CONTEXTUALISING TOURISM - POVERTY ALLEVIATION LINKAGES

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Introduction
Tourism is considered as one of the fascinating facets of the socio-economic development of modern times. It is about people, places, structures and interactions of varying nature and intensities that eventually contribute emergence of a diverse set of outcomes viz. economic, socio-cultural and environmental. Perhaps the reach and linkages of tourism is far wider and complex and that makes it a more powerful agent of change than most other forms of activities. This has been evident especially from the last two decades of 20th century, where not just the individual nations became strong advocates of tourism but more importantly, the international institutions and protocols that took more proactive role on the cause of tourism. Multi-faceted impacts of tourism on various components of destinations are becoming growingly manifestive, and by now, its role in the socio-economic development has been explicitly acknowledged. In many ways, tourism has emerged to represent the modernised form of global movement of both people and financial resources and that the phenomenon of tourism is consistently demonstrating growth and expansion on a global scale. While there are variety of reasons and motivational dispositions that accelerate the process, what has come to be striking is the emergence of vacation travel as an integral part of the lifestyle of large sections of people. For this growing breed of lifestyle travellers, time and resources or destinations are less of a resistant; rather travel is the means to satisfy their neo-liberal habits and predispositions.

Viewed from the economic perspective of poverty, imperative for development of tourism is very strong. The tourist numbers, both internal and international, are on the rise consistently despite occasional hiccups and the annual growth rate is much higher than the same for GDP. The direct and indirect economic impacts resulting from the burgeoning numbers are rather significant and that plays important role, especially in the developing world. For many of those countries, tourism is an important sector of the economy contributing substantially towards the critical needs viz. foreign exchange earnings, income and employment generation; eventually helping them to address their development needs including the issue of poverty. In this backdrop, this paper makes an attempt to elicit the complementarities of tourism to the cause of poverty eradication, one of the crucial challenges of the contemporary societies. It is based on secondary sources and efforts were mainly to highlight the working of tourism and its varied benefits to interline with poverty alleviation imperatives.

Emerging trend in tourism
The growth in tourism has been very appreciative over the years (Fig.1) and evolved to become one of the key drivers of socio-economic progress and development. According to UNWTO (Highlights, June 2012), tourism’s contribution to the worldwide gross domestic
product (GDP) is estimated at some 5%, whereas, its contribution on employment generation was observed slightly higher, accounting for about 6-7% of the overall number of jobs worldwide (direct and indirect). Even in the advanced and diversified economies, share of tourism to GDP ranges from approximately 2% in comparatively small tourism sector economies to over 10% in those where tourism is an important pillar of the economy. In small island nations and developing countries, it is to the tune of up to 25% of GDP.

In India’s case, according to the report of the Working on Tourism for 12th Plan, total contribution of tourism (direct and indirect) in the GDP and to the total jobs in the country in 2007-08 is estimated to be 5.92 % and 9.24 % respectively. Domestic Tourism contributes to three-fourths of the Tourism economy. The sector plays substantial role in the state like Goa, where around 45% of SDP emanates from tourism sector alone.

One of the unique characteristics of tourism is its resiliency and that has been demonstrative even during difficult socio-economic events like economic recession and many political events. Instantaneous being, after two successive economic recessions in the first decade of 21st century, overall global economic scenario is appears to be improving and its effects can be observed in tourism demand scenario (see Graph-1). Succeeding decade is beginning to show even the sluggish European economy is gradually picking-up and its impacts on tourist numbers are evident in the latest UNWTO figures. It would reveal that the major tourist generating region of Europe, which accounts for over half of all international tourist arrivals worldwide, was the fastest growing region in 2011, both in relative terms (+6% tied with Asia and the Pacific) and absolute terms (29 million more visitors).

The robustness of overall tourism scenario has been demonstrative in the accelerated growth in export income from inbound tourism, which is also seen growing comparatively faster than the arrival numbers. At an average growth rate of 6.8 per annum, total receipts reached USD 1030 billion in 2011 from modest base of USD 493 billion in 1995. It can also be observed that the receipt per arrival has been consistently increasing and that is indicative of higher tourist spending as years pass-by.

