumer tastes and sharp economic downturns pose significant risks to such economies, given that demand for mass tourism tends to be relatively income-elastic and can produce drastic negative responses to economic recession in source markets.

Nonetheless, it is now generally recognized that tourism can make a vital contribution to employment, export receipts and national income in most countries and regions. Furthermore, tourism is often identified as the most promising driving force for the economic development of less developed countries and regions endowed with areas of natural beauty—including Small Island Developing States—because it offers them a valuable opportunity for economic diversification.

Interaction between tourism and the environment

While tourism provides considerable economic benefits for many countries, regions and communities, its rapid expansion can also be responsible for adverse environmental, as well as socio-cultural, impact.¹³ Natural resource depletion and environmental degradation associated with tourism activities pose severe problems to many tourism-rich regions. The fact that most tourists chose to maintain their relatively high patterns of consumption (and waste generation) when they reach their destinations can be a particularly serious problem for developing countries and regions without the appropriate means for protecting their natural resources and local ecosystems from the pressures of mass tourism.

The two main areas of environmental impact of tourism are: pressure on natural resources and damage to ecosystems. Furthermore, it is now widely recognized not only that uncontrolled tourism expansion is likely to lead to environmental degradation, but also that environmental degradation, in turn, poses a serious threat to tourism activities.

Pressure on natural resources

In addition to pressure on the availability and prices of resources consumed by local residents—such as energy, food and basic raw materials—the main natural resources

at risk from tourism development are land, freshwater and marine resources. Without careful land-use planning, for instance, rapid tourism development can intensify competition for land resources with other uses and lead to rising land prices and increased pressure to build on agricultural land. Moreover, intensive tourism development can threaten natural landscapes, notably through deforestation, loss of wetlands and soil erosion. Tourism development in coastal areas—including hotel, airport and road construction—is often a matter for increasing concern worldwide as it can lead to sand mining, beach erosion and other forms of land degradation.

Freshwater availability for competing agricultural, industrial, household and other uses is rapidly becoming one of the most critical natural resource issues in many countries and regions. Rapid expansion of the tourism industry, which tends to be extremely water-intensive, can exacerbate this problem by placing considerable pressure on scarce water supply in many destinations. Water scarcity can pose a serious limitation to future tourism development in many low-lying coastal areas and small islands that have limited supplies of surface water, and whose groundwater may be contaminated by saltwater intrusion. Over-consumption by many tourist facilities—notably large hotel resorts and golf courses—can limit current supplies available to farmers and local populations in water-scarce regions and thus lead to serious shortages and price rises. In addition, pollution of available freshwater sources, some of which may be associated with tourism-related activities, can exacerbate local shortages.

Rapid expansion of coastal and ocean tourism activities, such as snorkelling, scuba diving and sport fishing, can threaten fisheries and other marine resources. Disturbance to marine aquatic life can also be caused by the intensive use of thrill craft, such as jet skis, frequent boat tours and boat anchors. Anchor damage is now regarded as one of the most serious threats to coral reefs in the Caribbean Sea, in view of the growing number of both small boats and large cruise ships sailing in the region (see Michael Hall, 2001). Severe damage to coral reefs and other marine resources may, in turn, not only discourage further tourism and threaten the future of local tourist industries, but also damage local fisheries.

Damage to ecosystems

Besides the consumption of large amounts of natural resources, the tourism industry also generates consid-

erable waste and pollution. Disposal of liquid and solid waste generated by the tourism industry has become a particular problem for many developing countries and regions that lack the capacity to treat these waste materials. Disposal of such untreated waste has, in turn, contributed to reducing the availability of natural resources, such as freshwater.

Apart from the contamination of freshwater from pollution by untreated sewage, tourist activities can also lead to land contamination from solid waste and the contamination of marine waters and coastal areas from pollution generated by hotels and marinas, as well as cruise ships. It is estimated that cruise ships in the Caribbean Sea alone produced more than 70,000 tonnes of liquid and solid waste a year during the mid-1990s (UN, 1999a). The fast growth of the cruise sector in this and other regions around the world has exacerbated this problem in recent years. In fact, it is sometimes argued that the rapid expansion of cruise tourism calls for “the enforcement of an environmental protection ‘level playing field’ across the world’s oceans and between the world’s maritime tourism destinations” (Johnson, 2002).

