

Pro-Poor Tourism Report No. 1

**Pro-Poor Tourism Strategies: Making Tourism Work For
The Poor**

A review of experience

Caroline Ashley, Dilys Roe and Harold Goodwin

April 2001



Overseas Development Institute



International
Institute for
Environment and
Development



Acknowledgements

This study would not have been possible without the assistance of a number of key individuals. *Jacqueline Saunders*, formerly of IIED, provided invaluable research assistance throughout the compilation of this synthesis volume. *Andrea Steel* and *Alex Wyles* at ODI provided support throughout the project including editing, layout and administration. *Xavier Catarrinich* worked at ODI for six months as an intern from Aalborg University, Denmark, and the University of Alberta, Canada. He was responsible for conducting a background literature review and desk-based survey of pro-poor tourism initiatives. *Diana Carney* provided invaluable editing assistance at the end of the process.

Thanks also go to those who provided components of the report. *Anna Spenceley* at the Institute of Natural Resources, Durban, South Africa, provided research inputs on financial impacts and a synthesis of NACOBTA and UCOTA findings. *Tim Conway* of the Poverty and Public Policy Group at ODI provided valuable perspectives on pro-poor tourism in the context of broader efforts to achieve pro-poor growth. *Claudia Townsend* at the Centre for Responsible Tourism undertook the survey of UK Tour Operators. *Tom Slaymaker* of ODI provided summaries of data from the case studies.

Many thanks go to all our in-country partners who contributed case studies, responded to numerous requests for information and/or provided comments on the synthesis report. Thanks are due to: *Clive Poultney* and *Anna Spenceley* (Wilderness Safaris study); *Karin Mahoney* and *Jurgens Van Zyl* (SDI/CPPP study); *Nepeti Nicanor* (NACOBTA study); *Elissa Williams* and *Alison White* (UCOTA study); *Yves Renard*, *Aretha Darcheville*, *Vijay Krishnayan* and the *Caribbean Natural Resources Institute* (St. Lucia Heritage Tourism Programme study); *Scott Braman*, *Fundación Acción Amazonia*, *Sonia Sandoval* and *Andy Drumm* (Tropic Ecological Adventures study); and *Naomi Saville* and *John Hummel* (SNV-Nepal study).

We gratefully acknowledge the support of the UK Department for International Development (DFID) in funding this work. DFID supports policies, programmes and projects to promote international development. It provided funds for this study as part of that objective, but the views and opinions expressed are those of the authors alone.

Front cover photo: local employees and the Conservancy Chairman at 'Damaraland Camp' - a joint venture lodge between Torra Conservancy and Wilderness Safaris in Namibia.

Printed by The Russell Press, Nottingham, NG6 0BT

ISBN 0 85003 522 8

© Overseas Development Institute 2001

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of the publishers.

Preface

The research reported here has been undertaken jointly by the Overseas Development Institute (ODI), the International Institute for Environment and Development (IIED) and the Centre for Responsible Tourism at the University of Greenwich (CRT), together with in-country case study collaborators. It is funded by the Economic and Social Research Unit (ESCOR) of the UK Department for International Development (DFID).

This work is a follow-up to a desk-based review of tourism and poverty conducted for DFID in 1999 by Deloitte and Touche, IIED and the ODI. The review identified a number of strategies for developing or supporting pro-poor tourism, but noted that these strategies had not been tried or tested. The current work attempts to do that.

This volume reviews the experience of pro-poor tourism strategies based on six commissioned case studies. The case studies used a common methodology developed within this project. The case study work was undertaken mainly between September and December 2000, and the synthesis work in January to March 2001.

The case studies have all been published separately as seven *Pro-Poor Tourism Working Papers* (the experience of two community tourism associations – NACOBTA and UCOTA in Namibia and Uganda – is covered in two reports):

- No 1. *Practical strategies for pro-poor tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge.* Clive Poultney and Anna Spenceley
- No 2. *Practical strategies for pro-poor tourism. Case studies of Makuleke and Manyeleti tourism initiatives: South Africa.* Karin Mahony and Jurgens Van Zyl
- No 3. *Practical strategies for pro-poor tourism. Case study of pro-poor tourism and SNV in Humla District, West Nepal.* Naomi M. Saville
- No 4. *Practical strategies for pro-poor tourism: NACOBTA the Namibian case study.* Nepeti Nicanor
- No 5. *UCOTA – The Uganda Community Tourism Association: A comparison with NACOBTA.* Elissa Williams, Alison White and Anna Spenceley
- No 6. *Practical strategies for pro-poor tourism. TROPIC Ecological Adventures – Ecuador.* Scott Braman and Fundación Acción Amazonia
- No 7. *Practical strategies for pro-poor tourism: A case study of the St. Lucia Heritage Tourism Programme.* Yves Renard, Aretha Darcheville and Vijay Krishnarayan
- No 8. *Pro-poor tourism initiatives in developing countries: Analysis of secondary case studies.* Xavier Cattarinich

This volume, the working papers and a short briefing paper are all available on our website at:

<http://www.propoortourism.org.uk>

This work is a joint product of the three authors, all of whom made substantial and distinctive contributions. The order of our names is only a reflection of relative time inputs; we emphasise this is a collective product.

Contents

Acknowledgements	ii
Preface	iii
Contents	iv
Acronyms	vii
Executive summary	viii
Part I Background and Relevance of PPT	1
1. Introduction	1
1.1 What this report is about	1
1.2 Why look at tourism?	1
1.3 Scope of the report	1
2. Pro-poor tourism	2
2.1 What is pro-poor tourism?	2
2.2 Is PPT different from any other form of 'alternative' tourism?	2
Part II Analysis of Six Case Studies	5
3. Introduction to the case studies: Who, where and what	5
3.1 PPT case studies – a diversity of approaches	5
3.2 A range of actors and levels of intervention	8
3.3 Pro-poor tourism products	10
3.4 Target markets of the initiatives	10
3.5 Focus on the poor, definitions	11
4. Implementation of pro-poor tourism strategies	11
4.1 Main focus of the strategies employed	11
4.2 Progress in implementing PPT strategies	13
4.2.1 Expanding business opportunities	13
4.2.2 Expanding employment opportunities for the poor	14
4.2.3 Enhancing collective benefits	14
4.2.4 Capacity building, training and empowerment	14
4.2.5 Mitigating environmental impacts	15
4.2.6 Addressing social and cultural impacts	15
4.2.7 Building a supportive policy and planning framework	15
4.2.8 Promoting participation	16
4.2.9 Bringing the private sector into pro-poor partnerships	17
4.2.10 Progress and obstacles in 'tilting' tourism to the poor	17
5. Impacts on the poor	18
5.1 Financial impacts	19
5.1.1 Total earnings of the poor	19
5.1.2 Earnings at the individual level: How much for how many?	19
5.1.3 Who benefits financially?	22
5.2 Livelihood impacts	23
5.2.1 Human capital: Skills, education and health	23
5.2.2 Physical capital: Roads, water and other infrastructure and tools	25
5.2.3 Financial capital: Credit and collective income	25

Contents (cont.)

5.2.4 Social capital and community organisations	25
5.2.5 Natural capital	25
5.2.6 Access to information	26
5.2.7 Policy context	26
5.2.8 Market opportunities, livelihood options	26
5.2.8 Cultural values	26
5.2.10 Optimism, pride and participation	26
5.2.11 Exposure to risk and exploitation	27
5.3 Summary: Overall impact on vulnerability and poverty	27
6. Critical issues affecting PPT	28
6.1 Access to the market	28
6.1.1 The strength of existing economic elites	29
6.1.2 Distance between poor people and products	29
6.2 Commercial sustainability	29
6.2.1 Attractiveness and quality of the product	29
6.2.2 Attractiveness of the location	30
6.2.3 Marketing	31
6.3 Policy framework	32
6.3.1 Land tenure	32
6.3.2 Government commitment and capacity	32
6.4 Implementation issues	33
6.4.1 Addressing the skills and capacity gap	33
6.4.2 Collaboration and communication	34
6.4.3 Meeting expectations	34
6.4.4 Costs of PPT	35
6.5 Implications of the key issues	35
Part III Implications and Conclusions	37
7. The case studies in a wider context	37
7.1 Limitations of the case studies	37
7.2 Relevance to pro-poor growth	38
7.3 Relevance to mainstream and responsible tourism	39
7.3.1 Tourism across the South	39
7.3.2 Contributions to the evolving sustainable tourism agenda	40
8. Conclusions	41
8.1 Effectiveness of PPT in reducing poverty	41
8.2 Implementing PPT effectively	42
8.3 From here: Future directions	44
Endnotes	45
References	46
Appendices	48
Appendix 1 Background on tourism, poverty and pro-poor growth	48
Appendix 2 Mainstream and pro-poor perspectives on tourism	50
Appendix 3 Actions to address barriers to participation of the poor	51
Appendix 4 The sustainable livelihoods approach	52
Appendix 5 Perspectives of the poor	53

Contents (cont.)

Boxes

Box 1	Pro-poor potential of tourism	2
Box 2	The use of planning gain to promote PPT: Lessons from South Africa	16
Box 3	Progress in 'tilting' tourism is judged to be positive	17
Box 4	Good earnings from crafts, lost potential from linkages	19
Box 5	Use of earnings by the poor	21
Box 6	The earnings of one support many	22
Box 7	Women in work	23
Box 8	Collective income is often invested in assets	25
Box 9	Case study findings on changes in poverty and vulnerability	27
Box 10	Small benefits but valued by the poor	28
Box 11	Commercial viability and PPT	30
Box 12	Marketing to the UK – operators' awareness of PPT initiatives	31
Box 13	The importance of government support	33
Box 14	Lessons on stakeholder roles in PPT	43

Figures

Figure A1	Mainstream and pro-poor perspectives on tourism	50
Figure A2	Sustainable livelihoods framework	52

Tables

Table 1	Summary of PPT case study actors and interventions	9
Table 2	Main focus of PPT strategies employed in case studies	12
Table 3	Key obstacles in implementing pro-poor tourism strategies	18
Table 4	Financial earnings of local residents: How much money and how many people?	20
Table 5	Scale of earnings of poor individuals	21
Table 6	Collective income	22
Table 7	Key non-financial livelihood impacts by case study	24
Table 8	Critical issues and implications	36
Table A1	Significance of international tourism to countries with 80% of the world's poor	49
Table A2	Case study actions to address barriers to participation of the poor in tourism	51

Acronyms and Abbreviations

ABTA	Association of British Travel Agents
ACTSA	Action for Southern Africa, UK
AITO	Association of Independent Tour Operators, UK
CANARI	Caribbean Natural Resources Institute
CBO	Community-based organisation
CBT	Community-based tourism
CBTE	Community-based tourism enterprise
CPA	Community Property Association (of Makuleke, South Africa)
CPPP	Community–Public–Private Partnership (in South Africa)
CRT	Centre for Responsible Tourism, University of Greenwich, UK
DFID	UK Department for International Development
DPP	District Partners Programme (of SNV, Nepal)
ESCOR	Economic and Social Research Committee (DFID)
GDP	Gross Domestic Product
HERITAS	Association of Heritage Tours Operators, St. Lucia
IHEI	International Hotels Environment Initiative
IIED	International Institute for Environment and Development, UK
ITT	International travel and tourism
KZNNCS	KwaZulu Natal Nature Conservation Services
NACOBTA	Namibia Community Based Tourism Association
NGO	Non-governmental organisation
NTB	National Tourist Board
ODI	Overseas Development Institute, UK
PPT	Pro-poor tourism
SDI	Spatial Development Initiative (South Africa)
ST. LUCIA HTP	St. Lucia Heritage Tourism Programme
SMME/SME	Small and medium sized enterprise
SNV	Netherlands Development Organisation
UCOTA	Uganda Community Tourism Association
VISTA	Vision for the Industry in Sustainable Tourism Action
VSO	Voluntary Services Overseas, UK
WS	Wilderness Safaris
WTO	World Tourism Organisation
WTTC	World Travel and Tourism Council

Executive Summary

This report reviews practical experience of 'pro-poor tourism strategies' in order to identify useful lessons and good practice. It synthesises findings from 6 case studies of pro-poor tourism interventions, in South Africa, Namibia, Uganda, St Lucia, Ecuador and Nepal.

What is pro-poor tourism?

Pro-poor tourism (PPT) interventions aim to increase the net benefits for the poor from tourism, and ensure that tourism growth contributes to poverty reduction. PPT is not a specific product or sector of tourism, but an approach. PPT strategies aim to unlock opportunities for the poor – whether for economic gain, other livelihood benefits, or participation in decision-making.

Pro-poor tourism overlaps with, but is different from, the 'sustainable tourism' agenda. PPT focuses more on countries of the South, not on mainstream destinations in the North. Poverty is the core focus, rather than one element of (mainly environmental) sustainability.

Why focus tourism on poverty?

Poverty reduction is not usually at the heart of the tourism agenda. Yet tourism is significant in many poor countries and is already affecting the livelihoods of millions of poor people, positively and negatively. Poverty reduction requires pro-poor growth. Concerted effort is needed to maximise the contribution of tourism to this.

An overview of PPT strategies: what, who, how?

A wide range of actions are needed to increase benefits to the poor from tourism. These go well beyond simply promoting community tourism, although work at the grass-roots level to develop enterprises and local capacity is one key component. Efforts are also needed on marketing, employment opportunities, linkages with the established private sector, policy and regulation, and participation in decision-making. This involves working across levels and stakeholders.

The *focus* and *scale* of PPT interventions vary enormously: from one private enterprise seeking to expand economic opportunities for poor neighbours, to a national programme enhancing participation by the poor at all levels. Strategies can be broadly grouped into three types: expanding economic benefits for the poor; addressing non-economic impacts; and developing pro-poor policies/processes/partnerships.

Impacts on the poor

Emerging – though limited – indications of the impacts of the current PPT initiatives suggest that for the poor, where it happens, PPT interventions are invaluable. A few are lifted out of income-poverty while many more earn critical gap-filling income. More still are affected by non-financial livelihood benefits. These are very significant though highly varied; they include improved access to information and infrastructure, pride and cultural reinforcement. While some initiatives are yet to deliver on the ground, there are a few that affect hundreds directly and thousands indirectly.

Key factors

Several critical factors constrain or facilitate progress in PPT, and need to be addressed. These are:

- access of the poor to the market (physical location, economic elites, social constraints on poor producers);
- commercial viability (product quality and price, marketing, strength of the broader destination);
- policy framework (land tenure, regulatory context, planning process, government attitude and capacity);
- implementation challenges in the local context (filling the skills gap, managing costs and expectations, maximising collaboration across stakeholders).

Lessons on good practice emerge

PPT is relatively untried and untested and there is no blueprint. Nevertheless, the case studies reveal a number of common lessons.

- i PPT requires a diversity of actions, from micro to macro level, including product development, marketing, planning, policy, and investment. It goes well beyond community tourism.
- ii A driving force for PPT is useful, but other stakeholders, with broader mandates, are critical. PPT can be incorporated into tourism development strategies of government or business (with or without explicit

- pro-poor language). Broader policy frameworks and initiatives outside tourism, such as on land tenure, small enterprise and representative government, are also key.
- iii Location matters: PPT works best where the wider destination is developing well.
 - iv The poverty impact may be greater in remote areas, though tourism itself may be on a limited scale.
 - v PPT strategies often involve the development of new products, particularly based on local culture. But these should be integrated with mainstream products if they are to find markets.
 - vi Ensuring commercial viability is a priority. This requires close attention to demand, product quality, marketing, investment in business skills and inclusion of the private sector.
 - vii Economic measures should expand both regular jobs and casual earning opportunities, while tackling both demand (e.g. markets) and supply (e.g. products of the poor).
 - viii Non-financial benefits (e.g. increased participation, access to assets) can reduce vulnerability; more could be done to address these.
 - ix PPT is a long-term investment. Expectations must be managed and short-term benefits developed in the interim.
 - x External funding may be required and justified to cover the substantial transaction costs of establishing partnerships, developing skills, and revising policies (not generally for direct subsidies to enterprises).

Implications for stakeholders

Government, the private sector, non-governmental organisations, community organisations and the poor themselves all have critical and very different roles to play in PPT. The private sector can be directly involved in pro-poor partnerships. At a minimum, private operators should participate in product and market development to ensure commercial realism. There is much that only governments can do, so a leading role for government in PPT is a great advantage. At a minimum, there needs to be a policy environment that facilitates PPT. The poor themselves are critical to PPT, but they may need to be organised at the community level in order to engage effectively in tourism. It is often invaluable to have a fourth party to catalyse and support PPT efforts of others; this is frequently, though not always, a role for a non-governmental organisation. Donors, through their role in supporting tourism plans, and the 'sustainable tourism' agenda, can also promote PPT.

Relevance to poverty reduction

Poverty reduction through PPT can be significant at a local or district level. PPT strategies do appear able to 'tilt' the industry, at the margin, to expand opportunities for the poor and they have potential for wide application across the industry. However, they have made little dent in national aggregates so far, because initiatives are small-scale, site-specific, or at early stages of implementation. National impacts would require a shift across the sector, and will vary with location and the relative size of tourism. Nevertheless, if opportunities for the poor could be opened up in all the places where tourism is significant in the South, they would affect millions of poor people.