The UNWTO figures (Highlights, June 2012) is further revealing on the increasing stature of tourism, for the tourism exports accounted for as much as 30% of the world’s exports of commercial services and 6% of overall exports of goods and services. Globally, tourism ranks fourth as an export category after fuels, chemicals and food. For many developing countries, it is one of the important sources of foreign exchange earnings and their primary ‘exports’ category, thereby, providing much needed impetus for employment generation and development opportunities.
Tourism-poverty nexus

Poverty is one of the greatest challenges of modern times and is considered as inhuman in fast modernising progressive world. The renewed discourse not only treats it as condition of not having access to the essential level of life sustaining food and nutrition, provision of shelter and other basic necessities but it also endeavours to factor in the quality of overall living environment available to the people in explaining poverty. While the factors resulting poverty or state of being in poverty may be many, what is considered critical is sheer lack of maintainable level of economic endowments available to people. Given this, the economic imperative of addressing poverty takes precedence over socio-political and environmental quality imperatives even though the later are equally important in containing the spread of poverty and its implications on the affected people and the political discourse. Indeed, the search for maintainable livelihood options have been the core of poverty debate especially post-World War-II. The policies and the politics embedded in the neo-liberal capitalistic ideologies were often attributed for perpetuating an imbalanced global political and governance regime that arguably had been biased against the poor people and their interests. It is incidental that most of the world poor continues to live in the least developed or developing part of the world and their struggle for survival has not received legitimate acceptance and support yet. As many have been arguing, poverty and its pervasive effects are consciously allowed to persist by the ingenuous political and social orders that constantly use poverty more as an adjective that is good enough to invoke the imaginations and aspirations of the millions. The poverty imperative also forms integral part of many agencies and initiatives, but at the same time, that would also appear as purpose-designed to serve certain specific sets of objectives not necessarily connected with the cause poverty or its eradication. It is not ironical then for poverty to remain largely in the realm of rhetoric and bereft of clear commitments, concrete programmes and actions having enduring impacts. The capital inadequacy coupled with poor technological and human development in the developing parts of the world has only compounded their miseries and accentuating deprivation. Having stated so, there can also be seen concomitant initiatives to find appropriate mechanisms for reducing the incidence of poverty and associated issues. International institutions especially those in the ambit the U.N system and many donor countries and agencies have been endeavours to reach out to the poor nations and communities, even though real motive of their philanthropic gestures have been seen through the prism of scepticism by many, especially on account of the purpose and intent. That apart, evidences stand to suggest that interventions of these agencies have had positive impacts notwithstanding the quantum and magnitude. Especially from the 1990’s, there have been growing engagement with tourism as an agent of development and change. Especially its role in addressing the core issue of poverty and the human development process in general have been gaining momentum and many countries and institutions have made it as integral components of their programmes and policies. The United Nations and its agencies that promotes like World Tourism Organization (UNWTO), UNCTAD, UNDP etc. have also been advocating on the catalytic role of tourism in addressing many developmental issues and challenges. Because, the growing ‘export’ industry of tourism has the ability and potential to bring in much needed financial resources and development opportunities to even those countries and regions which are not ‘developed’ in the conventional sense and facing constrains due to their peripherality. Most island nations are typical example of these and the tourism-induced development has been seen providing the impetus to bring qualitative changes in the life of people at large. Especially, the United Nations promoted Millennium Development Goals (MDGs) have ‘eradicating human poverty’ as one of the prime missions in its eight sets of goals in time bound manner to fast move towards a poverty-free world. It was argued that responsible and sustainable tourism development can serve as a major instrument to help achieving MDGs.
UNWTO posit thus: ‘Tourism, one of the world’s top job creators and a lead export sector, especially for developing countries, can play a significant role in the achievement of eradication of poverty (MDG1), gender equality (MDG3), environmental sustainability (MDG7) and global partnerships (MDG8) for development. Such tourism allows destinations and companies to minimize the negative impacts of tourism on the environment and on cultural heritage while maximizing its economic and social benefits’. (UNWTO, 2010)