In addition, relatively high levels of energy consumption in hotels—including energy for air-conditioning, heating and cooking—as well as fuel used by tourism-related transportation can also contribute significantly to local air pollution in many host countries and regions. Local air and noise pollution, as well as urban congestion linked to intensive tourism development, can sometimes even discourage tourists from visiting some destinations.

Uncontrolled tourism activities can also cause severe disruption of wildlife habitats and increased pressure on endangered species. Disruption of wildlife behaviour is often caused, for example, by tourist vehicles in Africa’s national parks that approach wild cats and thus distract them from hunting and breeding; tour boat operators in the Caribbean Sea that feed sharks to ensure that they remain in tourist areas; and whale-watching boat crews around the world that pursue whales and dolphins and even encourage petting, which tends to alter the animals’ feeding and behaviour (see Mastny, 2001).

Similarly, tourism can lead to the indiscriminate clearance of native vegetation for the development of new facilities, increased demand for fuelwood and even forest fires. Ecologically fragile areas, such as rain forests, wetlands and mangroves, are also threatened by

intensive or irresponsible tourist activity. Moreover, as will be discussed below, it is increasingly recognized that, the rapid expansion of nature tourism (or ‘ecotourism’) may also pose a threat to ecologically fragile areas, including many natural world heritage sites, if not properly managed and monitored.

The delicate ecosystems of most small islands, together with their increasing reliance on tourism as a main tool of socio-economic development, means that this environmental impact can be particularly damaging since the success of the tourism sector in these islands often depends on the quality of their natural environment (UN, 1999b). In addition, pollution of coastal waters—in particular by sewage, solid waste, sediments and untreated chemicals—often leads to the deterioration of coastal ecosystems, notably coral reefs, and thus harms their value for tourism.

The equally fragile ecosystems of mountain regions are also threatened by increasing popular tourist activities such as skiing, snowboarding and trekking. One of the most serious environmental problems in mountainous developing countries without appropriate energy supply is deforestation arising from increasing consumption of fuelwood by the tourism industry (see, for example, CDE/SDC, 1999). This often results not only in the destruction of local habitats and ecosystems, but also in accelerating processes of erosion and landslides. Other major problems arising from tourist activities in mountain regions include disruption of animal migration by road and tourist facilities, sewage pollution of rivers, excessive water withdrawals from streams to supply resorts and the accumulation of solid waste on trails.

Environmental threats to tourism

In many mountain regions, small islands, coastal areas and other ecologically fragile places visited by tourists, there is an increasing concern that the negative impact of tourism on the natural environment can ultimately hurt the tourism industry itself. In other words, the negative impact of intensive tourism activities on the environmental quality of beaches, mountains, rivers, forests and other ecosystems also compromise the viability of the tourism industry in these places.

There is now plenty of evidence of the ‘life-cycle’ of a tourist destination, that is, the evolution from its discovery, to development and eventual decline because of over-exploitation and subsequent deterioration its

key attractions. In many developing and developed countries alike, tourism destinations are becoming overdeveloped up to the point where the damage caused by environmental degradation—and the eventual loss of revenues arising from a collapse in tourism arrivals—becomes irreversible.

Examples of such exploitation of ‘non-renewable tourism resources’ range from a small fishing village in India’s Kerala state—which saw its tourist sector collapse after two decades of fast growth, because inadequate disposal of solid waste—to several places in the industrialized world, such as Italy’s Adriatic coast and Germany’s Black Forest.¹⁴ It can also be argued that environmental pollution and urban sprawl tend to undermine further tourist development in major urban destinations in developing countries, such as Bangkok, Cairo and Mexico City.

In addition, tourism in many destinations could be particularly threatened by external environmental shocks, notably the potential threat of global warming and sea-level rise. Significant rises in sea level could cause serious problems to tourism activities, particularly in low-lying coastal areas and small islands. Global warming is also expected to increase climate variability and to provoke changes in the frequency and intensity of extreme climate events—such as tropical windstorms and associated storm surges and coastal flooding—that may threaten tourism activities at certain destinations (see UN, 2001b, ch. VII).