The cost-effectiveness of PPT is difficult to judge: current initiatives have had to 'learn-by-doing' and have cost a great deal to implement. However, if future local incomes, non-financial benefits, and pro-poor policy changes were valued, a cost-benefit approach would probably show a positive return. Sharing experience should reduce the costs of spreading PPT approaches.

Promoting PPT

Extending lessons from early experience across the industry would be a challenge – with considerable potential return – involving different constituencies:

- Those involved in tourism – policy makers, planners, businesses, consultants – should incorporate pro-poor concerns at all levels.
- Those involved in the wider field of poverty reduction or rural development should explore and exploit the comparative potential of tourism where they are working.
- PPT can make good business sense, especially if it gives consumers more choice. Corporate engagement should be based on commercial opportunity not just ethical appeal.
- The 'sustainable tourism' agenda should be harnessed for poverty reduction. This requires a shift in focus from environment to poverty and from Northern to Southern destinations. As guidance or standards on social issues are often weak within sustainable tourism initiatives, practical lessons from PPT should be incorporated.

Part I: Background and Relevance of PPT

1 Introduction

1.1 What this report is about

This report reviews practical experience in making tourism work for the poor. It draws mainly on six case studies of current pro-poor interventions in tourism drawn from Africa, Asia and Latin America. The initiatives are being undertaken by a range of actors: companies, government, non-governmental organisations (NGOs), donors, and communities. The report aims to address four core questions:

- i What strategies are being followed to ensure that the poor benefit from tourism?
- ii What impact do these have on the poor?
- iii What are the factors affecting progress?
- iv What are the key implications and recommendations for others interested in pro-poor tourism?

This report does not claim to provide a comprehensive review of the links between the tourism sector and poverty. Rather than questioning the overall desirability of tourism for poor people, it takes as given the continued expansion of tourism in poor areas and focuses on *strategies and interventions* to make tourism better for the poor. It explores the effectiveness of these pro-poor tourism (PPT) strategies and proposes ways in which they might be improved.

PPT – pro-poor tourism
Our focus is strategies that enhance benefits for the poor within tourism

1.2 Why look at tourism?

International targets aim to halve the number of people living in poverty (defined as living on less than \$1 per day) by 2015. Poverty reduction requires strategies on a variety of complementary fronts and scales, but a prerequisite of significant progress is *pro-poor growth* – growth which benefits the poor. Tourism can be one source of such growth.

Tourism currently affects the livelihoods of many of the world's poor. Indeed, in most countries with high levels of poverty, tourism is a significant (contributing over 2% of gross domestic product or 5% of exports) or growing (aggregate growth of over 50% between 1990 and 1997) part of the economy. Twelve countries together account for 80% of the world's poor. In all but one of these tourism is important (see Appendix 1).

There are at least two further reasons for focusing on tourism:

- There are certain characteristics of tourism which suggest that in some circumstances it may be particularly valuable for pro-poor development (see Box 1).
- There is already debate about how to make tourism more sustainable and/or responsible. If this debate and related activity can be focused more clearly on poverty, there will be more scope for poverty reduction.

Appendix 1 provides further discussion of the relationships between tourism, poverty, and pro-poor growth.

1.3 Scope of the report

Section 2 provides background on PPT – why it is important and what it means. The main part of the report (Part II) synthesises findings from the case studies. It summarises the type and scale of intervention (Section 3), explores the strategies and actions adopted (Section 4), and the impacts generated (Section 5). The experience is analysed to identify key factors affecting progress (Section 6). Part III of the report places the case studies in a wider context (Section 7) and briefly summarises the conclusions and recommendations (Section 8).

Box 1 Pro-poor potential of tourism

Some argue that because tourism is often driven by foreign, private sector interests, it does not contribute much to poverty elimination. Indeed, it can disadvantage the poor causing displacement, increased local costs, loss of access to resources and social and cultural disruption.

A countervailing view is that tourism has better prospects for promoting pro-poor growth than many other sectors and that many of the supposed disadvantages of tourism are in fact common to most types of economic development in a globalising world.

Tourism's pro-poor potential derives from the fact that:

- It is a diverse industry. This increases the scope for wide participation, including the participation of the informal sector.
- The customer comes to the product, providing considerable opportunities for linkages (e.g. souvenir selling).
- Tourism is highly dependent upon natural capital (e.g. wildlife, scenery) and culture. These are assets that some of the poor have, even if they have no financial resources.
- Tourism can be more labour intensive than manufacturing (though less labour intensive than agriculture).
- Compared to other modern sectors, a higher proportion of tourism benefits (jobs, petty trade opportunities) go to women (though it is not known whether these are necessarily the poorest women).

Pro-poor tourism strategies are needed to take advantage of the potential benefits, and to minimise the negative effects.

2 Pro-poor tourism

2.1 What is pro-poor tourism?

Pro-poor tourism is defined as tourism that generates net benefits for the poor. Benefits may be economic, but they may also be social, environmental or cultural. The definition says nothing about the *relative* distribution of the benefits of the tourism. Therefore, as long as poor people reap net benefits, tourism can be classified as 'pro-poor' (even if richer people benefit more than poorer people). Rather than explore the intricacies of defining 'net positive benefits', we focus on *strategies that enhance benefits to the poor*. The core aim of PPT strategies is to unlock opportunities for the poor, rather than to expand the overall size of the sector. However, as several of our case studies show, PPT cannot succeed without the successful development of the entire tourism destination in question.

Pro-poor tourism is not a specific product or sector of tourism, but an approach to the industry. It involves a range of stakeholders operating at different levels, from micro to macro. Stakeholders include government, the private sector and civil society, as well as the poor themselves who act as both producers and decision-makers. Previous research has already outlined some principles and roles for PPT. These are summarised in Appendix 2.

2.2 Is PPT different from any other form of 'alternative' tourism?

Sustainable tourism

The World Tourism Organisation (WTO) defined sustainable tourism as early as 1988 as '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' (WTO 1998). PPT falls within this definition, though benefiting the poor is clearly not the overall thrust of WTO's concept of sustainable tourism. Although there is a welcome overlap between many sustainable tourism and PPT approaches, there are differences in the core focus.

The 1992 'Earth Summit' in Rio established the triple bottom line of environmental, economic and social sustainability. Since then, however, the major – but not exclusive – emphasis of the tourism industry has been on environmental sustainability. For example, *Agenda 21 for the Travel and Tourism Industry: Towards Environmentally Sustainable Tourism* refers to the interdependence of development and environmental protection, but the main thrust of the document is on environmental sustainability. *PPT, in contrast, puts the poor at the centre of analysis. The environment in which the poor live is just one part of the picture.*

Another difference is that many mainstream sustainable tourism initiatives focus – quite understandably – on mainstream destinations. For example, the Vision for the Industry in Sustainable Tourism Action (VISTA) is a joint initiative of the Association of British Travel Agents (ABTA) and Action for Conservation through Tourism. Its aim is to involve UK industry leaders in demonstrating and sharing good practice for the mainstream industry. It is likely to focus initially on Aegean destinations. Resulting industry guidelines will therefore not be tailored specifically to the pressing poverty constraints of countries in the South (although ABTA also supports smaller initiatives in developing countries). *PPT, in contrast, focuses on tourism destinations in the South, and on developing tourism good practice that is particularly relevant to conditions of poverty.* While the constructive pro-poor elements of many sustainable tourism initiatives are to be welcomed, the different starting points should be recognised. They are illustrated diagrammatically in Appendix 2.

Ecotourism and community-based tourism

PPT also overlaps with both *ecotourism* and *community-based tourism* (CBT), but it is not synonymous with either.

- *Ecotourism* initiatives may provide benefits to people, but they are mostly concerned with the environment. Conservation approaches emphasise the need for broadly distributed local benefits (often cash) as *incentives* for conservation, or they may support activities that provide an *alternative* to unsustainable actions. In contrast, *PPT aims to deliver net benefits to the poor as a goal in itself. Environmental concerns are just one part of the picture.*
- *Community-based tourism* initiatives aim to increase local people's involvement in tourism. These are one useful component of PPT. But *PPT involves more than a community focus – it requires mechanisms to unlock opportunities for the poor at all levels and scales of operation.*

Fair, just, equitable tourism

A number of NGOs are leading campaigns on issues of justice and poverty in tourism (e.g. Tourism Concern's 'Fair Trade Tourism' initiative, ACTSA's 'People First Campaign,' VSO's 'Worldwise' campaign, and Tearfund's ethical tourism agenda). Though each has a slightly different emphasis, the main target is change among consumers and companies in the North. For example, the campaigns encourage consumers to buy local products and minimise negative impacts while on holiday. The NGOs also work with UK operators to establish partnerships in the South, and call for fair employment measures. There is considerable overlap and complementarity with the PPT approaches analysed here but a key difference is that the PPT initiatives focus mainly on activity in the South and mostly work in particular Southern destinations.

PART II: Analysis of Six Case Studies

3 Introduction to the case studies: who, where and what

3.1 PPT case studies - a diversity of approaches

Six case studies¹ form the core of this research.² The case studies were chosen (given budgetary and time limitations) to represent the range of actors involved in PPT, different types and levels of practical PPT interventions, and different locations and tourism products. Two studies review initiatives of a private company, two are government programmes, one assesses an international development agency project and one covers community associations in two countries.

In our selection of case studies we set out to go beyond 'niche' tourism – e.g. wildlife tourism or community-based tourism. We were not able to find any examples of mass resorts adopting specific PPT principles and we do not have studies from any major urban areas. Nevertheless, most of the cases studies operate in an area that is mainstream within the country in question – wildlife safaris in South Africa, coastal tourism in St. Lucia, mountain tourism in Nepal, Amazonian tourism in Ecuador. Although presently small, there is scope for growth: the St. Lucia programme and potentially the South African Spatial Development Initiative (SDI) could extend their influence considerably.

The case studies are summarised in the boxes below and in Table 1.

Case study 1: Wilderness Safaris, Maputaland, South Africa: Rocktail Bay and Ndumu Lodge

This is a case study of a commercial company entering into a contractual relationship with a community and the state conservation agency to develop up-market tourist lodges. In addition, Wilderness Safaris (WS) is supporting local employment, local service provision and the development of complementary community-based initiatives.

WS is a large, well-established Southern African tour operator that caters to the luxury end of the market. It has several lodges and camps across Southern Africa and at a number of these it is involved in some form of partnership or revenue sharing agreement with local communities. This case study looks at two lodges run by WS in Maputaland in the South African province of KwaZulu Natal – Rocktail Bay which opened in 1992 and Ndumu, opened in 1995.

Ownership and management of the lodges is vested in two companies: a 'lodge owning company' in which the conservation agency, a commercial bank and the community have stakes and a 'lodge operating company' in which the conservation agency, the community and WS are partners (although not equal). Despite this tri-partite equity structure the community has received little in the way of financial dividends so far, because neither lodge has yet turned a profit. Increased occupancy at the lodges is required to make them profitable, but this requires development of the destination as a whole and diversification of the product. It is noted that support of the conservation authority is needed for further infrastructural and product development, but that the conservation agency seems reluctant to sanction this due to concerns about the likely impact on the conservation status of the area.

Progress has been mixed on the other elements of WS's PPT initiative. The local employment strategy has resulted in a high proportion of jobs going to local people. Considerable training and skills transfer has taken place and staff turnover is low. Local provision of services has occurred to a certain extent with WS utilising local security and taxi services, and joint planning and implementation of new complementary products has started with cultural visits to a traditional healer (Sangoma). However, growth of local businesses associated with the lodges has been slow and the case study notes 'untapped potential' for local supply of services and products. A consultant has been brought in to help WS work with the community to develop products. However, it is felt that a third party is needed to organise, coordinate, develop and train for this, since these activities are outside the mandate, and capacity, of one private sector operator.

The case study illustrates three key challenges to such a private sector–community initiative:

- success is somewhat out of the control of the central actors, being dependent on other players and on the health of tourism in the wider region;
- the initiative needs to be incorporated within a larger PPT programme involving other stakeholders to maximise potential;
- many communities have overly high expectations of involvement in tourism – both in terms of the levels and rates of returns and also the roles and responsibilities of their private sector partners.

Case study 2: Tropic Ecological Adventures, Ecuador

This case study illustrates how a small company, driven by motivated individuals, has gone well beyond normal business practice to support community tourism. It focuses on the role of Tropic Ecological Adventures in seeking to establish joint products with remote Amazonian communities, and in marketing other well-established community initiatives.

Tropic Ecological Adventures is a small for-profit company that was established with the specific objective of demonstrating the 'viability of environmentally, socially and culturally responsible tourism' as an alternative to oil extraction in the Ecuadorian Amazon. It operates tours to natural areas in Ecuador, including the Amazon, usually for small, high-paying groups. It has links with several communities, of which two are the focus of the case study. Tropic has worked with the Huaorani people to develop a joint initiative, bringing tourists into the community for overnight stays to experience Huaorani culture and lifestyle. It was also marketing the long-established Cofan initiative at Zabalo, though it has recently been forced to suspend these operations due to security issues in this area near the Colombian border.

Although Tropic found that its community-based programmes were less profitable and less marketable than some of its other activities, it has managed to address this problem by coupling them with more mainstream packages such as visits to the Galapagos Islands. Unfortunately, however, a decline in tourism in the Ecuadorian Amazon in 1999 and 2000, following kidnappings and political upheaval, has heightened competition amongst tour operators. This has driven down prices and undermined Tropic's impact-minimising approach of bringing in small groups of high-paying tourists. A further set-back arose from the Civil Aviation Authority's decision to close down the airstrip at the Huaorani site (due to poor maintenance – a community responsibility). However a new site has been identified and a business plan developed for which external support is being sought.

The case study highlights a number of key issues affecting PPT:

- the importance of non-financial benefits and Tropic's role in linking remote communities with the outside world;
- the limitations of community-based programmes (because of a lack of awareness of tourism in the community, as well as the need for external investment in infrastructure, marketing and training);
- the challenges of achieving commercial viability.

Case study 3: Community-based Tourism Associations in Namibia and Uganda (NACOBTA, UCOTA)

This case study covers two broadly similar organisations, the Namibia Community Based Tourism Association (NACOBTA) and the Uganda Community Tourism Association (UCOTA), both of which are associations of community-based tourism initiatives.

NACOBTA and UCOTA aim to increase financial benefits to poor communities through the improvement and expansion of the niche, community-based, segment of the industry, and through wider integration of communities into the mainstream industry. Both organisations work simultaneously at three levels:

- Local – providing support in the form of training, finance, technical assistance and marketing to individual community-based tourism enterprises.
- Private sector – lobbying for private sector support and patronage of community-based enterprises and (NACOBTA only) facilitating the development of partnerships between the private sector and communities.
- Policy – lobbying and advocacy for policy reform that supports community-based tourism, and providing a voice for marginalised groups.

It is perhaps at the micro-level that most progress has been made, with activities focusing around: training; technical assistance and business advice; and grants and loans for enterprise development and improved marketing. UCOTA is also involved with conservation and education activities. Many initiatives are now well established and self-sufficient. However, it is noted for NACOBTA particularly, that there is a limit to the organisation's capacity to deliver the level and amount of training required to an increasing number of enterprises.

Building links with the private sector is seen as a slow but critical process. NACOBTA faced great difficulties with this at first as it lacked credibility. However, considerable progress has been made in this area with a number of avenues of contact now established. The case study identifies the need for business skills and a thorough understanding of the workings of the industry and 'corporate culture' in order to gain credibility with the private sector, or to negotiate effectively. Policy-level work is similarly slow, and it is difficult to separate impacts that have come about as a result of NACOBTA/UCOTA interventions directly from those that have been part of a wider process of policy development. Nevertheless, the two organisations clearly fulfil a role that others do not and provide a momentum for change.

The case study highlights:

- the value of membership organisations in providing a 'voice for the poor' and in promoting PPT at all levels;
- the dependence of such organisations on external funding and the implications this has for their long-term sustainability;
- the huge need for business skills including marketing, strategic planning and general awareness of the tourism industry if member enterprises are to become self-supporting and able to compete with the private sector.

Case study 4: SNV-Nepal

The SNV-Nepal case study explores the approach of a development agency working with local communities through social mobilisation, participatory planning and capacity building in a very poor and remote area of Nepal. The study provides a valuable example of the 'import substitution' process – whereby the goods and services required by the tourism industry are to be produced and supplied locally rather than from Kathmandu.

The Dutch development agency SNV, works through its District Partners Programme (DPP) with district and village development committees, NGOs and the private sector to 'benefit women and disadvantaged groups at village level.' Tourism development is one means of achieving that objective in the remote Humla District of north-west Nepal.

SNV's PPT strategy revolves around developing tourism initiatives that benefit poor and disempowered groups as opposed to the Kathmandu-based trekking agencies. The focus of the initiative is therefore at the local level – on specific enterprises and communities along a trekking trail – although SNV also engages at the policy level with the Nepal Tourism Board. The emphasis of the PPT strategy is on social mobilisation through the development of community-based organisations. It is also involved in business planning and training designed to enable the poor to develop micro-enterprises and take up employment opportunities.