Tourism is a diverse and labour-intensive activity and its multiplier effects are arguably one of the highest compared to any industry segment or economic activity. It has demonstrated for providing necessary conditions adequately conducive to create a wide range of economic and employment opportunities. Indeed, the sector is well placed to contribute reducing poverty because it is consumed at the point of intervention, even low-skilled workers in remote areas can become tourism exporters. Tourists consume what the ‘place’ has to offer and the production and consumption are unique and occur, for instance, in unconventional settings such as bread and breakfast unit or a campsite. The studies including the one by this author in Indian context would demonstrate that the diverse tourism sector is capable of offering variety of entrepreneurial avenues and the entry barriers in the sector are comparatively one of the lowest among all segments.

The economic imperative of tourism sector is made stronger by its very composition that accounts for over 80% micro, small and medium enterprises (Babu. et. al. 2010). This very nature allows reducing entry barriers, investment requirements and creates a variety of opportunities for less empowered and educated persons living particularly in the countryside and remote locations. The jobs are largely gender-neutral with huge number of women workforce participation, especially in the crafts/small scale segments. The poor communities are also likely to benefit from the infrastructure created and services provided to tourists like the roads, communication facilities, health and sanitation services. This would directly and indirectly help dealing with promotion of primary education, reduction of child mortality, improved maternal health care and combating HIV/AIDS, malaria and other diseases (UN-ESCAP, 2007).

Besides its localized nature of impacts, the macro level impacts of tourism, particularly economic, have driven many countries to promote tourism vigorously. Tourism is not only a determining or major source of foreign exchange for many nations but it is equally an important player when it comes to the country’s development needs. It can be hardly disputed that most countries plan and develop tourism primarily as means for their economic development objectives and all other benefits are considered complementary. Whether it is in developed or developing country, tourism contributes substantially to state domestic product (SDP). This has been evident in a study by Ashley et. al. (2007), showing that broadly-defined country-level tourism accounts for between 2 to 12% of GDP in advanced diversified economies and up to 40% and 70% respectively of the GDP in the developing and small island countries.

Inclusiveness, sustainability and poverty eradication

It is often argued that tourism can be an effective tool for inclusive development and the international agencies like UNWTO, UNDP, UNCTAD etc. have been promoting the frameworks and assistances to the member countries. Inclusiveness is both an approach and practice. According to ITC, inclusive tourism is a means of tourism development that fosters links and interaction between the different actors in the tourism industry, forms partnerships with private actors, stimulates the local economy and promotes the integration of poor men and women and active involvement of local communities. It emphasizes sustainability, taking environmental, social and economic factors into account (cited in UNDP, 2011). The inclusive growth is predicated upon broad-based growth across all sectors of an economy,
includes low and middle income groups and has distributional aspect aiming to reduce income inequality (Hampton & Jeyacheya, 2012). As argued in UNDP study, there is strong imperative for integration within global tourism systems and networks to establish linkages with the larger framework of the economy and along tourism value chains. Inclusiveness would equally entail mechanisms to reduce leakages and benefits the destination economies, especially those with limited development endowments. Above studies are clearly suggestive of the relevance of inclusive tourism in the development. Pro-poor tourism and responsible tourism frameworks are being projected as serving the purpose of inclusiveness since these are localised approaches, where it advocates to utilise available resources, integrate and stimulates supply-chain linkages and many other sectors. Specific to India, tourism has been recognised as one of the engines of economic growth and employment, along with the participation and support of the private sector (Approach to 12th Five Year Plan- Tourism). Kerala has established policy of responsible tourism development and that was adopted in 2007. The efforts of Kerala in promoting this approach was lauded including by UNCTD and its Secretary General recently noted: ‘Kerala has become a model state for tourism development for the entire India’. The underlying idea is to creating condition for tourism to be catalyst in economic growth without compromising concerns for ecology and inclusiveness by trying to balance the economic dynamism that tourism has unleashed with environmental, social and cultural considerations (One World South Asia, 2013).