Sustainable tourism development

Countries and regions where the economy is driven by the tourism industry have become increasingly concerned with the environmental, as well as the socio-cultural problems associated with unsustainable tourism. As a result, there is now increasing agreement on the need to promote sustainable tourism development to minimize its environmental impact and to maximize socio-economic overall benefits at tourist destinations. The concept of sustainable tourism, as developed by the World Tourism Organization (WTO) in the context of the United Nations sustainable development process, refers to tourist activities “leading to management of all resources in such a way that economic, social and aesthetic needs can be fulfilled while maintaining cultural integrity, essential ecological processes, biological diversity and life support systems” (see UN, 2001a).

International efforts to promote sustainable tourism development

Although tourism was not specifically addressed in Agenda 21—the international action plan on sustainable development agreed on at the 1992 Earth Summit in Rio de Janeiro (Brazil)¹⁵—its growing economic importance, significant use of natural resources and environmental impact all contributed to its gradual introduction into the international sustainable development agenda over the past ten years. One of the first concrete sectoral action plans arising from the increasing cooperation between the tourism industry and inter-governmental agencies was ‘Agenda 21 for the Travel and Tourism Industry,’ an action plan for sustainable tourism development launched by the WTO, in cooperation with two business associations in 1996 (see WTO, 2001f).

In 1997, the United Nations General Assembly, at its special session to review the five-year implementation of Agenda 21, decided that there was a need to consider the importance of tourism in the context of Agenda 21 and to “develop an action-oriented international programme of work on sustainable tourism” (see UN, 1998). This request was followed up during the seventh annual session of the United Nations Commission on Sustainable Development (CSD), held in New York in 1999, which considered tourism as an economic sector, held a multi-stakeholder dialogue on the topic and adopted an international work programme on sustainable tourism development (UN, 1999c). One of the major follow-up activities to the CSD international work programme on sustainable tourism has been the ongoing development of international guidelines for sustainable tourism by the Convention on Biological Diversity. The draft international guidelines stress that “to be sustainable, tourism should be managed within the carrying capacity and limits of each ecosystem and site” (UNEP, 2002a).

The seventh session of the CSD also invited the WTO to further develop its proposed global code of ethics that had been drafted in consultation with the tourism industry over the previous two years. The ‘Global Code of Ethics for Tourism,’ introduced by the WTO in late 1999, sets a frame of reference for the responsible and sustainable development of international tourism (WTO, 2001f, Appendix I). It includes nine articles outlining the basic rules for governments, tour operators, developers, travel agents, workers, as well as host communities and the tourists themselves. The tenth arti-

cle includes a proposed mechanism for conciliation, through the creation of a World Committee on Tourism Ethics made up of representatives of each region of the world and representatives of each group of stakeholders in the tourism sector, Governments, the private sector, and labour and non-governmental organizations. The United Nations General Assembly adopted the Global Code of Ethics for Tourism in 2001.¹⁶

The Plan of Implementation adopted at the World Summit on Sustainable Development (WSSD), held in Johannesburg (South Africa) from 26 August to 4 September 2002, identified further measures to promote sustainable tourism development, with a view to increasing “the benefits from tourism resources for the population in host communities while maintaining the cultural and environmental integrity of the host communities and enhancing the protection of ecologically sensitive areas and natural heritages” (UN, 2002b:ch. I.2). As similar international actions plans show, the WSSD Plan of Implementation is likely to induce States to take more progressive steps towards better governance and sustainable development (see Haas, 2002). However, achieving the sustainable tourism goals contained in the WSSD Plan of Implementation will require systematic action and the availability of adequate resources at both national and international levels.

The growing importance of ecotourism

The WSSD Plan of Implementation makes particular reference to activities carried out in conjunction with the 2002 United Nations International Year of Ecotourism,¹⁷ amongst other international activities, in the implementation of its sustainable tourism goals. The International Year of Ecotourism offered an ideal opportunity not only to review ecotourism experiences around the world, but also to promote worldwide recognition of the important role of sustainable tourism in the broader international sustainable development agenda. There is, however, a crucial distinction between ecotourism and sustainable tourism: while the former can be broadly defined as an alternative, nature-based type of tourism, sustainable tourism calls for adherence to the above-mentioned sustainability principles in all types of tourism activities and by all segments of the tourism industry.