Since the tourism programme commenced in October 1999, the community-based organisations (CBOs) have developed micro-enterprise plans, of which 32 have been approved. Six further business plans have been prepared and venture capital fund loans approved. Kermi has opened a community campsite and other communities are planning to follow suit. Community enterprise options for hot springs and village tours have also been studied and plans are underway to develop them. A Multiple Use Visitors Centre is planned to provide a focal point for the local provision of tourism services (such as portering, mules, horses, etc.) and produce (such as vegetables) to trekking agents and tourists. A number of other initiatives have been implemented including construction of toilets along the trekking trail, a US\$2 per tourist trail maintenance tax and a tax on pack animal grazing in the community forest areas.

The case study highlights:

- the value of a long-term approach to building participation of the poor, given the extreme poverty in Humla and lack of capacity amongst the poor;
- the limited time the landless, the poorest of the poor, have to participate in CBOs;
- the challenges of breaking into the existing well-established and connected tourism elite.

Case study 5: St. Lucia Heritage Tourism Programme (HTP)

This case study is an example of PPT that goes well beyond supporting community-based tourism. It describes a donor-funded government programme that operates at many levels – from micro to macro – and attempts not just to develop a niche product, but to shift a country's whole tourism sector to a more sustainable footing. It is not a case of 'a pro-poor tourism initiative', but of a comprehensive national tourism initiative that has a strong pro-poor component.

The St. Lucia HTP arose out of concerns about the sustainability and equity of tourism development in St. Lucia. The programme attempts to develop concurrent and complementary initiatives in the fields of policy reform, capacity building, marketing, product development and public awareness in order to fulfil two key objectives:

- to facilitate a broader distribution of the benefits of existing tourism (cruise ship passengers and stay-over visitors);
- to create a new complementary sub-sector, qualified as Heritage Tourism.

This is a four-year initiative that has reached its third year. The case study notes that foundations have been laid for effective PPT through work at many levels, but the progress so far has been more in awareness raising than action on the ground. The programme claims some success, 'making cracks in the fortress' of the existing industry through, for example, competing for clients on the cruise ship wharf, raising the profile of local operators, developing new products and attracting tourists to inland initiatives. However, it recognises that enterprise development by the poor will often be around communal assets, and for this a supportive policy framework that provides for collaborative management and for devolution of rights of use and exclusion is required. Lack of local capacity has constrained the effectiveness of some interventions, but the case study also notes that capacity building efforts bode well for the long-term sustainability of the programme. However, this will require longer than the funded time frame of the project and additional external assistance in training, institutional development and planning is likely to be needed.

At the policy level, the programme has made a number of specific recommendations – on incentives and on tour guides – but the case study highlights that far more attention is required at this level to foster political support and to develop a supportive policy framework. Marketing activities have also been limited, and the programme needs to build stronger links and develop a comprehensive marketing framework. Progress in attracting an entirely new clientele to 'heritage tourism' is not apparent.

The St. Lucia HTP highlights:

- the importance of a good and thorough knowledge of the industry;
- the challenge of attracting beach and package tourists away to cultural products;
- the slow pace of a multi-level approach to deliver real change on the ground.

Case study 6: The South Africa SDI and Community-Public-Private Partnerships (CPPP) Programmes at Makuleke and Manyeleti (Northern Province, South Africa)

This case study looks at how pro-poor tourism can be built into the rural growth and investment strategies of the South African government and in so doing, explores the tensions between promoting growth and achieving social objectives. It provides a detailed example of the use of 'planning gain' in influencing private investors.

The case study focuses on Manyeleti Game Reserve and Makuleke contractual park (bordering and inside Kruger National Park, respectively).

- Manyeleti Game Reserve is a focus of the Northern Province Government's commercialisation programme and is heavily supported by the Phalaborwa SDI. Manyeleti is one of the first tourism investment packages to approach fruition.
- The Makuleke project is a community-based initiative that has been supported by, *inter alia*, both the SDI and CPPP Programmes. It is being used as a pilot project to guide the future work of the CPPP programme in the tourism sector. Makuleke is the first example of land inside a national park being returned to a community for use as a contractual park through restitution.

In both cases, a tender process to attract private sector investment has been implemented with a strong use of planning gain – i.e. socio-economic criteria featured strongly in the evaluation of bids – to encourage pro-poor commitments. Both the SDI and CPPP programmes are using lessons from Manyeleti and Makuleke for future investment preparation.

A number of tenders were received for Manyeleti Game Reserve – all of which included practical proposals on equity sharing, outsourcing, local employment and local service provision – and negotiations with the short-listed bidders are underway. At Makuleke, the newly formed Community Property Association (CPA) was assisted in the tender process by the CPPP programme, and potential bidders were required to address a similar set of socio-economic issues in the tender document. However few bids were received, mainly due to the availability of other more commercially attractive investment opportunities within the Kruger Park. Nevertheless, agreement has been reached with a private investor and a lodge is expected to open in late 2001. Given the slow pace of the investment process, the Makuleke CPA is simultaneously working on other tourism plans, such as a backpackers' campsite. While it is clear that the new arrangements will be a substantial improvement on the concession agreements of the past – which provided minimal benefit to either the State or community – it is not possible to say how far pro-poor commitments will reach in practice; much depends on translating the commitments into contractual obligations, and then ensuring compliance.

The case study highlights that:

- it is easier to move away from existing models in which communities are 'recipients' of donated benefits from tourism, to community 'empowerment' because they have a stake in an enterprise, if there are secure land rights in place;
- there is a tension between pursuing pro-poor objectives and ensuring private investment, which although not insurmountable, cannot be completely avoided, and must be addressed;
- the commercial attractiveness of the site is critical both to the scale of financial benefits and to securing pro-poor commitments from the private sector.

3.2 A range of actors and levels of intervention

The case studies highlight the *diversity of actors* involved in PPT strategies – including national and provincial government agencies, large and small commercial companies and domestic and international organisations. In each case we focused on the strategies of one leading organisation, though this organisation invariably works with several others. The case studies also illustrate a *variety of types and levels of intervention* ranging from top-down, government-led approaches (e.g. the South Africa SDI and CPPP programmes) to the micro-level, bottom-up approach of social mobilisation adopted by SNV in Nepal. These contrasts are summarised in Table 1.

Governments – Government bodies play a variety of roles in the initiatives. In the SDI, CPPP and St. Lucia HTP programmes they are the leading agencies while in Nepal and Uganda they play a supporting role. By setting the policy context, they have a strong overall influence, as discussed in Section 6.3. The WS and St. Lucia HTP studies highlight the large number of government departments involved (Finance, Public Works, Transport, Trade and Industry, Arts, Culture, Science and Technology, Labour, Education, Home Affairs and Foreign Affairs) with the WS study in particular, drawing attention to the different roles of national and provincial authorities and state conservation bodies.

Table 1 Summary of PPT case study actors and interventions

Case study	Type of actor	Type of PPT intervention studied	Level of engagement
Wilderness Safaris – Maputaland, South Africa	Part of large commercial company (Southern African tour operator)	<ul style="list-style-type: none"> • Operation of 2 lodges that are tri-partite commercial partnerships between WS, neighbouring communities, and the state conservation authority • Located in Protected Areas in very poor areas of South Africa 	<ul style="list-style-type: none"> • Mainly local – 2 lodges • Plus provincial level discussions
Tropic Ecological Adventures – Ecuador	Small commercial company (Ecuadorian tour operator)	<ul style="list-style-type: none"> • Tour packages that include operations run by Amazonian Indians: <ul style="list-style-type: none"> – partnerships with Huaorani Indians to develop tours – marketing of other community-run Amazonian products 	<ul style="list-style-type: none"> • Local: in multiple community tourism locations • Macro: engagement in policy discussion & private sector tourism organisation • International: marketing
NACOBTA and UCOTA Community Tourism Associations – Namibia and Uganda	Domestic non-governmental organisations	<ul style="list-style-type: none"> • Establishment of a membership-based trade association of small tourism operators • Promotion of community involvement in tourism: <ul style="list-style-type: none"> – direct support to enterprises – linking private sector with communities – policy discussions 	<ul style="list-style-type: none"> • Local: enterprise support at multiple locations • Macro: policy dialogue • Private sector discussions, locally and nationally
SNV-Nepal – Humla Region, Nepal	Netherlands Development Organisation	<ul style="list-style-type: none"> • Mobilisation of poor people and community groups to stimulate participation in tourism • In very poor region (Humla) with small trekking industry 	<ul style="list-style-type: none"> • Mainly at village and district level • Plus policy engagement with Nepal Tourism Board
St. Lucia Heritage Tourism Programme – St. Lucia	Government – Tourism Ministry	<ul style="list-style-type: none"> • Diversification of existing tourism and development of new ‘heritage tourism’ to expand participation, benefits and sustainability of the tourism sector 	<ul style="list-style-type: none"> • Macro: policies, marketing, capacity, product development, and public awareness • Local: enterprise development, multiple locations • International: marketing
SDI and CPPP Programme – Northern Province, South Africa	Government: cross-departmental initiatives	<ul style="list-style-type: none"> • Creation of investment packages to leverage private investment in tourism developments on communal or state land (embracing economic empowerment of black communities) • SDI and CPPP are national programmes studied through implementation at: <ul style="list-style-type: none"> - Makuleke – a tourism initiative of Makuleke community, supported by CPPP among others - Manyeleti – a focus for tourism commercialisation within Phalaborwa SDI 	<ul style="list-style-type: none"> • Translating policy to local-level: use of planning gain in setting terms for investment bids • Local: information & technical support for community and investors • Policy: establishing policy framework for SDIs, CPPPs & linking with other government initiatives

The private sector – particularly tour operators and lodge operators/investors – plays a number of important roles (including product development, marketing, investment, and operation) though the degree of private sector involvement varies considerably by study. In some cases – the WS lodges, Tropic’s Huaorani Programme, some NACOBTA member enterprises and, potentially, the Makuleke lodge (SDI/CPPP case study) – private sector organisations partner directly with communities. They are therefore intimately involved in product development and marketing. In others they have less formal links, playing an advisory or supporting role (e.g. to NACOBTA, UCOTA or to communities) or acting as customers for the products and labour of the poor.

Local NGOs and international development agencies are important in most of the case study initiatives.

- Tropic in Ecuador helped create a separate non-profit organisation, Acción Amazonía. This is dedicated to working with indigenous communities and organisations to protect their environment and cultural integrity, and to develop small-scale, sustainable, development projects including ecotourism.
- UCOTA and NACOBTA are non-governmental producer associations. Both rely heavily on donor funding (for 45% and 99% of total funds, respectively) and advice.
- In Nepal the Humla project is led by a development agency.

The poor are involved in all the initiatives as individual producers, employees, casual labourers, and operators of micro and small enterprises. They are also involved as members of communities. Community organisations develop products based on commonly owned goods (wilderness, culture), negotiate a community stake

(with WS, SDI/CPPP investors, Tropic), receive and distribute collective income (lease fees paid to conservancies, Tribal Authorities, or local leaders, donations from tourists) and represent their views to others, particularly government. In most cases, the poor and their organisations receive some outside assistance to develop and market new skills and products. Their participation in decision-making varies from local and district level (e.g. SNV-Nepal, St. Lucia HTP) to involvement in regional planning (e.g. through NACOBTA).

3.3 Pro-poor tourism products

The case studies include a variety of tourism products, from accommodation and cultural activities for tourists, to the provision of supplies to the industry.

The NACOBTA, UCOTA, Tropic, St. Lucia HTP and WS initiatives have a strong focus on developing complementary products or services – often cultural tourism products – that can be integrated into more conventional tourist packages:

- An objective of the St. Lucia HTP is to facilitate the development of new tourist products and activities on the island. The programme's aim is to encourage tourists to stay longer and to spend more money in local communities as opposed to resorts. Products include turtle watching, a mangrove forest experience and a seafood night that attracts both St. Lucians and tourists.
- In Ecuador, Tropic has developed rainforest adventure programmes and customised trips for small groups. These give tourists the opportunity to experience the rainforest and have a respectful encounter with local, indigenous people. Tropic encourages tourists to engage in discussions with elders in a conscious effort to create balanced inter-cultural interactions.
- In Namibia, Face to Face offers black history tours and tours of Katutura, the Windhoek suburb that was reserved for blacks before Independence (which is still primarily black). Ethnic local food is a significant part of the experience. Several of the other NACOBTA and UCOTA members provide local guiding, museums, cultural performances and handicrafts.
- For WS, cultural tourism products enhance and diversify the core safari and create opportunities for community partners. Visits to a Sangoma (traditional healer) training school have been developed, along with hippo tours, holistic health care courses and cultural performances. Similarly, the Makuleke community (SDI/CPPP case study) also aims to complement lodge development with products such as bed and breakfast and cultural guiding.

Complementary products are not, though, the only focus. A central part of SNV's strategy in Nepal is to substitute imported supplies for locally-produced products (vegetables, meat, eggs, fruit, and honey) and services (local cooks and porters). The SDI, CPPP and WS approaches focus mainly on conventional up-market products – safari lodges. The pro-poor emphasis derives from enabling the poor to take a stake in products that are more typically 100% privately or state owned.

3.4 Target markets of the initiatives

The case studies target a variety of tourism markets from the high end, luxury market to backpackers. Tropic Ecological Adventures has sought to sell the Huaorani product as a *'special life enhancing experience, and a chance to learn by direct experience about the realities of the Amazon and the threats imposed on these areas and their inhabitants by the encroachment of the oil industry'*. The market niche it has targeted is adventurous, relatively wealthy people (European and American) keen to explore the Amazon and learn from indigenous culture. A typical WS client is also 'upper end', mainly international, though the company recognises the need to attract more clients from a wider market.

The SDI/CPPP case study is not yet in the implementation stage, but for the Manyeleti initiative the target market is classified as 'mid-luxury' (more luxurious than in Kruger National Park but less so than neighbouring private reserves). At Makuleke, private sector investment will focus on a luxury lodge but the CPA will also target the lower end of the market through the provision of a campsite and bed and breakfast facilities. The St. Lucia HTP targets existing international tourists and also aims to attract a new (international and domestic) clientele.

NACOBTA and UCOTA both promote their members' products to the established industry and to independent travellers and backpackers. NACOBTA recognises that only a few of their members meet the needs of up-market travellers and that their major markets are independent self-drive tourists (mostly South Africans), backpackers, and adventure and wilderness operators. However, a number of their members also target the upper end of the market with trophy hunting and luxury lodges. UCOTA has a similar market segment though it does not reach the luxury market and it also caters for mid-range domestic travellers.

The SNV approach seeks to develop local linkages with existing trekking tourism in Humla, rather than to attract new tourists. The target market is tour companies themselves, rather than new groups of tourists.

3.5 Focus on the poor, definitions

In the governmental and private sector initiatives, pro-poor concerns have been incorporated into wider tourism development efforts (i.e. SDI/CPPP, St Lucia HTP, Tropic, WS studies). The aim is to *expand* tourism while also *tilting the benefits to the poor*. In contrast, the primary aim of SNV-Nepal, NACOBTA and UCOTA is to increase the participation of the poor; they therefore focus exclusively on *tilting the distribution of benefits*.

Most of the actors and initiatives are focused specifically on tourism (i.e. NACOBTA, UCOTA, Tropic, WS, St Lucia HTP). In contrast SNV-Nepal in Humla, and SDI and CPPP programmes in South Africa have incorporated a focus on tourism into *broader rural development work*. Both aim to catalyse development in poor rural areas, though with great contrast in context and approach (mobilisation of the very poor in the former, leveraging private-sector investment for rural growth in the latter).

A focus on 'the poor' often translates in practice to a focus on local residents or the 'community'. Most of the case studies define the poor according to the prevailing socio-economic characteristics of the area: locational characteristics include widespread unemployment (60-80% in SDI/CPPP) and low per capita income (compared to either the international poverty line or the national average), or extreme remoteness (Tropic, SNV Nepal).

Some sub-groups of poor are distinguished by gender or function. Women are given particular attention in the SNV-Nepal, NACOBTA and UCOTA cases because of their poverty status. In Namibia, all NACOBTA members are defined as poor by virtue of the fact they operate very small tourism enterprises and mainly live on communal land, thus meeting NACOBTA's own criteria for membership. They are also, though it is unspoken, all black. There are considerations of differences between the poorest, poor and less-poor, based on skills, income or land-ownership, but this is not a major focus except in the SNV-Nepal case.

4 Implementation of pro poor tourism strategies

4.1 Main focus of the strategies employed

Strategies for PPT focus on three core areas: increased economic benefits, positive non-economic impacts, and policy/process reform. In each area three distinct (but often overlapping) strategies can be identified.³ Table 2 summarises the particular strategies adopted in each case study.

I Strategies focused on economic benefits

- i *Expanding business opportunities for the poor*: small enterprises, particularly in the informal sector, often provide the greatest opportunities for the poor.
- ii *Expanding employment opportunities for the poor*: unskilled jobs may be limited and low-paid by international standards, but they are much sought after by the poor.
- iii *Enhancing collective benefits*: collective community income from tourism can be a new source of income, and can spread benefits well beyond the direct earners.

Table 2 shows that expanding economic impact is important in all the case studies and that it is the main area of activity in four of them (SDI/CPPP, Tropic, UCOTA, St. Lucia HTP).