Specific to the cause of poverty eradication, tourism plays an important economic role and that needs to be appreciated from the perspective of both peace and unsustainable development. Notably, direct, indirect and dynamic impacts of tourism are more encompassing in comparison to many other economic sectors. The multi-sector impacts of tourism and its manifestations especially in livelihood of people can be understood by looking at its multi-layered impact spectrum. Notable among the direct benefits are the wages/earnings as entrepreneurs and workers; labour intensiveness and provision of opportunities for relatively high proportion of semi-skilled and unskilled persons. Indirect impacts have been attributed to multi-segment nature of the industry that results much higher effects, whereas, inter-sectoral impacts add up an extra 60-70% over and above direct impacts particularly in developing countries (UNWTO, 2007). As many studies pointed out, tourism is also benefited by its dynamic nature. Foremost being, it affects the livelihood strategies of local households, business climate for small enterprise development and pattern of growth for different levels of economy. It is rooted in natural resource base and its utilization also provides impetus for infrastructure development. In certain locations, tourism sector has major role to play in planning for and responding to natural calamities. Another unique benefit is its role in helping to overcome the gender barriers and enhance women’s economic condition by employing relatively higher proportion of women and purchasing local products produced by women in informal sector.

**Whether tourism is an effective tool for poverty eradication?**

This question is indeed perplexing one because tourism has come to be understood as double-edge weapon, powerful enough to act in both directions or in any particular direction, depending on the manner in which it is planned, developed and managed. The cautionary approach-based studies until two decades ago had viewed tourism development with enough ifs’ and ‘butts’, perhaps rightfully so considering the irreversible consequences of tourism that many destinations have undergone, especially in the developing part of the world. Indeed, treatise of Immanuel de Kadt’s (1979) on whether ‘tourism a passport to development’ made many tourism prophecies and advocacy groups to start looking at the ‘other side’ of tourism even though it was not in any engaging manner. The critics have also come up with the
propositions terming ‘tourism is no goose that lay only golden eggs’ or ‘tourism brings seeds of its own destruction’ etc. in the 1980s’ reflecting the perplexity and challenging nature of tourism development.

However with passage of time, tourism gradually began embarking on a maturing trajectory in many parts of the world and that was evident in the seminal work of Jafar Jafari on Scientification of Tourism. The tools and techniques that evolved in the process indeed enabled both in-depth understanding and interpretation of tourism and to formulate development strategies and programmes for better tourism engagement with tourism. In many ways, this has also resulted in reducing scepticism surrounding tourism and its development.

Back in 1999, the United Nations recognised the link between tourism and poverty alleviation through its Commission on Sustainable Development, urging the governments to ‘maximise the potential of tourism for eradicating poverty by developing appropriate strategies in co-operation with all major groups and local communities’. To its furtherance, the Plan of Implementation announced at the World Summit on Sustainable Development (WSSD-2002) endorsed this and specifically included an Article on tourism as a tool for poverty alleviation. The World Tourism Organization (UNWTO) took the cause forward and promoted poverty alleviation as a major objective sustainable tourism development. Eventually, major initiative of Sustainable Tourism – Elimination of Poverty (ST-EP) was launched at the WSSD-2002. The mechanisms and major benefits as envisioned as part of ST-EP are furnished in Table-1.