Ecotourism is still a relatively small segment of the overall tourism sector. At the same time, it is one of the fastest growing tourism segments and further rapid

growth is expected in the future. There is, however, little agreement about its exact meaning because of the wide variety of so-called ecotourism activities provided by many different suppliers (both international and domestic) and enjoyed by an equally broad range of diverse tourists. Its main features include (a) all forms of nature tourism aimed at the appreciation of both the natural world and the traditional cultures existent in natural areas, (b) deliberate efforts to minimize the harmful human impact on the natural and socio-cultural environment and (c) support for the protection of natural and cultural assets and the well-being of host communities.

Consensus on some of these issues was reached during the World Ecotourism Summit—held in Québec City (Canada) in May 2002—although many questions need to be explored further (see UNEP, 2002b). The Québec declaration stresses that, if carried out responsibly, ecotourism can be a valuable means for promoting the socio-economic development of host communities while generating resources for the preservation of natural and cultural assets. In this way, ecologically fragile areas can be protected with the financial returns of ecotourism activities.

Ecotourism has been particularly successful in attracting private investments for the establishment of privately owned natural parks and nature reserves in an increasing number of developing countries, such as Costa Rica, Ecuador, Malaysia and South Africa. Many such reserves are well managed, self-financed and environmentally responsible, even when profit remains the main motivation behind the operation of a private reserve (see, for example, Langholz *et al.*, 2000). In this way, the tourism industry can help to protect and even rehabilitate natural assets, and thus contribute to the preservation of biological diversity and ecological balance.

However, if not properly planned, managed and monitored, ecotourism can be distorted for purely commercial purposes and even for promoting ecologically-damaging activities by large numbers of tourists in natural areas. Given their inadequate physical infrastructure and limited capacity to absorb mass tourism, the fragile land and ocean ecosystems of many developing countries can be literally overwhelmed by large numbers of tourists. It is increasingly recognized, therefore, that ecotourism activities can also cause adverse ecological impact, particularly if they are not properly managed or if they involve tourist numbers beyond the local carrying capacity (Gössling, 1999).¹⁸

Furthermore, even when ecotourism activities are carried out in a responsible manner, they tend to give priority to environmental protection, mainly by focusing on providing financial incentives for environmental conservation by local communities. Similarly, while broader sustainable tourism strategies contain economic and social objectives, these objectives tend to be complementary to a central focus on environmental sustainability. Greater priority should thus be given to socio-economic objectives in general, and to poverty reduction in particular.

Pro-poor tourism: A poverty reduction strategy?

While responsible ecotourism and other sustainable tourism strategies may bring significant socio-economic benefits to host communities, they are not necessarily aimed at poverty alleviation. Given that the *United Nations Millennium Declaration*¹⁹ has placed poverty at the centre of the international development agenda, it can be argued that sustainable tourism development should go beyond the promotion of broad socio-economic development and give greater priority to poverty reduction. This priority shift would also address a somewhat ignored recommendation of the seventh session of the Commission on Sustainable Development which, *inter alia*, urged Governments “to maximize the potential of tourism for eradicating poverty by developing appropriate strategies in cooperation with all major groups, and indigenous and local communities” (see UN, 1999c).

A pro-poor tourism (PPT) approach differs from ecotourism and other sustainable tourism strategies in that its overriding goal is to deliver net benefits to the poor.²⁰ While PPT and ecotourism may have some similar objectives, the key difference is that poverty reduction is the core focus of the PPT approach, rather than a secondary component of a mainly environmental sustainability strategy. In other words, although environmental protection remains an important PPT goal, the quality of the environment in which targeted poor groups live is only one part of a broader poverty reduction strategy.

There are several reasons why tourism development could be a particularly effective tool of poverty reduction. First, as discussed earlier, tourism offers considerable employment opportunities for unskilled labour, rural to urban migrants and lower-income women. Second, there are considerable linkages with the informal sector, which could generate positive multiplier effects to poorer groups that rely on that sector for their liveli-

hoods. Third, tourism tends to be heavily based upon the preservation of natural capital—such as, wildlife and scenery—and cultural heritage, which are often “assets that some of the poor have, even if they have no financial resources” (Ashley *et al.*, 2001:2).