Table 2 Main focus of PPT strategies employed in case studies

	Wilderness Safaris	Tropic Ecological Adventures	NACOBTA/UCOTA	SNV - Nepal	St. Lucia HTP	SDI & CPPP programmes
Business opportunities	Yes but untapped potential	Main focus - development of new enterprises and marketing support to existing enterprises	Major focus: training, advice & marketing	Major focus: microenterprise development	Main focus: development of local level enterprises	SME opportunities incorporated into criteria for investment
Employment opportunities	Procedures for local employment	Limited	Through SME development	Limited	Local employment incorporated into investment criteria	
Collective benefits	Equity stake	Some community payments	Some NACOBTA and all UCOTA members have a community development component	Development through community based organisations	Major focus of CPPP, included in SDI; projects structured to allow communal as well as individual benefits	
Capacity building and empowerment	Orientation and training workshops	Through training and representation	Through training and representation	Main focus: social mobilisation and local institutional capacity building	Support to business development and land reform process	
Environmental impacts	Tourism seen as an agent for conservation	Tourism seen as an agent for cultural empowerment	UCOTA has particular focus on women	Improved sanitation, grazing charges		
Social/cultural impacts	Attempt to get cultural heritage tourism on the map	Advocacy and participation in government fora	Participatory planning exercises with communities; support community-based organisations	Policy studies and recommendations for legal reform	Seek to replicate these new approaches elsewhere	
Policy and planning framework						
Participation						
Private sector partnerships	Main focus – tripartite partnership between company, community and provincial government	Networking with private sector to use CBTEs and promote partnerships				
Notes	Blanks in the matrix do not necessarily imply lack of activity in this area, simply that this is not a key focus in this case study, or that it is a spin-off from another area of activity. Some activities could fit under more than one strategy, but have been classified according to the main focus of the activity.					

II Strategies focused on non-economic impacts

- i *Capacity building, training and empowerment*: the poor often lack the skills and knowledge to take advantage of opportunities in tourism.
- ii *Mitigating the environmental impact of tourism on the poor*: tourism can lead to displacement of the poor from their land and/or degradation of the natural resources on which the poor depend.
- iii *Addressing social and cultural impact of tourism*: tourists' behaviour, such as photography and western habits, is often regarded as cultural intrusion. Sex tourism exploits women. Tourism can affect many other social issues, such as health care.

The case study initiatives have invested substantially in capacity building. Strategies for addressing environmental and cultural impacts include adapting the location and siting of tourism (particularly in Amazonian communities), but are generally not a major focus.

III Strategies focused on policy/process reform

- i *Building a more supportive policy and planning framework*: many governments see tourism as a means to generate foreign exchange rather than to address poverty. The policy framework can inhibit progress in PPT; reform is often needed.
- ii *Promoting participation*: the poor are often excluded from decision-making processes and institutions, making it very unlikely that their priorities will be reflected in decisions.
- iii *Bringing the private sector into pro-poor partnerships*: locally-driven tourism enterprises may require input to develop skills, marketing links, and commercial expertise.

Four of the case studies (WS, Tropic, NACOBTA, SDI/CPPP) include direct efforts to develop partnerships between the private sector and communities, while UCOTA and St. Lucia HTP lobby for linkages with the private sector. Most of the case studies highlight the involvement of local people in planning, particularly at local government level (SNV-Nepal, St. Lucia HTP, NACOBTA). They also seek to secure changes at policy level that would facilitate PPT.

4.2 Progress in implementing PPT strategies

Most of the case study initiatives examined are in the early stages of implementation. It is therefore difficult to say categorically which strategies are working well, and which are not. Nevertheless, it is already apparent that more progress is being made in some areas than others.

4.2.1 Expanding business opportunities

The main activities in this area have been enterprise support and expansion of markets. Considerable progress has been made in the development of complementary tourism enterprises, such as craft initiatives and cultural displays. Relatively less has been done or achieved in developing enterprises that supply the tourism industry itself (e.g. with food and materials). The SNV and SDI/CPPP initiatives aim to do this in the long term.

Training is the key intervention here, although a wide range of measures have been used to overcome the multiple barriers to economic participation (such as lack of credit, inappropriate social organisation, insecure tenure and remote location). These are detailed further in Appendix 3. It is not surprising, then, that activities in this area can threaten to overwhelm the organisations involved. Willing private operators (such as WS and Tropic) do not have the capacity to maximise business opportunities in the community. Supportive NGO-type organisations can assist them, though even organisations such as NACOBTA and UCOTA that are dedicated to supporting small enterprises can be stretched by the magnitude of the task.

Returns to small enterprise development have been uneven. On the positive side, a fairly wide range of people, including women and struggling households, have benefited. But small enterprises have run into problems, such as lack of market opportunities and investment capital. The case studies highlight the need to combine supply side measures (developing products and skills directly with the poor) with measures to expand demand for the products and services of the poor amongst tourists and operators. Complementary policy support is also very important.

'The Huaroni programme created a new market that enabled community households in Quehueriono and Huentado, to sell handicrafts at above average prices to visitors.' (Tropic case study)

Many of the lessons learned are similar to those from broader experience in micro-enterprise development: the importance of credit and training; the value of drawing on family networks to run small enterprises; the greater difficulties of community-run ventures; the need to balance expansion of supply and demand; and the importance of securing conducive policy and regulation. Three tourism-specific issues emerge:

- i While there is every reason to be sceptical about amateur attempts to set up craft cooperatives where no market exists, the UCOTA, Tropic and NACOBTA case studies show that *where craft production has taken off, its benefits are substantial in terms of both spread and scale.*
- ii Given the fluctuations in the tourism market it is important to *develop products that also have a non-tourist domestic market*, such as tea-shops and crafts for local use or export (SNV-Nepal and UCOTA cases).
- iii Because of competition within the tourism industry and the fact that tourists (especially international tourists) tend to have high quality requirements, it is important to *draw on private sector expertise for training and product development early on.* Helping community enterprises to achieve adequate levels of *quality* is a challenge. This is shown in the NACOBTA case study where noise, cleanliness and the provision of adequate bathroom facilities are identified as specific problems.

4.2.2 Expanding employment opportunities for the poor

The most common employment-related strategy has been to focus on *skills development* (which links with 4.2.4 below). Many jobs created are within community-run or small-scale enterprises, so overlap with expansion of business opportunities (above). The only case studies that prioritise employment in formal sector tourism (hotels, lodges) are WS and SDI/CPPP. WS is committed to local employment (and in turn benefits from low staff turnover), while the SDI and CPPP programmes include efforts to encourage investors and operators to source employment locally. The SNV-Nepal study notes it can be harder to persuade trekking companies to switch to employing locals than it is to encourage them to expand their use of local enterprises.

The request for proposals issued at Manyeleti states: *'The applicant must within its proposal commit to the recruitment and development of local skills wherever feasible. In this regard special attention needs to be paid to the innovative ideas regarding the employment of existing staff. As such the applicant should demonstrate that they will build capacity and thereby maximise the opportunity for skills transfer.'* (SDI/CPPP case study)

The problem of jobs being concentrated among particular families and the better-off is apparent in many of the case studies. Ways of addressing this problem include the novel practice of selecting new employees at random (literally from a hat) for the WS lodges.

'The lodges have also allowed local people to receive training in tourism ses.'

4.2.3 Enhancing collective benefits

There are many different ways in which collective community income is generated, including through: levies on tourists and operators; equity partnerships in which the community holds a stake; lease fees paid by private operators; and donations from tourists. The case studies do not indicate that any route is superior, but they do show that *where community income is well-used, it can be very valuable and provide for needs that would not otherwise be met* (see Section 5 on impacts). Unfortunately, though, problems can emerge in the misuse of collective income. The development of strong, accountable and transparent community organisations is therefore needed.

4.2.4 Capacity building, training and empowerment

Capacity building is a central strategy in all the case studies. The main focus has been on:

- increasing poor people's basic understanding of tourists and the tourism industry;
- training in business skills (see 4.2.2 above);

- institutional capacity building. For example, in Humla, enterprise development occurs through support to new community-based organisations, and District organisations have been strengthened. At Makuleke, a new Community Property Association has been formed.

Investment in capacity building is seen as an essential but *long-term* process.

'The poor lack understanding of tourists and their interest, so PPT needs to focus on appropriate training to increase awareness and understanding of who tourists are and what tourism products they want.' (SNV-Nepal case study)

'To date, one of the main obstacles to successful programme implementation has been the weaknesses of local and community-based organisations.' (St. Lucia HTP case study)

4.2.5 Mitigating environmental impacts

Most of the case studies say very little about environmental action (reflecting the concerted shift away from an 'ecotourism' focus). However, Tropic views pro-poor tourism as intimately related to environmental sustainability and for SNV-Nepal it is integrated with broader rural development work that includes natural resource management activity. It is notable, though, that the most commonly cited negative impact of tourism relates to degradation of natural resources used by the poor (see Table 7), suggesting more might be done in this area.

4.2.6 Addressing social and cultural impacts

The case studies focus less on '*protecting*' local culture than on *developing it* for tourism. But far from causing cultural collapse, this seems to have been welcomed by local residents. This is probably partly a reflection of the degree of control that local residents have in these case studies, which is not common to all tourism. It also reflects the fact that *cultural tourism is a way of capitalising on the assets of the poor (which may otherwise be limited)*. In the Amazonian communities, efforts to keep visitor numbers very low to minimise cultural intrusion have conflicted with local people's desire to increase revenues.

'One of the distinctive features of the Heritage Tourism sub-sector is that it is able to use traditional skills, in cooking, farming, fishing, artistic expression, craft production or communication, skills that poor people typically possess. Not only does the sub-sector use these skills, but it also often nurtures and enhances them, as it consciously utilises them as an element of the product.' (St. Lucia HTP case study)

There are few explicit initiatives within the case studies to address social issues, despite the fact that many of the positive, pro-poor livelihood impacts reported are non-economic (e.g. changes in community organisation, infrastructure, health care, access to information and communication). The benefits tend then to be the product of a constructive dialogue developed with the poor, rather than more deliberate strategies in this area. However, their importance highlights that a focus on just minimising social impacts is inadequate and strategies to maximise broad livelihood impacts should be given explicit attention.

4.2.7 Building a supportive policy and planning framework

The case studies highlight the *importance of the policy and planning framework* within which the PPT initiatives operate, though there is considerable variation in the extent to which they have deliberately tried to influence this. Influencing strategies include:

- promoting participatory planning (St. Lucia HTP and SNV-Nepal);
- increasing communication with government and establishing a voice for poor producers (SNV-Nepal, UCOTA and NACOBTA);
- lobbying government for supportive policies and legislation (St. Lucia HTP, NACOBTA, UCOTA) – both within tourism and in other sectors (e.g. land tenure, infrastructure, local planning);
- lobbying the provincial conservation authority to invest in destination marketing and infrastructural development and to lift restrictions on development (WS);
- promoting inter-departmental initiatives and coordination (SDI/CPPP, St. Lucia HTP);
- linking with the National Tourism Board (SNV-Nepal, UCOTA);
- using government's power to allocate concessions to influence investors (SDI at Manyeleti) (see Box 2).

The substantial change in the tourism planning framework at Manyeleti indicates how much can be achieved, when policy change builds on massive political impetus (democratisation in 1994), cross-departmental initiative and external funds. Although there are many caveats about progress, the resulting private sector bids represent a marked departure from the past. On the other hand, there are clear cautions about the limited effectiveness of efforts to change policy from outside. For example, for NACOBTA, policy influence involves high investment for low return. The SNV-Nepal study also highlights that *timing of policy effort must complement change on the ground.*

'To start with, in an area as under-developed as Humla, effort needs to be focussed with 'the poor' at the destination, in order to raise their capacity to provide the service and products that the tourism industry requires. However, in the longer time frame, poor and able tourism related workers need advocacy at policy levels in order to receive support and escape exploitation.' (SNV-Nepal case study)

Box 2 The use of planning gain to promote PPT: Lessons from South Africa

A concept known as 'planning gain' has been used to encourage PPT in South Africa. The government agencies involved stipulated that tender documents (bids) for the concessions at Manyeleti Game Reserve must incorporate socio-economic criteria. All the preferred bidders responded positively and innovatively, submitting clear practical proposals on empowerment, outsourcing, employment, SME development and so on. Reflection on this experience has generated a number of lessons:

- Successful projects require a good deal of capacity-building among communities to obtain support for and ensure a broad understanding of the project.
- Potential investors require sufficient information to allay fears of risk.
- Consultation can never be too thorough.
- Government must be realistic in terms of what it can expect from the private sector. The private sector may be put off if the process is too time-consuming or expected commitments too onerous.
- It is better to outline a set of principles for investors to develop and apply rather than to be too prescriptive.
- Tender preparation costs can be high.

'The basic lesson remains that the first objective must be to capture the attention of the investor and that the documentation and process should not frighten them off. Equally the preparation costs should have a realistic bearing on the nature and underlying value of the asset.'

Source: SDI/CPPP case study

4.2.8 Promoting participation

There seem to be three distinct ways of enhancing the participation of the poor in decision-making:

- i *Giving the poor a legal stake in investments, so that they can participate as stakeholders rather than passive recipients.* This is the thinking behind the SDI/CPPP models. These aim to shift the tourism sector beyond the more common 'corporate responsibility' approach of charitable support. However, particularly where the 'community' is large, it is difficult to see how participation in decisions is very meaningful (except for the few leaders actually involved in the discussions).
- ii *Enhancing the voice of poor tourism producers at policy level through their own organisation* (i.e. NACOBTA in Namibia and UCOTA in Uganda). These organisations appear to be quite effective in voicing the concerns of the poor, though they may at times be speaking on behalf of the poor, rather than amplifying the actual voice of the poor.
- iii *Facilitating participatory planning processes at the local level* (in Nepal, Namibia and St. Lucia). In Humla this has begun to have a significant impact, with tourism integrated into district planning processes as one of a range of opportunities for local economic development. Improvements in trails and bridges – work originally undertaken to improve agriculture and trade in the region – has subsequently been used for appropriate tourism development.

It is possible though, that more significant progress has been made through two less tangible means. *Increased communication* between the poor and government/private sector/tourists is identified in virtually every study. While this is weaker than participation, it is a step forward in enabling the voice of the poor to be heard. Second, several case studies point to a *general attitude change* about the role of poor communities and appreciation of the need for consultative and transparent decisions. Again, a useful though preliminary step.

The poor as participants not recipients: seeking economic empowerment in South Africa:

'Many investors in rural South Africa recognise the need to ensure a flow of benefits to neighbouring communities as it makes commercial sense to have good relationships with adjacent communities.... Frequently, companies adopt a 'corporate social responsibility' approach or programme to community benefits which typically takes the form of investments into schools, clinics, water and sanitation, bursaries, etc.'

'True economic empowerment, however, requires more than a corporate social responsibility approach to development. It is important to base the empowerment of local communities on their contribution to the transaction. The extent of empowerment however is usually dependent on rural communities having access to an asset (such as land), which can be utilised to secure a string of benefits to local communities.' (SDI/CPPP case study)

4.2.9 Bringing the private sector into pro-poor partnerships

The case studies vary enormously in the way and degree to which they involve the private sector. However, *some form of private sector involvement seems to be essential*, particularly if marketing is to be effective. The different explicit approaches to partnership include:

- a *legal partnership* between a private company and a poor community (WS lodges, and planned investments at Makuleke);
- *close arrangements* between a community providing services and a tour operator providing clients (Tropic links with Amazonian communities, several individual NACOBTA members);
- *government action* to encourage private operators to establish local links through planning gain (Manyeleti), or devolution of tenure rights over assets (Makuleke, Namibian conservancies).

In principle, the private sector should act as an important *market* for the products of the poor (e.g. goods and services purchased for a lodge). Private companies, particularly tour operators and agents, should also be *channelling their own clients* to enterprises of the poor. However, progress in tapping into private sector marketing networks appears limited. Some linkages have been established with domestic operators, but linkages with the international tourism industry – via ground handlers, agents of international operators, and marketing associations – are less common, even though such organisations wield considerable influence over tourist itineraries and activities in the case study areas.

4.2.10 Progress and obstacles in 'tilting' tourism to the poor

The case studies identify significant challenges to address and obstacles to be overcome if PPT is to be implemented effectively. These are summarised in Table 3, and some are explored further as key factors influencing PPT in Section 6. Nevertheless, *most case studies identify clear progress in 'tilting' tourism to unlock more opportunities for the poor* (see Box 3), even though many opportunities have not yet been translated into poverty impacts (discussed in the following section). 'Tilting' is seen to occur in Humla, where current tourism is very small and highly inequitable, as well as in areas where it is already substantial, such as St. Lucia.