Tabl-1: Seven Mechanisms as per ST-EP to Benefit the Poor

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<tr>
<th>Mechanism</th>
<th>Benefits</th>
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<tr>
<td>1. Supply of goods and services to tourism enterprises by the poor or by enterprises employing the poor</td>
<td>By way of ensuring to source as much as possible, goods and services in the tourism supply chain come from local sources at all stages. Besides retaining the revenue locally, such business opportunities would also act as tools for local empowerment.</td>
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<td>2. Employment of the poor in tourism enterprises</td>
<td>Involves undertaking measures to increase employment in tourism enterprises. Provision of education and training is important and to be strengthened.</td>
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<td>3. Direct sales of goods and services to visitors by the poor (informal economy)</td>
<td>Where visitors engage in the informal economy, it can be a direct route to providing income to the poor as well as rewarding experience. Information provision to tourists on available local products is important.</td>
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<td>4. Establishment and running of tourism enterprises by the poor- e.g. SMTE’s, or community based enterprises (formal economy)</td>
<td>Advantages of enterprise formation at the local level are many and varied- placing power and control in the hands of the local people, guarantee investments for the longer term, enables enterprises to establish a scale of operation needed to attract customers etc.</td>
</tr>
<tr>
<td>5. Tax or levy on tourism income or profits with proceeds benefiting the poor</td>
<td>It has the advantage to benefit all poor from tourism without being directly engaged in the sector. Taxes or levies raised locally can often be used fully or partly for community benefits.</td>
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<td>6. Voluntary giving/support by tourism enterprises and tourists</td>
<td>There is willingness amongst tourists to give something back to the area they are visiting. Many tourism enterprises are also committed to provide sponsorship to development initiative in the areas where they operate.</td>
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<td>7. Investment in infrastructure stimulated by tourism also benefiting the poor in the locality, directly or through support to other sectors</td>
<td>With careful planning, investment in new infrastructure, such as roads, water and energy supply, sanitation and communications can also bring positive benefits to the poor, by providing them with basic services and opening up new and faster routes to access markets.</td>
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With the support of donor nations, Republic of Korea being a pioneer partner, some 90 projects in 31 countries have been supported by the Programme between 2005 and 2009 (UNWTO, 2010).

Concomitant with sustainability debate and the search for specific ways and means of achieving sustainable development in general and poverty eradication in particular, many new concepts and practices have also emerged. Those included responsible tourism, community-based tourism (CBT), pro-poor tourism, ecotourism and similar variants. Among these, the pro-poor tourism (PPT) movement took more prominent place perhaps due to its explicit reference and linking with poverty reduction schemes and the MDG agenda. PPT is used to refer to such interventions that specifically focus on addressing poverty – which move beyond the ‘trickledown’ theory and generate net benefits for the poor. It is not a specific tourism product or sector, it is an overall approach designed to unlock opportunities for the poor’ (Jamieson et al., 2004). According to development economists, pro-poor approach help differentiation between economic development in general and forms of economic development that impact positively on the lives of the poor and that enable them to rise out of poverty.

A major objective of poverty-focused projects hence is enhancement of linkages between tourism businesses and poor people at the community level. Therefore, in order for pro-poor tourism to be effective and sustainable, it is imperative to appreciate the ground realities and the voices of local people. It is also vital to make tourism part of a wider political debate and to evolve plans to effectively tackle the root causes of poverty, inequality and problems of environmental degradation and climate change in the context of globalization. According to UN-ESCAP, sustainable pro-poor tourism interventions require the development of approaches that optimise the positive tourism impacts on local communities and the national economy as a whole. The main conditions to fulfil successful pro-poor tourism approach are: Firstly, strategies must be supported by national level plans. Secondly, these strategies must be adapted to local conditions, target markets and interests of the poor. Thirdly, involvement of stakeholders must be based on the recognition of poor people as legitimate stakeholders. Fourthly, holistic development and poverty reduction efforts should be adopted. Fifthly, pro-poor tourism product development must be linked with mainstream tourism products.” (UN-ESCAP, 2005: 9)

Hence, the primary focus of PPT can be seen as reorientation of tourism strategies and practices in favour of the poor and that requires radical shift from conventional tourism strategies and practices. But many have raised serious concerns over poor employment conditions for workers in the tourism sector and agencies like the International Labour Organization (ILO) emphasizes the importance of ‘decent work’ in the context of poverty alleviation strategies. There is also stress for mainstreaming PPT from the present level of piecemeal and micro-enterprise approach. Value chain analysis is an important tool in pro-poor tourism development and that is arguably effective in examining the flow of value across the components like hotel, transportation etc. within the destinations (Netherlands Development Organization-2011). As matter of fact, it is essential to contain economic leakages from destinations to optimise benefits and PPT initiatives.