It is increasingly realized that promoting greater community participation in tourism development not only provides stronger incentives to conserve natural capital,²¹ but can also lead to a more equitable sharing of benefits and thus greater opportunities for poverty alleviation. But while ecotourism and PPT both aim to increase community participation in general, PPT also goes beyond this goal in that it includes specific mechanisms to enhance the participation of and opportunities for the poorer segments of society. Three key components of the PPT approach are:

- (a) **improved access to the economic benefits of tourism** by expanding employment and business opportunities for the poor and providing adequate training to enable them to maximize these opportunities;
- (b) **measures to deal with the social and environmental impact of tourism development**, particularly the above-mentioned forms of social exploitation, as well as excessive pressure on natural resources, pollution generation and damage to ecosystems; and
- (c) **policy reform**, by enhancing participation of the poor in planning, development and management of tourism activities pertinent to them, removing some of the barriers for greater participation by the poor, and encouraging partnerships between government agencies or the private sector and poor people in developing new tourism goods and services.

Some of these PPT concepts are beginning to be implemented in several developing countries, such as Ecuador, Namibia, Nepal and Uganda. In Namibia, for example, the implementation of a PPT approach to the development and management of the country’s community-based tourism segment appears to have made a significant contribution towards poverty reduction.

Several studies have shown that financial returns from community-based natural resource management and tourism ventures in Namibia usually exceed their investments and are thus a viable option for generating sustainable economic returns, while promoting environmental conservation and cultural traditions in rural areas (see, for example, Barnes *et al.*, 2002). There is now evidence

of a successful introduction of the PPT approach by the Namibia Community-based Tourism Association (Nacobta), a non-profit organization that supports poor local communities—including small entrepreneurs with inadequate skills or access to financial resources—in their efforts to develop tourism enterprises in the country (see Nicanor, 2001).

Nacobta supports its members at both micro and macro levels, mainly through the provision of grants, loans, training, capacity building in the areas of institutional development and marketing training, as well as in negotiations with relevant government agencies and the mainstream tourist industry. Nacobta is explicitly pro-poor not only because it represents the poorest segment of the country’s tourism industry, but also because most of its members live on communal land areas, where the majority of the inhabitants have an average per capita income of less than US\$1 a day²² and depend on subsistence agriculture. One of the main objectives of Nacobta is “to raise the income and employment levels of these areas through tourism, in order to improve the living standards of people in communal areas” (Nicanor, 2001:5).

The pro-poor tourism approach of Nacobta is thus different from conventional tourism because members of local communities both own and manage the tourism enterprises, whose economic benefits flow directly into community funds or as formal sector wages, temporary remuneration to casual labourers and income to informal sector traders. There is also evidence that the financial returns from most community-based tourism enterprises supported by Nacobta “has changed their communities from being poor or very poor to being better off” (Nicanor, 2001:5).

Conclusion

As stressed at the beginning of this paper, tourism is expected to resume its rapid growth in the near future. This growth can be harnessed not only for the enjoyment of tourists themselves but, more importantly, for maximizing economic benefits and thus increasing the living standards of host communities and countries. At the same time, unless corrective measures are taken, it is bound to have negative environmental and socio-cultural impact on those communities. Ecotourism and other sustainable tourism strategies have gone a long way towards minimizing this negative impact and ensuring that the eco-

conomic benefits of tourism can contribute to environmental protection and the sustainable use of natural resources.

But while environmental sustainability must remain a key component of sustainable tourism strategies, another challenge for the international community is to devise ways and means to place poverty reduction at the centre of tourism planning, development and management. This will require, amongst other things, genuine community participation, greater technical and financial assistance, human resources development, and institutional capacity building in many developing countries. Given the potential importance of tourism activities on national and international efforts to reduce poverty, there is, therefore, a strong case for promoting a PPT approach, particularly in developing countries.