Box 3 Progress in 'tilting' tourism is judged to be positive

'Despite many issues concerned with controlling corruption and breaking down monopolies ... social mobilisation with communities and training in participatory planning at district and VDC levels is making a good attempt to bring about social change to enable tourism to become more pro-poor.' (SNV-Nepal case study)

'While the experience of this Programme is still very young, its achievements are probably sufficient to suggest that it is possible to shift an entire industry towards more positive impacts on poverty and sustainability, and that even a slight shift is likely to result in significant changes.' (St Lucia HTP case study)

Table 3 Key obstacles in implementing pro-poor tourism strategies	
Case study	Challenges and obstacles
Wilderness Safaris, South Africa	<ul style="list-style-type: none"> • Excessive expectations of the company among community • Lack of conservation authority cooperation for tourism development • Area not taken off as a tourism destination • Lodges still making a loss • To take advantage of enterprise opportunities needs external support
Tropic Ecological Adventures, Ecuador	<ul style="list-style-type: none"> • Low visitor numbers – diminishes community enthusiasm • Less profitable operation – has to be cross-subsidised within the company • Limited community capacity to understand tourism, meet needs and standards
St. Lucia Heritage Tourism Programme	<ul style="list-style-type: none"> • Takes time for benefits to appear. Collaborative community management not successful: complex arrangements and weak institutions • Doors are hard to open: difficult for small operators to enter established tourism • Vision not shared by all
SNV-Nepal, Humla District, Nepal	<ul style="list-style-type: none"> • Location – ‘hard trek’ route, small market, restricted tourist routes • Lack of supplementary products • Economic elites in Kathmandu are strong: little access for new entrepreneurs and informal sector • Difficulties of the remote region – staffing, management, logistics, political instability
SDI and CPPP, South Africa	<ul style="list-style-type: none"> • Uncertainty over land rights and the reform process – causes delays, reduces competitiveness • Communities’ dependence on outside expertise • Benefits are slow, small relative to dense population • High transaction costs of PPT
NACOBTA, Namibia	<ul style="list-style-type: none"> • Vast training needs and large distances to cover with limited resources • Lack of commercial expertise within NACOBTA. Need to work across NGO, community and corporate cultures • Government failure to follow up new policies – unfulfilled promises • Policy influence requires massive effort for limited return • Slow progress of land tenure reform
UCOTA, Uganda	<ul style="list-style-type: none"> • Low tourism numbers to Uganda • Lack of funding

5 Impacts on the poor

A key question this report seeks to address is what effect the various PPT endeavours have had on the poor. *Success is not measured in terms of intentions but in terms of actual reductions in poverty.* There are, however, a number of challenges associated with this. First, it is early days for many of the case studies – none of the PPT initiatives have been operational for more than 10 years and most have been operational for less than 5. They are therefore still developing operations. Second, there is the issue of causality and counter-factuals: what would have happened without the intervention, and what can legitimately be attributed to it? This is particularly difficult in these case studies for two reasons:

- i *Most initiatives involve collaboration by different stakeholders and build on existing structures* (e.g. NACOBTA supports community enterprises which are also supported by other organisations). It is therefore difficult to judge the effect of any single organisation or intervention.
- ii *Some impacts are brought about by tourism per se*, while others are specifically related to the pro-poor aspects of the intervention. For example, in Maputaland, community income is a product of the pro-poor structure of the deal, but some of the local jobs and infrastructural development could be a spin-off of any tourism development. This makes it difficult to draw conclusions about the effectiveness of specific pro-poor tourism strategies.

Mindful of these caveats, this section aims to examine poverty impact. It does so using a *livelihoods approach* (see Appendix 4 for a brief description of the sustainable livelihoods approach). This means that the assessment looks at:

- i the *distribution and significance* – rather than just the absolute level – of cash earnings; and
- ii a wide range of financial and *non-financial impacts*, particularly changes in people’s access to assets and the policy/institutional context that affects their lives.

5.1 Financial impacts

Local earnings are the key measure of the financial injection of PPT into poor households. These comprise wages of the employed, casual earnings (from small enterprise, casual labour and informal sector sales) and community collective income. Local earnings are quite different from any profits of the enterprise itself (which matter for viability, but are not a measure of direct impact on the poor).

The financial data from the case studies is very varied in coverage and quality. However, what it does show is the great diversity in financial incomes accruing to the poor from the PPT initiatives. The scale of local earnings – in aggregate and for individuals – their source and distribution, are explored below and key elements are summarised in Tables 4, 5 and 6.

5.1.1 Total earnings of the poor

Scale of aggregate income

Table 4 shows very rough – but indicative – local income totals. These range from aggregate earnings of poor Namibians from community tourism of about US\$230,000 per year, through to the two WS lodges in South Africa which inject around US\$120,000 per year into the local economy, down to annual local earnings of less than US\$10,000 associated with SNV-supported enterprises and Tropic's Amazonian tours.

Re-spending of wages in the local economy (the multiplier effect) is not included in these estimates. However, the WS case does show that at least 34% of local earnings (wages and payments for services and supplies) from the lodges are re-spent locally, thus increasing the local financial injection by over US\$35,000 per year and extending the numbers of people who benefit. By contrast, in Humla, where the economy is much less developed, earnings are likely to be spent on imported goods, reducing the multiplier effect. Donations from tourists are also not included in the data, though they can be important, particularly in the Tropic and SNV-Nepal cases. For example in Humla, the Namka Khyung Monastery has collected over US\$5,000 from tourists.

Potential increase

In several of the case studies there is an enormous difference between estimates of current and potential income. For example, it is hoped that income in Humla, Nepal will quadruple over time, and if SDI and CPPP investments take-off as planned, local earnings should reach a few hundred thousand dollars per year.

Sources of income

There is no common pattern across the case studies about the relative balance between wages, casual earnings and collective income. As a source of casual income *crafts are clearly important*. There is little casual income earned from supplying food and other inputs to the operations. However, the WS case study notes there is a *massive potential for increases if linkages are established between lodges and local suppliers*.

Box 4 Good earnings from crafts, lost potential from linkages

Craft earnings are a very important income source, especially in the Amazonian and UCOTA enterprises. Production is often not only for tourists who visit the area, but also for wider national and export markets. For example, Penduka, a craft enterprise in Namibia, generates more local income, for hundreds of women, than all the community tourism enterprises and conservancies in Namibia put together. (As Penduka was well established before NACOBTA, it is excluded from the aggregate data, though it is a member of NACOBTA).

If the community were able to supply all that the WS lodges purchase from the local supermarket, casual earnings could be multiplied several-fold (to an estimated R410,000 (US\$52,000) per year). If local plantation managers had been sufficiently organised to meet the construction demands of Rocktail Bay, they could have earned R174,000 (\$22,000) rather than the R1,800 (US\$230) they did earn.

5.1.2 Earnings at the individual level: How much for how many?

To get a real sense of the poverty impact, it is necessary to look beyond aggregate figures and comparisons between case studies to see what the earnings actually mean to the poor involved. Again, there is much variation (as shown in Table 5).

Table 4 Financial earnings of local residents: How much money and how many people?

Note	Approx local earnings /year US\$		No of current beneficiaries		Context		
	Current	Potential	Direct (earners)	Indirect via collective income	Approx scale of PPT initiative US\$	Av. GDP per capita (1998) US\$ ^a	
1 NACOBTA, Namibia 4 sample projects	207,000		185	3,700	650,000	Operating budget, 2001	1,834
10 community tourism enterprises and conservancies	230,000	380,000	Several hundred	26,000+			
2 Wilderness Safaris, Maputaland 2 lodges	119,000		120+	22,000	430,000	Operating costs of 2 lodges per year	3,404
3 St Lucia Heritage Tourism Programme Value of 10 Heritage tours sold – one initiative	180,000				727,000	Budget from EU for St. Lucia HP, average per year	4,081
4 SDI and CPPP, South Africa Manyeleti		200-300,000?			138,000	Government investment in preparation, Manyeleti	3,404
Makulele	66,000	150–200,000+		15,000	276,000	SDI and CPPP support to Makulele	
5 UCOTA, Uganda 4 illustrative projects	23,000				40,000	Projected income 2000	347
6 Tropic, Ecuador Gross from Tropic into 3 communities	6,000		41	200	66,000	Rough estimate of Tropic turnover from approx 32 Amazonian tourists per year (4 year average)	1,620
7 SNV, Humla Enterprises directly related to DPP	2,000	8,000+	40–50	64 households (all) in one village	15,000	Share of SNV Humla budget specific to tourism	197

Notes

All these figures are illustrative (rough estimates, based on incomplete data and assumptions). Estimated income is rounded to the nearest thousand.

- Four sample projects are: Torra Conservancy, Nyae Nyae Conservancy, Spitzkoppe Campsite, and Face to Face City Tours. Current earnings for 4 sample projects reflect an average of the lower and upper estimates of earnings. The 10 conservancies and community tourism enterprises include the major community tourism ventures in Namibia. Both sets of figures exclude Penduka craft enterprise, which generates six times as much income for poor workers as all the other enterprises combined (US\$800,000 and 150-650 workers): although this is a NACOBTA member it produces mainly for export and does not fully fit the definition of a community enterprise.
- Combined data from Rocktail Bay and Ndumu lodge. Excludes substantial local earnings due to the re-spending of staff wages on local food and goods.
- Data on earnings from other St. Lucia HTP initiatives are not yet available. The US\$180 is the gross value of 10 tours sold.
- Current Makulele earnings are from hunting. Rough potential earnings are based on the forthcoming lodge. Other potential earnings from campsites, bed and breakfast, an interpretation centre and craft sales are not estimated. Manyeleti ball-park estimates relate to development of lodges for which negotiation is underway. In addition to the SDI and CPPP expenditure at Makulele, other donors have also contributed substantial support which is not included.
- The 4 illustrative projects are Mgahinga Community Campground, Buhoma Community Restcamp, Bwindi Progressive Women's Group, Kibale Association for Rural and Environmental Development/Bigodi Wetland Sanctuary.
- The data for earnings from Tropic and revenue of Tropic are extremely rough.
- The incomes from tourism-related enterprises that are not specifically initiated by SNV are not included (these amount to approx. 35 times these sums) though they may in the long-term be indirectly supported. Other components of the SNV Humla budget that support the tourism work, though are not specific to it, are excluded.
- Source: UN statistics web site: www.un.org/depts/unsd/social/inc-eco.htm

For those in regular employment, wages often reach US\$1,000 to US\$4,000 per worker per year. Such earnings are sufficient to bring the core group of earners (usually less than 20) and their families above the poverty line. For example, each WS lodge employee earns twice the average income of a rural homestead in the area. *Furthermore, virtually all the case studies found that workers would not otherwise be employed because there are few other viable economic activities in the areas studied.*

Box 5 Use of earnings by the poor

Humla, Nepal

'In most cases, the earnings make a significant difference to the welfare of households, enabling them in particular to buy shoes, cloth, ready made clothes, salt and flour from Tibet... without these earnings, families would be more severely underfed and poorly clothed than they currently are.'

Cofan community, Ecuador

'[Income also] goes towards soap, toothpaste, aspirin, rice, sardines, pasta, and flour. Money earned is also used to buy clothes, more expensive items such as radios and, more commonly, gasoline to fuel many of the motor boats owned by community members for transportation purposes.'

Maputaland, South Africa

'For the majority of employees at Rocktail and Ndumu, it is clear that a large number of immediate and wider family are being supported by their wages. Although the study areas are suitable for subsistence agriculture, and people are not starving, the wages could be used to finance additional activities such as house-building and clothes purchases.'

UCOTA members, Uganda

'Women traditionally spend their income on their children's education, health care and clothes. Some is kept for emergencies.'

Table 5 Scale of earnings of poor individuals

Some examples	Waged employees Earnings/person/year range			Casual workers/own enterprise Earnings/person/year range			% Contribution to total local income ¹	
	No of people	Local currency	US\$	No of people	Local currency	US\$	Wages	Casual earnings
Wilderness Safaris								
Rocktail Bay	29	SR 1,272–31,800	162–4,051	62+	SR 311–29,200	40–3,270	77%	19%
Ndumu Lodge	21	SR 6,696–18,132	853–2,310	6	SR 3,000–29,200	382–3,720	73%	20%
SNV-related enterprises²								
Current	0			30–100	Rp 534–6,667	7–90	0%	96%
Estimated	15	Rp 6,000–12,000	81–163	80–200+	Rp 534–6,667	7–90	32%	44%
NACOBTA members								
Spitzkoppe Campsite	19	N\$ 6,000	764	72	N\$ 120–3,000	15–382	55%	43%
Face to Face City Tours	4	N\$ 1,200–3,600	153–459	26	N\$ 120–4,320	15–550	28%	72%
Nyae Nyae Conservancy ³	6	N\$ 9,500	1,210	48+	N\$1,406–1,750	179–223	18%	42%
Torra Conservancy ³	10	N\$ 15,995	2,038	–			48%	0%
Penduka Crafts	23	N\$ 9,000–18,000	1,146–2,293	143–643	N\$ 50–12,000	6–1,529	5%	95%
Tropic								
Craft Makers, Cofan				20	US\$ 1,200			
Craft Makers, Huaorani				21	US\$ 114			
Workers, Huaorani	1	US\$ 600		14	US\$10			
Workers, Cofan				1	US\$250			
Notes								
1 Collective income accounts for the remaining balance of local income.								
2 The lower estimates in Humla relate only to enterprises specifically planned with SNV, but several others (reflected in the higher end of the range) are also involved or affected.								
3 Earnings for Nyae Nyae and Torra Conservancies are based on 1998 data. Disaggregated data for 2000 is unavailable.								

Casual and small business earnings per person are generally lower than earnings from regular employment, though they show very high variability: from a low of US\$6–10 to a high in the thousands of dollars. However, there are far more people involved on a casual basis (4–10 times the number of employees, without taking into account the multiplier effects of re-spending of tourism earnings). In almost all the case studies, the importance of even small amounts of income was noted (see Box 5).

Spread of benefits to other household members: Although the numbers of actual earners may be limited, several case studies emphasise that *the earnings of one person may support many more* (see Box 6).

Box 6 The earnings of one support many

'This new enterprise (Face to Face) already brings financial benefits to 48 people in terms of a monthly income that amounts to up to N\$5,000. These financial benefits have a more far-reaching impact than for just the direct income earners, as each earner supports on average 15 people. Thus the total financial benefits can be felt by as many as 720 people'. (NACOBTA case study)

- Each member of staff or casual worker in the Penduka enterprise supports between 30–50 people, which means that 10,920 are impacted by the financial benefits. (NACOBTA case study)
- The 29 employees at WS's Rocktail Bay operations each support 5.5 relatives, which suggests that lodge wages support 10% of the population; for Ndumu, a total population of 185 people benefit from the wages of 21 employees. (WS case study)

Collective income is generally used for community investment, rather than being distributed to households. Although the actual sums per person may be small (see Table 6) – usually the equivalent of only a few cents or dollars per person – they can be disproportionately important as they are a rare source of community funds. However, they can also be 'lost' through misappropriation and poor management.

'Money distributed by the Community Trust amounts to a very small amount per person if averaged across the village population, but is used to finance community development that would not otherwise take place.' (WS case study, emphasis added)

Table 6 Collective income

Collective income	US\$	% of total income	No. in population	Equiv US\$/ person/year
WS Rocktail	3,439	4%	1,566	2.20
WS Ndumu	3,185	7%	20,789	0.15
SNV current	79	4%	640	1.24
SNV potential	1,850	25%	Several communities	
10 Namibian enterprises/conservancies	59,096	26%	25,668	2.30
1 well developed Namibian conservancy: Torra	23,950	46%	600	36
Tropic Cofan	6,400		100	64
Tropic Huaorani	315		21 households	15 per hh

5.1.3 Who benefits financially?

In most cases, *regular wage earners are relatively skilled and educated* (for example, they may know how to drive or be able to communicate in English), though they are still classified as 'poor'. Sometimes jobs are only available to those who are 'connected' (e.g. in Humla, Nepal).

'Due to the monopoly held by richer actors within Humla, benefits are concentrated amongst the better-off than the very poor/poorest.' (SNV case study)

'Unless specific measures are put in place to target very specific community groupings, it is unlikely that the economic benefits will flow directly to the most marginalised sections of the community.' (SDI/CPPP case study)

The less skilled and the poorer do, though, gain casual employment. For example, in Humla, porters and horsemen tend to be landless and amongst the poorest people. Craft earners are clearly well-skilled in one domain, but may lack other marketable skills. They are often women and are frequently from poorer groups. Many of these people have few other income generating opportunities.

Box 7 Women in work

In the WS, NACOBTA and UCOTA case studies, it is noted that a high proportion of earners are women. For example, 65.5% of staff employed at WS's lodges are women. Penduka in Namibia employs up to 600 female casual workers. Women dominate handicraft groups in Uganda. In Nepal, however, it is noted that women face greater barriers to entering small business and participating in CBOs. The other case studies do not indicate gender differences. This could mean there is little difference between impacts on men and women, but more usually means that efforts to reduce the typical inequality between men's and women's benefits have been lacking.

In principle, *collective income benefits the community as a whole*. However, inequality in the distribution of collective income and in participation in community decision-making is noted as a common – though not universal – problem. Where public investments are made (such as in schools, water) the case studies do not explore how access to the benefits varies between groups within the community.

5.2 Livelihood impacts

Poverty is not only a lack of income (though for many, this will be the most important factor). *It is also associated with vulnerability, ill-health, lack of opportunity, lack of respect, and limited access to private and public assets.* It is therefore critical to look at the non-financial (or other 'livelihood') impacts of tourism. The case studies reveal a vast range of these livelihood impacts, both positive and negative, though the positive side comes through most strongly. It is difficult to tell how much this is because pro-poor initiatives have fewer negative consequences, or how much it reflects researchers' and respondents' quest for positive results.