From the brief review attempted above, it would be reasonable to suggest that tourism has potential to work for the cause of poverty eradication but the challenges are complex and not easy to negotiate with. In other words, converting comparative advantages into competitiveness and sustainability is easier said than done. It requires not only a coherent policy framework and a dynamic private sector but also efficient institutions to translate policy measures into programmes. An equally important challenge is that a national tourism development strategy inevitably involves issues that extend far beyond the sector into cross-sectoral linkages and trans-national boundaries. Given this, and as argued by many,
integration within global tourism networks and feasible actions aiming to accomplish linkages with other sectors of the economy and along tourism value chains are key elements of pro-poor tourism development endeavours. Such broadening of the vision is essential if tourism development is to positively affect inclusion and poverty reduction.

To effectively leverage tourism for the advantage of poverty alleviation, the UNWTO (2010) has adopted following principles and recommended the same to governments:

1. **Mainstreaming**: ensure that sustainable tourism development is included in general poverty elimination programmes. Include poverty elimination measures within overall strategies for the sustainable development of tourism.

2. **Partnerships**: develop partnerships between international, government, nongovernmental and private sector bodies, with a common aim of poverty alleviation through tourism.

3. **Integration**: adopt an integrated approach with other sectors and avoid overdependence on tourism.

4. **Equitable distribution**: ensure that tourism development strategies focus on more equitable distribution of wealth and services - growth alone is not enough.

5. **Acting locally**: focus action at a local/destination level, within the context of supportive national policies.

6. **Retention**: reduce leakages from the local economy and build linkages within it, focusing on the supply chain.

7. **Viability**: maintain sound financial discipline and assess viability of all actions taken.

8. **Empowerment**: create conditions which empower and enable the poor to have access to information and to influence and take decisions.

9. **Human rights**: remove all forms of discrimination against people working or seeking to work in tourism and eliminate any exploitation, particularly against women and children.

10. **Commitment**: plan action and the application of resources for the long term.

11. **Monitoring**: develop simple indicators and systems to measure the impact of tourism on poverty.

As argued by UNDP (2011), the Governments should be aware of the impacts of different forms of tourism development and promote growth models with assumptions and implications that are fully understood. It is necessary to ensure that tourism development takes place in inclusive ways and the support programmes and investment plans in infrastructure should be tuned to increased community participation.

**Concluding remarks**

While one acknowledges the economic role of tourism in addressing some of the critical economic development issues and causes of societal instability including poverty, it is worth to be cautious since tourism could also result in negative impacts on livelihood and local economics. Unplanned and unregulated development pursuits are major causes for lopsided benefits and tensions, being manifested in the form of higher leakages, loss of employment, shrinkage of local economy, tourism-induced inflation, reduced access and/or loss of control over local resources and many direct issues and consequent indirect ones. Ongoing process of globalization further compounds the problems and that necessitate bringing tourism policies in the wider political debate and commitments.

As many have argued, discourses on sustainable tourism development and adoption of it as a strategy in particular for poverty reduction are fraught with diverging ideology, backgrounds, values, perceptions and interests of tourism players. Michael Hall (1996) pointed out that there is no objective or value-free approach to tourism. The decisions affecting tourism policy, nature of government involvement in tourism, structure of tourism organizations, and
the nature of tourism development emerge out of a political process. This process necessarily involves the value systems of actors (individuals, interest groups and public and private organizations) in the struggle for power (Hall, 1996). Hence, thrust must be on to necessary institutional reforms as well as to improve the global economic frameworks and processes in such manners that developing countries are capable to effectively tackle their problems including the question of poverty and bring about socially and environmentally sustainable development.

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