Notes

- 1 See UN (2001a). According to the World Tourism Organization (WTO), tourism is defined as “the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited” (see WTO, 2000).
- 2 See UN (1997:ch. X).
- 3 Even the Gulf War year of 1991 recorded a small increase of 1.2% in international tourist arrivals. Annual international arrivals include different visits to the same country by the same international visitor during a single year. International tourists include both overnight and same-day visitors. See WTO (2001b).
- 4 According to the most recent United Nations economic forecasts (UN, 2003), gross world product (GWP) increased by only 1.7% in 2002, only a marginal improvement from the previous year—itself the weakest performance in a decade. This means that 2002 was the second consecutive year of decline in per capita GWP.
- 5 The broad definition of tourism includes a complex range of economic activities accounted for in several other sectors by means of a ‘tourism satellite account’. According to a set of methodological references to a tourism satellite account recently adopted by the United Nations Statistical Commission (see UN/WTO/OECD/EUROSTAT, 2001), tourism is measured from a demand side perspective as opposed to the supply side approach used for more homogenous sectors.
- 6 International tourism receipts at current prices and excluding international transport costs (see UN, 2001a and WTO, 2001e).
- 7 See UNCTAD (2001).
- 8 See UN (1999b and 1996). The latter estimates that in the mid-1990s such leakages accounted for well over a third of gross tourism receipts in several small economies.
- 9 According to ILO (2002), women account for about 60% of employees in the hotel and restaurant sector in most countries.
- 10 ILO (2002) estimates that one job in the direct tourism industry worldwide induces around one and a half additional indirect jobs in the tourism-related economy: the ratio varies from 1.2 in North and Latin America, to around 2.0 in the Caribbean and Europe
- 11 See ILO (2001). The high proportion of unpaid employment in many developed and developing countries—in many cases almost or more than half of the total number of employees in this sub-sector—reflects a large number of

non-remunerated family members of small entrepreneurs

- 12 See, for example, UN (2002a:Part I).
- 13 While this socio-cultural dimension must be considered an integral part of sustainable tourism development strategies, a discussion of that dimension lies outside the scope of this paper.
- 14 See Mastny, 2001.
- 15 See UN (1993). Agenda 21, however, addresses tourist-related issues, such as, sustainable mountain development and the protection of coastal ecosystems.
- 16 See GA resolution A/RES/56/212 of 21 December 2001.
- 17 The 2002 United Nations International Year of Ecotourism was officially proclaimed by the General Assembly resolution 53/200 of 15 December 1998. WTO and UNEP took the lead in organizing activities at the international level.
- 18 There is no clear agreement, however, how to define and measure ‘tourist carrying capacity’ (see, for example, Collins, 1999).
- 19 See A/RES/55/2, 18 September 2000.
- 20 The analysis here is based mainly on C. Ashley *et al.* (2001).
- 21 Recent empirical analysis of economic incentives for ecotourism in Ecuador shows, for example, that local income generation depends primarily on the level of local organization, as well as on the importance of the tourist attraction and the degree of tourism specialization available. See Wunder (2000).
- 22 This is the official United Nations threshold for defining people living in extreme poverty. See, for example, UN (2001c).

References

- C. Ashley, D. Roe and H. Goodwin, 2001. *Pro-Poor Tourism Strategies: Making Tourism Work for the Poor*, London, ODI.
- J. I. Barnes, J. MacGregor and L. Chris Weaver, 2002. “Economic Efficiency and Incentives for Change within Namibia’s Community Wildlife Use Initiatives”, *World Development* 30, no. 4, pp. 667-681.
- Centre for Development and Environment (CDE) and the Swiss Agency for Development of Cooperation (SDC), 1999. *Tourism and Sustainable Mountain Development*, Berne, CDE.
- A. Collins, 1999. “Tourism development and natural capital”, *Annals of Tourism Research* 26, no. 1. pp. 98-109.
- S. Gössling, 1999. “Ecotourism: a means to safeguard biodiversity and ecosystem functions”, *Ecological Economics* 29, no. 2, pp. 303-320.
- P. M. Haas, 2002. “UN Conferences and constructive governance of the environment”, *Global Governance* 8, no. 1, pp. 73-91.
- International Labour Organization (ILO), 2001. *Human resources development, employment and globalization in the hotel, catering and tourism sector*, Geneva, ILO.
- ILO, 2002. *Hotels, Catering & Tourism* (22 January 2002), available at <http://www.ilo.org/public/english/dialogue/sector/sectors/tourism.htm>.
- D. Johnson, 2002. “Environmentally sustainable cruise tourism: a reality check”, *Marine Policy* 26, pp. 261-270.
- J. A. Langholz, J. P. Lassoie, D. Lee, and D. Chapman, 2000. Economic considerations of privately owned parks, *Ecological Economics*, vol. 33, no. 2, pp. 173-83.
- L. Mastny, 2001. *Traveling Light: New Paths for International*