Table 7 summarises some of the key livelihood impacts in each case study. It highlights the *diversity of types of impact* as well as some common themes. Using a livelihoods approach we focus on:

- impact with respect to the various 'capitals' or assets that underpin people's livelihoods;⁴
- any changes in the external influences that shape livelihood opportunities and returns (e.g. policy and market context, exposure to risk); and
- outcomes or achievements that the poor might value, apart from cash income – such as culture, empowerment, and vulnerability.

Unfortunately, the case studies rarely disaggregate livelihood impacts between groups within the community. Benefits such as pride and improved access to information are largely assumed to be spread evenly, although in practice their value will vary a great deal between men and women, and between other poor groups.

'In the Ecuadorian Amazon where many 'poor' communities are generally indigenous people whose sustenance is still derived directly from their forests, these diverse improvements in livelihoods of the poor, specifically those involving environmental protection and awareness and cultural empowerment, should not be underestimated.' (Tropic case study)

5.2.1 Human capital: skills, education, and health

Every case study notes positive impacts on human capital in at least one of three ways:

- enhanced skills through tourism-related vocational training and development of business and organisational skills (all case studies);
- funding for local schools – either through donations from the company (Tropic, WS), tourists (Tropic) or from expenditure of community income (NACOBTA, UCOTA); and
- improved access to health either because a private operator can provide emergency assistance (transport and funds from Tropic), or due to public health investments driven by tourism (e.g. malaria control in WS area, drinking water and toilets along trekking routes in Humla, Nepal).

Table 7 Key non-financial livelihood impacts by case study							
	SNV Nepal	Tropic Ecuador	NACOBTA Namibia	UCOTA Uganda	SDI/CPPP South Africa	Wilderness South Africa	St. Lucia HTP St. Lucia
POSITIVE	<ul style="list-style-type: none"> Enhanced community organisation, mobilisation and participation in local government and NGOs More opportunities for micro-enterprise Health/transport and infrastructure improvements related to tourism Increased awareness of options 	<ul style="list-style-type: none"> An 'outside friend' for information, advice and connections Communication (donated radio, use of phone and transport) mitigates remoteness Can use contacts to pursue land claims, generate international support, influence policy Enjoyable contact with tourists, reinforces pride and cultural cohesion 	<ul style="list-style-type: none"> Jobs, market opportunities and income reduce hunger and vulnerability Community income for local priorities e.g. church toilet, funerals, schools, internet Training, improved skills Stronger and consultative community organisation A voice at policy level, recognition. 	<ul style="list-style-type: none"> Business opportunities, skills, market access reduce vulnerability Community income and organisation, especially for education and health A focus for further support from donors and tourists Communication and access to information in remote areas 	<ul style="list-style-type: none"> Land restitution is main source of impacts so far Tourism further stimulates community organisation and determination Injection of donor funds, particularly for training and capacity building 	<ul style="list-style-type: none"> Increased contact and exposure via WS (information, catalyst of ideas) Infrastructural improvements in remote areas (malaria control, roads, power) Income (substantial for workers, high degree respect locally) Community funds 	<ul style="list-style-type: none"> Giving value to popular culture Development of an alternative and optimism in the face of banana-sector decline Geographic dispersion of jobs and enterprise opportunities, enterprise support Institution-building; development of participatory processes
NEGATIVE	<ul style="list-style-type: none"> Poor are exploited – low wages, high commissions Poor, women, landless are more difficult to include in community organisations and decision-making 	<ul style="list-style-type: none"> Possible risk of dependence on Tropic Opportunity cost of rejecting oil development. 	<ul style="list-style-type: none"> Pressure on natural resources Intra-community tension 	<ul style="list-style-type: none"> Pressure on natural resources 	<ul style="list-style-type: none"> Dependence of community organisation (CPA) on external assistance 	<ul style="list-style-type: none"> Community pride and organisation is undermined 	<ul style="list-style-type: none"> Criminality: car theft Problems in community management of collective resources
<p>Notes This aims to illustrate the key types of impacts, not their scale or distribution. The case studies report a myriad of mainly positive impacts. These have been prioritised by the case study authors and the authors of this report based on the available evidence, not by the poor.</p>							

5.2.2 Physical capital: roads, water and other infrastructure and tools

Improvements in infrastructure can be:

- a deliberate result of PPT initiatives (e.g. at Manyeleti, improved road and water access for local communities is included in the tender-benefit model);
- the result of investments made with collective income (e.g. an irrigation project in Dandaphaya, Nepal, and communication improvements, Tropic), (see Box 8); or
- a spin-off from wider tourism development efforts (e.g. extension of water and electricity to service the WS lodge in Ndumu Game Reserve).

Box 8 Collective income is often invested in assets

'The people of this community have already started reaping the benefits from the CBTE. The school is about to become connected to the internet, with many basic needs already being met from this enterprise. If the community did not take up this CBTE opportunity, they would have to wait for decades for many of these benefits to come to them via the State, as in other Namibian communities'. (NACOBTA case study)

'The use of community funds has started to provide some infrastructure, access to essential services and, particularly, education which were previously unobtainable.' (WS case study)

'Income received and generated by the community does not necessarily affect their level of subsistence, which remains still largely dependent on the forest, but can provide critical funds for education and both long-term and emergency healthcare.' (Tropic case study)

'Tropic raised funds from clients to buy a radio that is both a key tool for the community of Quehueriono in emergencies, and has the potential to help the community build both territorial control and cultural empowerment.' (Tropic case study)

5.2.3 Financial capital: credit and collective income

The importance to the poor of financial capital – both for developing enterprises and more generally for reducing vulnerability – emerges strongly from the case studies. The PPT initiatives have enhanced access to financial capital in three ways:

- Loans are available for micro and small-enterprise tourism initiatives (St. Lucia HTP, SNV, NACOBTA, UCOTA, SDI/CPPP).
- Earners gain access to credit. For example, WS employees have opened bank accounts in order to receive salaries and hence automatically gain access to credit.
- The collective income earned by community organisations is also a source of investment funding.

5.2.4 Social capital and community organisations

All of the case studies report that *community institutions have been strengthened*. In several cases tourism developments have enhanced cohesion and a sense of purpose. However, the process of institutional development and strengthening is inevitably complex, and most case studies *also note the negative impacts*, such as increased tension over community funds (Tropic, WS, SDI/CPPP - Makuleke), inequitable power balances (SNV-Nepal), problems in collective management of resources and enterprises (St. Lucia HTP) and heavy reliance of community institutions on external expertise (SDI/CPPP, Tropic). Sometimes the institutions are quite inclusive. In other cases they are not – for example, at Rocktail Bay almost half of the committee members are women, while in Humla, Nepal there are few women involved.

'Probably the most significant impact of DPP's programme so far is social mobilisation and improved community organisation.' (SNV-Nepal case study).

5.2.5 Natural capital

In most of the case study areas tourism is inextricably linked with good management of the land, coast and other natural resources. Tourism has therefore provided incentives for conservation activities, including lobbying against degrading industries (oil exploration in the Amazon), and levying an environmental tax on users of community grazing resources (SNV-Nepal). On the other hand, both NACOBTA and UCOTA note increased pressure on natural resources due to tourist use and problems of littering. But beyond this, the impact of PPT initiatives on the natural resources of the poor appears to have been relatively small (or unreported).

5.2.6 Access to information

Limited access to information is a common characteristic of poverty, especially for those living in remote areas. *Most of the case studies cite enhanced access to information, together with increased communication and external contact, as a positive benefit of tourism development.* Some of the initiatives provide information and advice specific to tourism (e.g. on opportunities within tourism), but increased access to information more generally is welcomed in many. This is partly through the provision of tools for communication – e.g. donation of radios to the Huaorani and use of an office and phone in town – and largely due to contact with the staff or consultants of Tropic, WS, NACOBTA, UCOTA and SNV-Nepal. As these people are present in the area and willing to work with the poor, they become a channel of communication and a link with the outside world.

'Access to information is particularly important for the Huaorani in their struggle to secure their land rights through garnering international support and media attention...Tropic's continued presence and involvement, gives both communities the feeling that they have an outside organisation on which they can depend, if not for direct economic assistance, then for advice and further connections. For remote communities such as these, this outside 'friend' should not be underestimated, as it can provide a valuable type of insurance as there are commonly no other options.' (Tropic case study)

5.2.7 Policy context

The policy context affects the PPT enterprise (see section 6.3). But the reverse is also true: *PPT can affect the policy context that in turn shapes the opportunities faced by the poor.* The impact of specific policy changes is not analysed, but attitudinal change at the policy level, recognition of the poor as stakeholders, and the spread of more participatory approaches, are highlighted as potential catalysts for further pro-poor development. Over time, the effects of these changes on the poor could be very significant.

'A key impact of this partnership initiative is the recognition it has given to the poor and local communities as stakeholders in both tourism development and conservation and natural resource management. Attempts to reinstate the poor is a major short and long-term contribution to changing attitudes as well as creating social and economic linkages to the industry. In this way, culture, skills, knowledge and other assets owned by the poor will start to have a value which they can capture.' (WS case study)

'The democratic style of communication and consultation [of community structures developed through CBT] will have a long-term effect on leadership and accountability in Namibia. Leaders at the national, regional and local level will be held more accountable by communities in the future.' (NACOBTA case study)

5.2.8 Market opportunities, livelihood options

Most of the case studies emphasise the importance of identifying *new market opportunities* – and hence livelihood options – for poor producers. Opportunities increase poor people's choices, even if the options are not as yet pursued. Awareness of options helps poor people cope with greater problems, such as the decline of the banana industry (St. Lucia), set-backs to tourism (Uganda) or more general remoteness and lack of opportunity (Humla, Maputaland). An example of a Nepali tea-shop owner shows how tourism opportunities can be used as a ladder out of poverty through a step-by-step expansion of business (see Appendix 5).

'...tourism has acted as a catalyst for communities to mobilise for change. The contact between the community and tour operators generates ideas and opportunities.' (WS case study)

5.2.9 Cultural values

While the studies recognise the risk of cultural intrusion and excessive commodification, they are on the whole very positive about the cultural impacts of tourism. *Tourism is seen as valuing and encouraging local cultural assets, knowledge and skills* (St. Lucia HTP, Tropic, WS, NACOBTA and UCOTA) through activities such as cultural tours with the Huaorani, visits to the Sangoma (traditional healer) by WS guests, and development of the Anse le Raye seafood night in St. Lucia. (see also 4.2.6)

5.2.10 Optimism, pride, and participation

Finally, there are a range of intangible impacts relating to a long-term process of positive change and increased control – though in few cases can it yet be termed 'empowerment'. Access to information (all cases), increased

pride (most), participation in planning processes (St. Lucia HTP, NACOBTA, SNV), and tenure over land (SDI/CPPT - Makuleke) increase choice and contribute to a sense of empowerment. However, the degree to which communities are actually controlling decisions (even where they have an ownership stake on paper, as at Makuleke and the Wilderness lodges) is not clear.

'The experience in Anse la Raye involved participatory planning at both community and governmental level. It has developed a greater sense of pride and ownership among community members and has generally allowed for an increase in social services for villagers. The feeling of desolation and neglect is gradually being replaced by one of hope and enthusiasm.' (St. Lucia HTP case study)

5.2.11 Exposure to risk and exploitation

Among the negative impacts of tourism for the poor, exposure to risk and exploitation feature highly. *Several case studies warn strongly against the poor becoming too dependent on tourism because the industry is so volatile.* An example of exploitation is provided by the very poorly paid porters in Humla, Nepal. These people need to work to survive. They are powerless to prevent the trek organisers exploiting them by increasing their load and hours, and decreasing their wages (see Appendix 5).

'If communities in Uganda became dependent now on tourism it could destroy the fabric of the community rather than provide poverty alleviation.' (UCOTA case study)

5.3 Summary: Overall impact on vulnerability and poverty

The overall picture of the impact of PPT strategies in the cases studies is positive. At the local level:

- Although many of those involved often *remain poor, they are better-off than before.* In particular, they are less vulnerable to hunger, for example, and better able to meet their daily needs. The PPT enterprises are therefore very important to these people.
- Some households with a member in regular employment earn enough to *move from 'poor' to fairly 'secure'.*
- Benefits are spread *unevenly but widely* across poor households: earnings accrue directly to a few, but are used to support a larger number of relatives or are re-spent locally, generating multipliers. Collective income and other livelihood benefits generally affect many more in the population.
- In a few cases whole communities can actually be said to have *'escaped' poverty* through the impact of the PPT.

The increase in livelihood security comes from a *combination* of several elements including: increased regular wage income; opportunities for small income to fill gaps; business opportunities beyond agriculture; better access to markets, infrastructure, and information, and financial assets; and the presence of an outside 'friend'.

Box 9 Case study findings on changes in poverty and vulnerability

'Humla people are unlikely to escape poverty according to international poverty standards, but this should not underplay the improvements in livelihoods that are achievable through the initiative. Such improvements may bring households away from struggling to survive to where they can begin to make more active choices about how to develop themselves and their communities.' (SNV-Nepal case study)

'Rural communities are making an income never heard of before ... jobs are being created within communal areas instead of people migrating to the urban areas. Most communities have 'moved up' from being poor or very poor to being better-off.' (NACOBTA case study)

'In Zabalo, the majority of households – especially those whose men work as either guides or cook-administrators – have been able to move up from the classification of 'poor' into a more stable economic condition...[Among the Huaorani] other community residents who have received less direct benefits from Tropic's initiative may still be considered 'poor' as they have not earned enough to have money consistently available.' (Tropic case study)

'Dramatic improvements to household income, especially for female-headed households, have resulted in greater overall household security.' (WS case study)

From an outside perspective, the scale of benefits can seem small in absolute terms. And they can be small in relative terms, if dwarfed by benefits to the non-poor. Nevertheless *from the perspective of the poor, they can be very significant* (see Box 10). Indeed, where benefits are small *because* the destination is remote and tourism is highly inequitable (as in Humla), the significance of benefits to the poor can be all the greater.

Box 10 Small benefits but valued by the poor

Benefits can be small, in absolute or relative terms, but still valued by the poor. For example, the remoteness of Humla makes benefits small in national terms, but significant to those involved (who amount to about 40% of the local population in the area concerned):

'The contribution of tourism is small relative to the more accessible areas of the country (e.g. Annapurna region, etc). However, if revenue from tourism could be better trapped in Humla, instead of being concentrated with outside trekking agencies, the potential for benefits to Humla people is great, especially in view of the lack of alternatives available to improve livelihoods for people of Humla.' (SNV-Nepal case study)

Substantial benefits accruing to the non-poor are not necessarily an argument against investment, if the scale of benefits to the poor can still be increased. The evaluator of a Community Tourism Programme in Tanzania summarised the situation thus:

*'Of course, this small project will hardly bring about much change in the underlying conditions (e.g. in the unequal distribution of foreign exchange earnings from tourism).....[but] people participating in the programme are not so much interested to know whether the major share from the tourism business continues to go to the mainstream entrepreneurs; **what they are interested in is the small share which they can earn themselves in order to improve their livelihood and that of their families**.'*

Studienkreis für Tourismus und Entwicklung, 1999 www.studienkreis.org/eng/wettbewerb/todo/main_welt.html, quoted in Cattarinich 2001, p.82 (emphasis added)

Nevertheless, it is probably true that the small size of the PPT initiatives has meant that tourism provides a *minor dent in national poverty* even when multiplier effects are taken into account. Indeed, the only country where this might not be the case is Namibia where PPT in the form of CBT has taken off in many parts of the country. Therefore although each individual enterprise is fairly small, the multiplier effect makes tourism significant at the national level. The case studies from areas with a higher population density (e.g. SDI/CPPP, WS) note that *tourism cannot be a panacea. It needs to be seen as one contribution to rural development.*

6 Critical issues affecting PPT

The success of PPT is dependent upon a variety of factors – many of which will be context-specific. However, the case studies identify four main areas of common concern:

- i access of the poor to markets;
- ii commercial sustainability;
- iii the policy framework; and
- iv implementation issues.

6.1 Access to the market

Success depends on where you are. *Tourism amenities and activities are not evenly distributed geographically, and this constitutes a barrier for many. There is a significant distance between the clientele and the product and the physical conditions of access often reduce the opportunities for the development and marketing of activities.*

Success depends on who you are. *Important decisions are usually not made by poor people nor by those who seek to develop pro-poor policies and programmes. Most of the critical decisions that affect the sector are made outside of the country or by a few powerful local interests. Except on rare occasions, processes of public policy formulation are not participatory.*

Success depends on what you have. *The ability to enter the sector and to create employment and income-generating opportunities is naturally based on the availability of financial or physical assets. As elsewhere, poor people are constrained by the absence of assets, and by the difficulty they face in accessing and using common property assets.*

Success depends on what you know. *...Efforts (to participate in the industry) are hampered by a lack of understanding of how the industry functions. In the absence of a profound understanding of the manner in which this complex sector operates, the current status quo is unlikely to change.'* (St Lucia HTP case study)

6.1.1 The strength of existing economic elites

Tilting tourism to benefit the poor is not easy. As the St. Lucia case study notes, *'the doors are hard to open'* for the poor because *the tourism industry is controlled by well-established operators* that often benefit from economies of scale and regulations and incentives that favour large operations. Vertical linkages (primarily between hotels, tour operators, and airlines) limit opportunities for entry into the sector. Economic elites in effect act as a form of 'enclave' – a term normally associated with locations that are physically separated from their surroundings such as all-inclusive resorts. In three case studies (SDI/CPPP, WS and Tropic), a partnership with a specific investor or tour operator provides a clear route in. But in Namibia, Uganda, St. Lucia and Nepal, a number of small entrepreneurs are trying to establish themselves through open competition.

