

A misguided quest: Community-based tourism in Latin America

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Tourism can help reduce poverty in Latin America, but community-based tourism is not the answer. Instead, communities should be helped to access mainstream tourism markets.

Tourism is big business in Latin America and the Caribbean. In 2003, the region hosted 45 million international tourists, who generated nearly \$30 billion – the equivalent of around \$56 a year for every person living in the region.

So, it is not surprising that many development practitioners see a key role for tourism in regional development. What is striking, though, is the emphasis on community-based tourism (CBT), as seen in organisations from the Inter-American Development Bank and the Rainforest Alliance to the Costa Rican Community-based Rural Tourism Association (ACTUAR) and Fundación Acción Solidaria (ACSOL).

Many communities and development practitioners believe that mainstream tourism exacerbates the exclusion of vulnerable groups and commodifies indigenous culture. CBT emerged during the 1970s as part of this critique, and it generally involves collective ownership and management of tourist assets. But enthusiasm for CBT is misplaced for two main reasons. First, CBT rarely relieves poverty and vulnerability. Second, mainstream tourism may have a more beneficial impact than traditionally thought.

The Problem: CBT

Many tourism consultants have worked hard to promote CBT around the world, but has it helped the intended beneficiaries – the most vulnerable groups? Here the evidence varies.

With sustained donor funds, committed technical assistance and innovative market linkages, a small number of CBT projects have achieved significant pro-poor benefits. The \$2.5 million Nam Ha Ecotourism CBT Project in Lao PDR, for example, generated \$474,000 in 2006 for some of the poorest rural people in South East Asia (Harrison and Schipani, 2007).

Unfortunately, exceptions do not create rules. Many CBT projects have failed, and a key cause is the lack of financial viability. A recent Rainforest Alliance / Conservation International survey of 200 CBT projects across the Americas showed that many accommodation providers

have only 5% occupancy. The Siecoya CBT project in Ecuador had, despite heavy subsidies from an oil extraction company, only generated \$200 for the community fund after nine years of operation. This corroborates evidence from Africa and Asia that the most likely outcome for a CBT initiative is collapse after funding dries up. The two main causes of financial collapse are poor market access and poor governance.

Poor market access

It is ironic that development agencies themselves are often the biggest obstacle to the viability of CBT projects, preventing communities from integrating into the market. This stems from an outdated and patronising assumption that poor people cannot participate successfully in commercial markets.

One of the most successful pro-poor tourism projects reviewed by ODI has trained indigenous people to work in a large, mainstream resort in Brazil. Within 18 months, local people accounted for half of the resort's employees – up from 10% before the intervention – and an extra \$2 million is flowing into the local community each year on a sustainable basis (Mitchell and Ashley, 2007).

Poor governance

Collective management structures are often too cumbersome and complex to work effectively. The imposition of democratic and secular institutional forms on communities with traditional patterns of authority can also have unintended effects. For instance, many CBT projects have a management committee and constitution that is fully inclusive and gender-sensitive. In reality, however, it is often traditional authorities that dictate the critical decisions – particularly with respect to financial resources. CBT projects can have the unintended effect, therefore, of bolstering patriarchal power structures while muting further discussion on how to change them.

In addition to being an inefficient business model, CBT is not participatory in many cases. The Rainforest Alliance, for instance, found that 40% of CBT projects in developing countries did not involve communities in decision-making.

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Box 1: Community-based tourism (CBT)

CBT is based on the notion that a sophisticated service sector, like tourism, is best managed by a large group of community members. The agricultural sector abandoned this idea after disastrous flirtations with collectivisation initiatives in the 1960s and 1970s. The tourism sector has yet to fully learn these lessons.

Scratch the surface of many supposed CBT success stories, and rather conventional management systems often emerge. The tourism project linked with the Cofan of Zabalo in Ecuador, for example, is owned by one individual and runs on strict business lines (Epler-Wood 1998, 16). Previous experiments with collective management structures were abandoned as they undermined incentives to work. A review of the CBT project on Taquile Island in Lake Titicaca, Peru, reveals that only four of the 19 tourist boats are still considered cooperatives and only one of the 10 restaurants is community-owned.

Advocates for CBT in Latin America should acknowledge the shocking lack of financial viability for most CBT projects, or more are doomed to failure. And the collapse of a CBT project can be harrowing, often pushing poverty above pre-project levels. Consultants and donors can move on, but the supposed beneficiaries may have invested their own assets in tourism projects and abandoned alternative livelihoods.

The solution: Link to mainstream tourism

So, if CBT is not the answer, what is? We think it is working with mainstream tourism to strengthen links between tourism and local people – often indigenous populations who are located in disadvantaged regions and have vulnerable livelihoods.

ODI research suggests that from as little as one-tenth to as much as one-quarter of tourist spending reaches the poor through wages, tips, small business sales and locally integrated business. To capture more benefits from tourism for poor communities, the following four steps should be taken.

First, if mainstream tourism is part of the solution, it is important to link poor people to the major tourist flows rather than pursue a quest for ‘alternative’ tourism. The Taquile Island community on Lake Titicaca, for example, has achieved this by connecting local communities to a major tourism route. Capturing even a small share of mainstream tourist activity can often have larger and more sustainable impacts on poor communities than owning 100% of small and financially fragile CBT projects.

Second, there are diverse ways for the poor to link to mainstream tourism. In vibrant, low-income economies more jobs for poor people are generated by craft stalls, taxis and local food supplies than by hotels and restaurants. In this context, removing barriers to enterprise – paradoxically often in the non-tourist economy – is an effective way of spreading the benefits of tourism to poor communities.

In middle-income contexts, supporting poor communities to access direct jobs in the tourist sector is the quickest and most effective way of achieving sustainable benefit flows to poor communities. Here, the challenge is to identify blockages to local participation in order to create a financially viable and sustainable coalition for change in the local economy. Strengthening the capacity of local communities often lies at the heart of these initiatives.

Third, development agencies should work to find ways of removing the barriers to market access. This means working with the private sector to understand how the poor currently participate in tourism and how this productive participation can be increased. In particular, measures that erode the geographic isolation of communities may be necessary to undermine economic and social exclusion. For example, technical or language training for indigenous populations can help them access the tourism value chain. Infrastructure development and the use of tourist taxes to raise the human capacity of poor communities can similarly improve the participation of the poor.

Fourth, many CBT advocates believe the poor are too weak to influence mainstream tourism and focus participatory efforts at the community level. However, questioning the CBT model does not mean rejecting the voice of the poor. By creating participatory mechanisms and avenues for engaging in mainstream policy processes, the poor can have an even greater say by helping shape their external environment.

In conclusion, we think that development practitioners who focus on a critique of mainstream tourism may be doing local communities a disservice. Many community-based tourist initiatives are ineffective at reducing poverty at scale, and recent research suggests sizeable and sustainable transfers of benefits from affluent tourists to poor communities are possible – but only if practitioners recognise that it is linkages with, and not protection from, the mainstream industry that benefit poor communities.

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ISSN 1756-7629