- Tourism*, Washington, Worldwatch Institute.
- C. Michael Hall, 2001. Trends in ocean and coastal tourism: the end of the last frontier?, *Ocean and Coastal Management*, vol. 44, nos. 9-10, pp. 601-18.
- N. Nicanor, 2001. *Practical strategies for pro-poor tourism: NACOBTA, the Namibian case study*, PPT Working Paper No. 4, ODI, London.
- United Nations (UN), 1993. *Earth Summit—Agenda 21: The United Nations Programme of Action from Rio* (Sales document No. E.93.I.11), New York, UN.
- UN, 1996. Sustainable tourism development in small island developing states, *Report of the Secretary-General* (document E/CN.17/1996/20/Add.3), New York, UN.
- UN, 1997. *World Economic and Social Survey 1997* (Sales No. E.97.II.C.I), New York, UN.
- UN, 1998. *Earth Summit +5—Programme for the Further Implementation of Agenda 21*, New York, UN.
- UN, 1999a. Tourism and sustainable development, *Report of the Secretary-General* (Document No. E/CN.17/1999/5), New York, UN.
- UN, 1999b. Sustainable tourism development in small island developing states, *Addendum to the Report of the Secretary-General* (Document No. E/CN.17/1999/6/Add.11), New York, UN.
- UN, 1999c. *Report of the seventh session of the United Nations Commission on Sustainable Development* (document E/1999/29-E/CN.17/1999/20), New York, UN.
- UN, 2001a. Sustainable development of tourism, *Report of the Secretary-General* (Document No. E/CN.17/2001/PC/21), New York, UN.
- UN, 2001b. *World Economic and Social Survey 2001* (Sales No. E.01.II.A.4), New York, UN.
- UN, 2001c. “Road map towards the implementation of the United Nations Millennium Declaration” (document A/56/326), New York, UN.
- UN, 2002a. *World Economic and Social Survey 2002* (Sales No. E.02.II.C.1), New York, UN.
- UN, 2002b. *Report of the World Summit on Sustainable Development* (Sales No. E.03.II.A.1), New York, UN.
- UN, 2003. *World Economic Situation and Prospects 2003* (Sales No. E.03.II.C.2), New York, UN.
- United Nations Conference on Trade and Development (UNCTAD), 2001. *Note by the Secretariat of the United Nations Conference on Trade and Development* (Document No. UNCTAD/LDC/Misc.64), Geneva, UNCTAD.
- United Nations Environment Programme (UNEP), Secretariat of the Convention on Biological Diversity, (2002a). *Biological Diversity and Tourism: Development of Guidelines for Sustainable Tourism in Vulnerable Ecosystems*, Montreal, UNEP/CBD.
- UNEP, 2002b. “Québec Declaration on Ecotourism”, agreed at the World Ecotourism Summit and available at <http://www.unep.org/pc/tourism/ecotourism/wes.htm>.
- United Nations (UN), World Tourism Organization (WTO), Organization for Economic Cooperation and Development (OECD) and Statistical Office of the European Commission (EUROSTAT), 2001. *Tourism Satellite Account: Recommended Methodological Framework* (Document No. ST/ESA/STAT/SER.F.80), New York, UN.
- World Tourism Organization (WTO), 2000. *Basic References on Tourism Statistics*, Madrid, WTO.
- WTO, 2001a. *Tourism Highlights 2001*, Madrid, WTO.
- WTO, 2001b. *Compendium of Tourism Statistics—2001 Edition*, Madrid, WTO.
- WTO, 2001c. *Tourism after 11 September 2001: Analysis, remedial actions and prospects*, Madrid, WTO.
- WTO, 2001d. *Tourism 2020 Vision—Global Forecasts and Profiles of Market Segments*, vol. 7, Madrid, WTO.
- WTO, 2001e. *Tourism Market Trends - 2001 Edition, World Overview & Tourism Topics*, Madrid, WTO.
- WTO, 2001f. *Actions in assisting developing countries to implement Agenda 21 undertaken by the World Tourism Organization since 1992*, (Document No. DESA/DSD/PC2/BP3), New York, UN.
- WTO, 2002. *Tourism proves to be a resilient and stable economic sector (18 June)*, available at http://www.world-tourism.org/newsroom/Releases/more_releases/june2002/data.htm.
- S. Wunder, 2000. Ecotourism and economic incentives - An empirical approach, *Ecological Economics*, vol. 32, no. 3, pp. 465-79.