Economic elites need not be large operators. In the Humla region of Nepal, trekking tourism is dominated by 4 large mule owners and a small group of people in Simikot (the airport town and arrival point) who have links with Kathmandu. Some 7 people earn nearly 40% of the estimated total local income from tourism. Job opportunities are allocated by them through strong social networks and commissions. The study notes added problems faced by Hindu Nepali speakers, because tourism in Humla is dominated by Buddhist Lama Tibetan speakers. Women also experience problems because gender traditions make their involvement in enterprise particularly difficult.

'The problem for most of the poor seeking work is that they cannot compete with the relatives and friends of the mule owners and therefore rarely get work' (SNV case study).

6.1.2 Distance between poor people and products

The *location* of pro-poor tourism projects is a significant issue. In St. Lucia, cruise ship tourists have limited time to visit (and spend money in) inland communities. In Humla, communities along the trekking route are far from the airport town where arrangements for services and supplies are organised. This means that measures that disperse tourists to poorer areas are important in increasing market access, although there are limits to what is possible.

6.2 Commercial sustainability

If pro-poor tourism initiatives are to be commercially successful, *they need to succeed in competitive tourism markets*. Whether they can do this will depend upon the products they offer, their location, and effective marketing.

'The question of how PPT strategies can be commercially feasible and include the private sector is the most challenging one facing PPT... [Commercial pressure] makes the private sector very reluctant to change any aspect of their behaviour that might decrease profits... the secret of PPT is to develop local products that save trekking companies money and hassle.' (SNV-Nepal case study)

6.2.1 Attractiveness and quality of the product

As the SDI/CPPP study states, *'the extent to which tourism projects can be burdened with certain socio-economic objectives is dependent on the attractiveness of the asset'*. Where the products and services of the poor are highly attractive to tourists, they can draw private investment, more clients, and/or charge higher prices. Where products are not sufficiently attractive, problems of low demand and profits soon occur.

This is illustrated by the two SDI/CPPP cases. Both are in the Kruger National Park area, one of South Africa's premier tourism destinations. While Manyeleti has been able to attract private investors and stimulate pro-poor commitments (despite very significant problems in the land reform process, low community capacity, malaria and South Africa's general image problems), Makuleke, in northern Kruger, has had difficulties attracting viable private sector bids and pro-poor commitments. *'The commercial attractiveness of the asset has proved to be the key issue in weakening the bargaining position of the Makuleke community'*.

Price is part of 'commercial attractiveness'. The Tropic initiative with the Huaorani charges high prices. A UK-based tour operator has stated that its clients are interested in such tours but that the Tropic Huaorani trip is

'good but too expensive' compared to alternative destinations on offer (Tribes Travel, from UK Tour Operator survey, Townsend 2000). This fact, together with regional security issues, has meant that numbers of visitors have fallen and community commitment has waned.

Product quality and reliability are key to the commercial sustainability of an enterprise, especially when the target market is tourists who book through tour operators. Such operators must be confident that PPT products meet acceptable international quality standards or risk being sued by the clients. The EU Package Holidays Directive, for example, makes operators in tourist originating countries – *not* those who own or manage a PPT initiative in the destination country – liable for the health and safety of their clients while overseas. In our UK tour operator survey (see Box 12 below) several UK operators said that campsites were not of a high enough standard for their clients and that they preferred to use lodges. In St. Lucia, there have been problems over meeting international standards of product quality and safety.

Health and safety aside, *if PPT products are to compete with the vast array of other tourism products on offer then quality is essential*. If the quality and standards issues cannot be resolved then the 'added value' which community projects can offer through the provision of information, cultural experiences and people-to-people contact cannot be realised. Community-based enterprises often lack the facilities to enable advance bookings and guarantees of service delivery, a particular problem for community enterprises that do not have strong linkages with particular operators. For example in Nepal, the industry expressed concern about quality of goods and services, stable prices, continuity of supply and the guarantee of availability. Unless such concerns can be overcome, labour and goods will continue to be brought into the area from outside.

'CBTEs must be brought to a minimum standard and should offer what they say they offer in the promotional materials... camping sites are usually too near each other, too many visitors booked at camps, many times water is not available, the fridges available are not working or not stocked with drinks, and most importantly tour guides cannot book in advance because most CBTEs have no telephones.' Comment from a tour operator in Namibia on NACOBTA members (UK Tour Operator Survey).

6.2.2 Attractiveness of the location

There are two dimensions here: the attractiveness of the specific PPT product and the attractiveness of the wider tourism area in which it is situated. Both are important, but the second can be more difficult to address. For example, the two WS lodges are struggling because Maputaland as a destination is not flourishing. In contrast, a similar WS lodge in Namibia is thriving.

Security issues often compound problems of location. Maoist activity in Humla, rebel activity in the Caprivi Strip (north east Namibia), incursions in Uganda and kidnappings and strikes in Ecuador have all had an adverse impact on bookings (see Box 11).

Box 11 Commercial viability and PPT

Commercial viability is a recurring theme in the case studies. Importantly, though, no direct correlation was identified between pro-poor benefits and lack of profitability.

Wilderness Safaris, South Africa: The two Maputaland lodges are currently cross-subsidised by WS's other operations in Southern Africa. Financial problems are not caused by, but are exacerbated by, pro-poor commitments and high community expectations. Wilderness is devoting increasing effort to shorter-term projects (e.g. enterprise development), through use of a consultant. The lodge-owning company is paying community dividends from land rental by increasing its debt.

Tropic Ecological Adventures, Ecuador: Low visitor numbers mean that these PPT initiatives have not yet become commercially viable. As a result, Tropic has had to cross-subsidise them with more profitable tours to the Galapagos.

SNV - Nepal : Despite trekking companies' stated willingness to work with local enterprises, survey returns show concerns about product quality, prices, guaranteed availability, and relationships of trust. The case study emphasises that the economic arrangements have to be commercially attractive to trekking companies and that ethical appeals are not enough. A Multiple Use Visitors Centre is planned to facilitate transactions between poor producers and trekking groups, but as the DDC Chairman commented: *'the general way that society functioned to benefit the better-off (especially those with connections in Kathmandu) could not be re-shaped by the mere construction of a centre.'*

SDI/CPMP: Experience at Manyeleti and Makuleke demonstrates the importance of keeping the investment package commercially viable, while integrating pro-poor measures: *'If the costs [of PPT] (including complicated, uncertain and protracted institutional arrangements) are too high, investors are quick to leave such projects.'*

'The lack of guarantee of increase in numbers of tourists and the risk of a decrease, in response to Maoist insurgency, means that households could become even more vulnerable if they depend too closely on earnings from tourism.' (SNV-Nepal case study)

6.2.3 Marketing

None of the case study initiatives could yet be said to have established a secure market, hence the *continued importance of active marketing*. This is an area in which all of the case study initiatives face challenges. For example, SNV-Nepal and Tropic are both trying to sell to a very specific, and small, market segment: 'hard trekkers' in organised groups for SNV-Nepal and high-paying adventure tours for Tropic. St. Lucia, in contrast, is a mass destination, but the Heritage Tourism Programme faces the challenge of attracting sun-sea-and-sand-seekers to cultural products. NACOBTA, UCOTA, and SNV-Nepal are all struggling to establish links with private operators, while WS has its established network but suffers from a lack of regional marketing by government.

Four issues appear to be particularly important:

- i *Establishing effective links with the private sector.* More could be done to attract private sector operators and involve them in product development from the start (to ensure marketability). The lack of links with international tour operators is particularly noticeable. Though it may not be important for all enterprises (e.g. some NACOBTA members target independent tourists), it is critical for those aiming to attract international clients (e.g. St Lucia HTP). Our survey of tour operators found that very few had heard of or used the PPT initiatives, other than WS lodges (see Box 12).
- ii *Securing the support of the National Tourism Board* is identified as important in the SNV-Nepal, UCOTA, NACOBTA and St Lucia HTP case studies. SNV has marketing advisors supporting Nepal Tourism Board. But the degree of effective integration between the various PPT initiatives and their respective national tourism boards is unclear.
- iii *Improving marketing skills* amongst those implementing PPT seems to be important. For example, the NACOBTA case study notes that 'the focus has been mainly through advertisements in travel magazines and newspapers, t-shirts and the production of sub-standard marketing material.' The case study identifies the need for more engagement with potential clients.
- iv *Identifying markets and matching products to them is essential.* For example, the WS lodges cannot compete with the major 'Big 5' lodges so have to focus on attracting more specialist safaris, such as bird-watching.

'Success' in marketing is not necessarily attracting more and more tourists, but establishing a secure and appropriate market. For example, in Humla, there are around 500-700 tourists a year, as it is a 'hard trek' route and an insecure area. SNV-Nepal initiatives at the local level cannot change this. Success is therefore a matter of tapping into the well-established organised trekking sector to establish sustainable markets for enterprises of the poor (unless independent tourism becomes permitted, which would open up new marketing opportunities).

In general, the total volume of visitors and type of tourist will be determined by the wider destination. A PPT initiative can only change larger market trends if it is re-shaping the destination (as SDI approaches could). Otherwise, it can seek to increase its share of the local market, but probably not alter its nature. Realistic objectives need to be set according to the type of intervention: *adapting* to and *exploiting* the existing market, or *changing it*?

Box 12 Marketing to the UK - operators' awareness of PPT initiatives

A survey was conducted of UK tour operators that operate in the case study areas, in order to assess their perceptions of PPT and of the case study initiatives in particular. Of 26 UK operators to Africa, four had heard of NACOBTA, and these had little or no knowledge of its activities and objectives. By contrast, most UK operators active in the region had heard of Rocktail and Ndumu and the fact that they were part of WS was often referred to as a guarantee of quality and service. Of the 13 South American operators surveyed in the UK, 6 had heard of Tropic Ecological Adventures' projects. Four out of 21 UK operators to the Caribbean had heard of the St. Lucia Heritage Tourism Programme. Most of the Caribbean operators pointed out that their clients are only interested in sun, sand and sea and that it is their local representatives who sell the local excursion programmes. However, their representatives in the St. Lucian resorts were also unfamiliar with the St. Lucian heritage products in the case study. Our survey identified only three UK operators that include trips through Humla in their programmes. Each of these companies has one departure per year along the trail and on to Tibet.

Source: UK Tour Operator Survey, conducted by Claudia Townsend, Centre for Responsible Tourism

6.3 Policy framework

6.3.1 Land tenure

Communities with secure land tenure are in the strongest position to manage tourism on their land and gain the lion's share of benefits. This is most clearly highlighted in the SDI/CPPP case where the Makuleke community has a right to lease fees and a substantial management role, because it has acquired ownership over a portion of Kruger through land restitution. In contrast, the commercial structure of investments inside the Manyeleti Game Reserve had to be changed from the initial proposal in which the community was the main contracting party (through their own Section 21 company) to one in which the government remained the principal contractor. This is because the initiative is on state land and it is unconstitutional simply to transfer public assets to a select group of people. The community will benefit from economic opportunities, but direct payments from the planned lodges will go to the government (unless and until their land claim is resolved).

'The extent to which economic empowerment of local communities takes place is intricately linked to the nature and extent of the land rights of those rural communities.' (SDI/CPPP case study).

Nevertheless, the other case studies demonstrate a wide range of institutional arrangements through which communities with *de facto* land rights (recognised in practice) have gained some *de jure* rights (recognised in law). Namibian conservancies have rights over wildlife on communal land, while the WS partners have equity stakes in the companies operating inside protected areas. These fall short of absolute land ownership yet provide a basis for tourism benefits. In the Amazon, the Huaorani also rely on *de jure* rights – in this instance, tourism is seen as a way to strengthen their land claims.

The apparent fluidity of land tenure can be as important as the current status, as uncertainty deters private investment. As the SDI/CPPP study notes, *'for investors, the perceived risk of investing in areas with unclear land rights is high. Investors price for this risk which may impact on the anticipated financial returns from the project and thus benefit flows to the community.'*

6.3.2 Government commitment and capacity

In some cases, government commitment to PPT has been a strong supportive influence:

- In St. Lucia, the Heritage Tourism Programme is an initiative of the government. This has made it possible to adopt a broad, integrated approach of working with multiple stakeholders on enterprise development, marketing, policy content, participatory planning, and public awareness. The study notes that the *policy context is as important as the policy content*, in that making policy formulation more transparent and participatory has laid the groundwork for more appropriate PPT policies.
- In Uganda, the desire of the Ugandan Tourism Board to diversify from gorilla tourism coincided with the formation of UCOTA and has led the government to welcome UCOTA participation in the industry and in various fora.
- The SDI and CPPP programmes are initiatives of the South African government that reflect its desire to transform the economy following democratisation.

However, in both Namibia and South Africa, fairly radical policy changes (devolving rights to conservancies, giving communities an equity stake in tourism lodges) have not been followed through with appropriate implementation or a change in staff attitudes. NACOBTA members are hampered by a raft of unfulfilled promises from government and apparent government inability to implement the existing community-based tourism policy. Communities are bypassed in the granting and renewal of legal rights to concessions and tourism plots. NACOBTA members are not marketed by the Ministry of Environment and Tourism, and in assisting conservancies, NACOBTA has ended up 'with little or no government support on a task that is essentially government responsibility'. WS sees the failure of the conservation authority to develop tourism and to permit them to develop a better product, as the main reason why they may pull out.

Key themes that recur are:

- The *content* of policy, the *process* of policy-making, and the *capacity* to implement policy reform are all influential.

- Aside from the overall government stance, in many cases there are locally-specific regulations that can pose obstacles for the poor (e.g. on tour guides in St. Lucia, rules governing Section 21 companies in South Africa, limitations on tourist routes and types in Nepal).
- Policies *beyond the tourism sector* are influential. Land tenure is highlighted, as are spatial planning, infrastructure development, business regulations and investment in skills training.
- While government commitment to change is important, it also has its limitations. Problems may relate to lack of capacity for implementation or, as in the case of the SDI/CPPP programmes, the practical need to attract private investment.

The SNV-Nepal case study points out that policy reform has minimal effect if there is nothing on the ground to support. But once the capacity of the poor has developed, *then* poor people will need regulations and incentives to strengthen their bargaining power and improve their working conditions.

6.4 Implementation issues

Finally, progress in most case studies is affected by some common challenges in how PPT is actually implemented. These focus around raising skills, bringing stakeholders together, meeting expectations and managing costs.

6.4.1 Addressing the skills and capacity gap

Lack of skills and understanding of tourism were identified as a key constraint to successful PPT in most of the case studies. Weak capacity among the poor is noted in three distinct areas:

- poor general understanding of tourists and how the industry works;
- lack of business skills, particularly low standards of community-run enterprises;
- problems in community organisation, for example in managing common resources and distributing benefits.

While capacity-building is clearly needed, there is a limit to what the private sector or government can do in this area, given their mandates and resources. In most cases, some form of *external* facilitation is involved, though

6.4.2 Collaboration and communication

While there is great variation in the roles of government, private and non-governmental participants, nearly all the case studies emphasise the need for collaboration and communication between the various parties. Without this, it is impossible to work across levels from micro to macro, or to combine the expansion of products with the expansion of markets.

Working across stakeholders is seen as a particular strength of both NACOBTA and the St. Lucia HTP.

- By liaising between communities, government and private sector, NACOBTA acts as a 'driving force' for PPT. It does not have the other day-to-day concerns that government, businesses and poor people have to distract them, so it can maintain the focus on pro-poor issues. However, this does raise the challenge of working across cultures.
- The St Lucia HTP is premised on the need to move away from the 'failure of previous isolated efforts aimed at provoking changes' to a 'concerted programme' that is national, integrated, and multi-level. Though it is early days, its progress to date is seen as demonstrating that initiatives aimed at transforming an existing sector must encompass a broad range of strategic interventions.

'PPT requires multi-level strategies: at the macro-level some policies need to be in place for PPT to start, at the micro-level, the poor need to have access to skills, resources, markets and training to manage the enterprises effectively and maintain standards; the private sector must be involved as they have the skills, experience, established clientele/contacts, know the industry and have the money to invest' (NACOBTA case study).

In contrast, in Maputaland, the WS initiatives are working in relative isolation, and this is identified as a considerable constraint. The case study authors strongly recommend that such PPT initiatives need to be incorporated into an SDI or similar regional initiative because this focuses on a destination and can bring stakeholders together.

Communication – or the lack of it – between stakeholders emerges as important in all the case studies (see Box 14). *Considerable investment in communication is needed* especially in developing economic linkages between the formal and informal sectors, because information, familiarity and trust are often lacking. However, the difficulties of communicating are also noted because of the different 'cultures' that prevail in communities, the corporate sector and government.