DESA Discussion Papers

- No. 1 ***Public versus Private Provision of Pensions***, By Larry Willmore, December 1998
- No. 2 ***Inefficiencies of Global Capital Markets***, By Hugh Stretton, December 1998
- No. 3 ***Greening the National Accounts: Approach and Policy Use***, By Peter Bartelmus, January 1999
- No. 4 ***Unpaid Work and Policy-Making Towards a Broader Perspective of Work and Employment***
By Joke Swiebel, February 1999
- No. 5 ***Trends in Consumption and Production: Selected Minerals***, By Oleg Dzioubinski and Ralph Chipman, March 1999
- No. 6 ***Trends in Consumption and Production: Household Energy Consumption***
By Oleg Dzioubinski and Ralph Chipman, April 1999
- No. 7 ***Promoting Sustainable Production and Consumption: Five Policy Studies***
By Tarcisio Alvarez-Rivero, Ralph Chipman and Erik Bryld, April 1999
- No. 8 ***Regulation Policies Concerning Natural Monopolies in Developing and Transition Economies***
By S. Ran Kim and A. Horn, March 1999
- No. 9 ***Tourism development in the Lao People's Democratic Republic***, By Sayo Yamauchi and Donald Lee, June 1999
- No.10 ***Import Elasticities Revisited***, By Pingfan Hong, September 1999
- No.11 ***Resources for Social Development: Additional and Innovative Resources***, By Anthony Clunies-Ross, March 2000
- No.12 ***Export Processing Zones in Cuba***, By Larry Willmore, May 2000
- No.13 ***Three Pillars of Pensions? A Proposal to End Mandatory Contributions***, By Larry Willmore, June 2000
- No.14 ***The Underlying Constraints on Corporate Bond Market Development in Southeast Asia***
By Krishnan Sharma, September 2000
- No.15 ***Bank-firm Cross-shareholding in Japan: What is it, why does it matter, is it winding down?***
By Mark J. Scher, February 2001
- No.16 ***The Supply of Credit by Multinational Banks in Developing and Transition Economies: Determinants and Effects***, By Christian E. Weller, March 2001
- No.17 ***Global Implications of the United States Trade Deficit Adjustment***, By Pingfan Hong, February 2001
- No.18 ***Price Stability in a Monetary Union***, By Stefania Piffanelli, September 2001
- No.19 ***The Instrument of Monetary Policy for Germany. A Structural VAR Approach***, By Stefania Piffanelli, September 2001
- No.20 ***Preventing Civil Strife: An Important Role for Economic Policy***, By Henk-Jan Brinkman, September 2001
- No.21 ***Government Policies toward Information and Communication Technologies: A Historical Perspective***
By Larry Wilmore, October 2001
- No.22 ***Postal Savings and the Provision of Financial Services: Policy Issues and Asian Experiences in the Use of the Postal Infrastructure for Savings Mobilization***, By Mark J. Scher, December 2001
- No.23 ***Strengthening Information and Analysis in the Global Financial System: A Concrete Set of Proposals***
By Barbara Samuels, II, June 2002
- No.24 ***Multisectoral Global Funds as instruments for financing spending on global priorities***
By Jeremy J. Heimans, September 2002
- No.25 ***GATS and its implications for Developing Countries: Key Issues and Concerns***, By Rupa Chanda, November 2002
- No.26 ***Informal Money Transfer Systems: Opportunities and Challenges for Development Finance***
By Leonides Buencamino and Sergei Gorbunov, November 2002
- No.27 ***Education by the State***, By Larry Willmore, November 2002
- No.28 ***Capital Markets Financing for Developing-Country Infrastructure Projects***
By Robert Sheppard, January 2003
- No.29 ***A New Approach to Sustainable Tourism Development: Moving Beyond Environmental Protection***
By Frederico Neto, March 2003