'NACOBTA faces the challenge of 'working between three cultures. The traditional/community culture which is sometimes slow and prolonged, the corporate culture which has little time and wants to strike deals quickly with least costs and high returns, and the NGO/development culture which focuses on bringing benefits to people.' (NACOBTA case study)

6.4.3 Meeting expectations

Unrealistic expectations, particularly among local people, are problems noted in the WS, Tropic, SDI/CPPP and NACOBTA case studies. *Developing pro-poor tourism is a slow and gradual process*. Failure to understand this can lead to loss of interest in initiatives. For example, in Tropic's Huaorani project, benefits did not match expectations. As enthusiasm waned, the community failed to maintain the airstrip. The Civil Aviation Authority suspended flights and Tropic had to take visitors elsewhere.

'These expectations or wish lists reflect little understanding of what tourism can deliver...tourism is posited as the panacea to poverty. For example, electricity, roads, and water are all required and desired by the communities, but their financing is outside the capacity of dividends from the partnership. Funding for such basic services should come from government investment.' (WS case study)

Managing expectations is therefore critical, as is ensuring a reasonable flow of short-term benefits to maintain interest. The Makuleke CPA are doing this through small-scale tourism developments. In Uganda, UCOTA describe the emphasis on crafts as a useful strategy for keeping interest alive (through exports) until tourism recovers.

'The benefits of tourism projects are typically slow to materialise but many community members expected immediate results. The Makuleke CPA addressed this by ensuring that certain projects would provide an interim flow of benefits to the community, while the longer-term projects were being planned and implemented.' (SDI/CPPP case study)

6.4.4 Costs of PPT

It is difficult to isolate the costs of implementing the PPT approaches, but high costs are identified as an obstacle in the SDI/CPPP, UCOTA and NACOBTA case studies. Importantly, though, costs are not always high. For example, the seafood night at Anse le Ray in St. Lucia has brought many benefits with little investment and the Tropic case study comments that *'even with a limited financial investment a committed private sector partner can bring significant benefits in livelihood to local communities.'* Some policy reforms may also, in principle, be achievable at little financial cost, if commitment and capacity already exist.

Both Tropic and WS note there are limits to how much a private company can invest in PPT – particularly when it is a matter of cross-subsidising unprofitable parts of their package. Limited economic capacity to invest in community infrastructure and marketing has been a critical constraint in Tropic's Huaorani programme. Costs for the private sector are often in terms of time and uncertainty, not just finance (as noted at Manyeleti and Makuleke, in the SDI/CPPP case study).

The costs of implementing PPT strategies on any substantial scale are likely to be too large for a company, community, or even regular government tourism department to cover. This suggests that additional funds from NGOs, donors, or tourists are needed. Indeed, donor funds already play a key role in supporting NACOBTA, St. Lucia HTP, SNV-Nepal and the SDI/CPPP programmes (and part of UCOTA). Because such funds will always be time-bound, it is important that they be used to establish the groundwork for PPT, rather than to provide on-going subsidies to tourism enterprises. But since donors and NGOs have other calls on their finances, they must address issues of the cost effectiveness of PPT in terms of poverty reduction. Given the difficulties of defining the financial input into PPT, quantifying the many non-financial benefits monetarily, and identifying the causal links between a PPT initiative and benefits to the poor, a cost-benefit ratio cannot be calculated. Nevertheless, the issue cannot be ignored.

Table 4 (above) puts local earnings from PPT in the broad context of the budget of the PPT initiative. In the two private sector initiatives, it is encouraging to note that local earnings are equivalent to between 10-25% of company turnover. This is contrary to the common assumption that the poor gain a very tiny share of

Table 8 Critical issues and implications		
Issues		Implications
Market access	Strength of existing economic elites	Breaking in is not easy. Government intervention, marketing links, intensive communication, profit motives and realism are needed.
	Location of poor people	Poor people – and hence PPT products – are often in remote areas with poor infrastructure. Investment in infrastructure – particularly roads and communications – may be needed to ensure viability.
Commercial sustainability	Attractiveness and quality of product	Unattractive products do not sell and will threaten the commercial viability of an enterprise. Involving the private sector in product development should help ensure that initiatives are commercially realistic.
	Marketing	Marketing is critical if PPT is to compete in the crowded tourist product market. Government or private sector support may be needed to develop effective links and marketing strategies.
	Cost benefit	PPT can be expensive, especially when transaction costs are included. Costs may exceed the capacity of a company, community, or even government tourism department, making external (donor?) funding important.
Policy framework	Land tenure	Secure land tenure is important for attracting PPT investment. Land rights need to be clarified before tourism development goes ahead.
	Government attitudes	Government attitudes can be the driving force or the stumbling block for PPT. Commitment is critical but not enough, on its own.
Implementation issues	Skills and capacity gap	Capacity building is likely to be an essential part of any PPT initiative. Some form of external facilitation may be required.
	Communication and collaboration	PPT is most effective when different stakeholders work together. Investment in communication is required.
	Meeting expectations	Mismatched expectations and benefits can kill initiatives. It is important to deliver short-term benefits while long-term schemes are developing.

Part III: Implications and Conclusions

7 The case studies in a wider context

7.1 Limitations of the case studies

The case studies reported on here provide useful insights into how PPT actually functions. This is valuable information that was previously lacking. However, it is important not to draw too many conclusions from six case studies. Furthermore, while any research conclusions are based on judgement, this is strikingly so in interpreting the initiatives presented here. For example, the SDI approach can be viewed as a path-breaking attempt to integrate genuine pro-poor elements into a rural growth strategy. But others condemn it for its excessive private sector focus and the false expectations that have been raised among the poor (Kepe *et al.* 2001). Likewise, the long-term, capacity building approach in Humla and the integrated approach to changing attitudes and institutional roles in St. Lucia can either be criticised for demonstrating a slow pace of change, or valued as realistic, well-planned and likely to boost local ownership.

To ground the six case studies within wider PPT experience, several other PPT-related initiatives were assessed through web searches, email contacts, and self-assessment by those involved (see Cattarinich 2001). Seven were followed up in some detail through questionnaires. Most (all of the seven) have an environmental focus, but also define themselves as 'pro-poor'. While these seven cases cannot be seen as a 'representative' or comprehensive sample, they do provide further reinforcement of most of the case study findings and some additional insights. They illustrate a wide diversity in types of PPT actions and actors, though most are NGO or private sector initiatives with relatively little engagement in policy processes. Positive impacts for the poor emerge as substantial and varied, with emphasis on earnings, collective income and cultural impacts. Challenges and key factors tally closely with those identified above (skills, markets, marketable assets, land rights) though corruption, the degree of social stratification, and consumer awareness are also highlighted. A notable feature is that two of the private sector initiatives demonstrate substantial investment and success in *developing linkages* between a small formal sector operator and local producers: IntoAfrica's partners in Kenya and Tanzania purchase 95% of their food, plus charcoal, locally, while Ecotour Samoa Lid uses only local food and building materials.

Looking more widely at experience and literature within responsible/community/sustainable tourism, several case study findings are further reinforced. For example, the importance of jobs – even if low-paid and menial – as an exit from poverty is often highlighted in work with the poor, and was a recurring theme at the March 2001 WTO seminar on Ecotourism in Africa. Several studies have demonstrated the value of economic value of crafts, especially for women – as at Chitakira in Zimbabwe (in Goodwin *et al.* 1997), where they support the livelihoods of thousands of women. The significance of broader livelihood impacts from tourism is reported in recent African Wildlife Foundation reviews of a variety of tourism projects and elsewhere (AWF forthcoming a, b, c; Ashley 2000; Roe *et al.* 2000). Similarly, other applications of livelihood approaches are demonstrating the importance to the poor of changes in assets and the institutional context. Many of the challenges to poor producers identified in this study are echoed in other work on small enterprise development.

There are, though, some themes that are less prominent in these case studies than elsewhere. For example:

- The *negative impacts of tourism*, and ways to reduce them, are dominant themes both in fair-trade campaigns and in case studies on the local impacts of tourism. Work on pro-poor growth has highlighted a number of policy issues that are relevant – though not specific – to tourism, that should help limit negative consequences. These include the need for a fair legal structure, effective regulatory bodies, a free press, and participatory and decentralised governance. Such issues receive little attention here.
- A substantial body of work (Ghimire 1997) has identified the distinctive features of *domestic and regional tourists*. These customers may be particularly relevant to poor producers because they have lower expectations of the quality of tourist goods and services. These expectations may be easier for the poor to satisfy.
- The *regulatory framework* can be a primary obstacle for poor producers. Rules that effectively criminalise small-traders increase costs paid by the informal sector (bribes to police, fines in court), provide a disincentive to invest in expansion and increase vulnerability to loss of assets.

7.2 Relevance to pro-poor growth⁵

The meaning of pro-poor growth is still debated, but it can be said to be growth which:

- increases demand for the goods and services of the poor;
- reduces the costs paid by them in meeting their basic needs;
- increases the asset base of poor people;
- decreases their exposure to variability and risk; and
- results in increased government revenues which are used to provide goods and services to the poor.

What do the case studies tell us about how PPT strategies contribute to pro-poor growth?

Increasing demand for goods and services of the poor

As a labour-intensive sector, *tourism has the potential to reduce poverty through employment*, so long as tourism-related opportunities are accessible to those with few skills or assets. The case studies indicate that access to employment varies enormously between locations and types of tourist activities. In general, though, tourism seems to generate demand for a broad range of labour, from the professional to the unskilled, and including a significant number of women. The initiatives also appear to have *stimulated* demand for goods and services produced by the poor.

However, more could be done. It is notable that in many Southern tourist destinations, most hotel supplies (particularly the food consumed by tourists) are imported. Apart from the SNV-Nepal initiative, relatively little attention has been paid to enabling the poor to provide inputs to the formal sector. Efforts to integrate tourism development with agricultural policy and extension advice may bear examination.

Reducing costs of basic needs

Tourism often causes local inflation, because demand from tourists increases prices, particularly for land and therefore shelter. This issue – though certainly valid – was not raised in any of the case studies. On the other hand, *tourism can also reduce costs* as, for example, when operators provide access to, or subsidies for, health care. Examples of such cost reduction are found in the case studies (e.g. Tropic) – though there is a sense that this benefit is more incidental than deliberate. Were this a key focus of PPT, more might be achieved. For example, carefully designed transport infrastructure can indirectly reduce the costs paid by the poor if it can be used to market goods and reach schools and clinics.

Increasing the asset base

For the poor, *access to assets is critical*: for production, for collateral and as a buffer in times of crisis. In much of the world tourism has a negative effect on the asset base of the poor. In particular, customary rights are often insufficient to prevent developers from appropriating land and other resources for the development of tourism facilities. However, the use of a livelihoods approach in analysing the case studies clearly indicates that PPT can improve the poor's access to assets, though this varies considerably by case. In most cases better access to assets is directly due to the pro-poor element of a tourism initiative – investments in credit, training, sanitation and organisational development – though sometimes it can be attributed to tourism development in general (e.g. when the assets are infrastructure, water and electricity). Importantly, in the Ecuadorian case, PPT contributes to *increased security over land*, by catalysing support for land claims. The evidence suggests that tourism can be pro- or anti-poor in its effect on assets. These impacts may be less evident from outside, but very significant to the poor. PPT strategies must therefore be very deliberate in the quest for positive impact on assets.

Decreasing exposure to vulnerability and risk

Many of the poor experience high levels of vulnerability and significant seasonal variation in their ability to meet their needs. *Since tourism is a notoriously fickle and seasonal industry, it can exacerbate the vulnerability of the poor*. For example, political instability in north-east Namibia, Uganda, Ecuador and the Humla region of Nepal has negatively impacted tourism and the poor involved in the industry in these areas. The case studies show, however, that *PPT can also help reduce vulnerability, especially if it is incorporated as one element of a diversified livelihood strategy*. The message seems to be that it is unwise to rely solely on tourism, and that measures may be needed to cushion poor participants in the event of a serious tourism slump.

There is little attention paid in the case studies to how the timing of tourism activities fits with the timing of other activities (agriculture, etc.). This may be an area for further assessment, as tourism which provides

slack season income could be very valuable. Greater effort could be put into increasing tourist volumes at times of the year when the poor are most in need of income or, more generally, into diversifying the tourist markets so as to reduce seasonal oscillations in tourist-related incomes (e.g. by attracting Australian and Asian tourists in the off-season for European and North American visitors).

Increased government revenues benefiting the poor

Contemporary thinking on poverty reduction recognises that there are certain key functions (primary education and health care, social protection, and usually transport infrastructure) which the state is best able to provide – if it has the resources and commitment. Even if tourism does not directly involve poor people, it may have pro-poor impact, *if* it improves government revenue and *if* that revenue is used in pro-poor ways.

The case studies have little to say on this subject, though it should be noted that tourism has a poor record when it comes to revenue capture: small businesses often stay outside the taxation net, while those large enough to have overseas offices or agents can use them (through ‘transfer pricing’) to reduce domestic tax liabilities. The question of stimulating governments to spend money in more pro-poor ways falls beyond the scope of PPT.

Overall

In summary, tourism *can – but often does not – meet the five characteristics of pro-poor growth*. The PPT initiatives studied here show clear progress in two main areas – increasing demand for goods and services for the poor, and enhancing the asset base of poor people – and mixed progress in another – decreased vulnerability. Results are limited or inconclusive on the other two characteristics (relating to prices and government revenues).

Should those concerned with pro-poor growth invest in understanding and influencing tourism? The answer would seem to be yes, with some qualifications. Firstly, the importance of cross-cutting pro-poor policies, which are not specific to any sector, emerges strongly. Beyond that, the above suggests there is good reason to pay attention to tourism, but this should be based on a comparative assessment of the potential of all sectors for any given area. Such a comparison would need to first explore poverty locally (causes of poverty, assets of the poor, and potential channels for poverty reduction). It would then compare the potential of

Even where commitment to PPT is lacking, some of the principles and actions can be incorporated into mainstream tourism development. The work to date has not explored the extent of *trade-offs* required by PPT. No doubt in some cases, political choices are needed to ensure that the poor benefit at the expense of, for example, bigger businesses, government revenues or investment of effort in other aspects of tourism. But the cases do illustrate that PPT is also often about *added value*, so can have wide appeal. In particular, developing new products to complement a mainstream package (such as a Caribbean cruise or an African safari) benefits the destination as well as the poor. It is therefore about *new commercial opportunities* and should be promoted as such to the private sector. Similarly, some recommended government measures (such as geographical dispersion of tourism and investment in human capacity and infrastructure) are of wide relevance beyond those committed to PPT.

7.3.2 Contributions to the evolving sustainable tourism agenda

The tourism industry and debates on its future are changing rapidly. In particular, the sustainable tourism agenda is evolving in six key ways:

- i *Sustainable tourism is being mainstreamed.* The WTO has put considerable energy into the sustainable tourism agenda and has assiduously argued that the agenda is relevant to the whole industry. While it cannot be claimed that all tourism is now sustainable, progress is marked. The business travel sector (which accounts for over one third of all tourism) has been particularly responsive.
- ii *The private sector is taking a leading role* in developing many new sustainable tourism initiatives, for example the VISTA initiative of the Association of British Travel Agents, the Tour Operators Initiative backed by WTO/UNEP/UNESCO, the International Hotels Environment Initiative (IHEI), Responsible Tourism Guidelines adopted by the Association of Independent Tour Operators, and launch of a new web-based market place for responsible travel (www.responsibletravel.com). The wide uptake of the IHEI amongst hoteliers is a good example of what can be achieved once an issue (in this case environmental sustainability) hits the agenda.
- iii *A growing number of non-governmental organisations in the north are focusing on equity, justice and poverty issues in tourism.* In the UK, in addition to the long-standing work of Tourism Concern, tourism campaigns have been developed by VSO, ACTSA, and Tear Fund.
- iv *Tourism has continued on the international UN agenda since the Earth Summit*, and in 1999 explicit reference to pro-poor tourism was incorporated for the first time. The Commission on Sustainable Development meeting in April 1999 urged governments to 'maximise the potential of tourism for eradicating poverty by developing appropriate strategies in co-operation with all major groups, indigenous and local communities.' Tourism remains high on the agenda for the World Summit on Sustainable Development –WSSD – (or 'Rio+10') in 2002, which is to be held in South Africa – one of the major tourism destinations of the South.
- v *Ecotourism remains an important focus for many* (for example, the first 'Ecotourism in Africa' seminar has just been hosted by WTO in Mozambique), but disillusion with the term is spreading. There is an increasingly acrimonious debate over competing definitions and the declaration by the UN of 2002 as the International Year of Ecotourism.
- vi *Market trends have encouraged the development and marketing of various forms of responsible and ecological tourism.* Of particular relevance to PPT is the development of more experiential holidays, which include opportunities to interact with the poor and their cultures.

Where then does PPT contribute to this evolving agenda? As outlined in Section 2.2, PPT has a different focus, because it puts the poor at the centre. The main contribution that PPT can make is, therefore, *to bring more of a poverty focus to the current debate and in so doing balance the considerable effort that has been made to address the green agenda.* More specifically, it can:

- *Emphasise the need to focus on Southern destinations.* The industry initiatives, in particular, focus on mainstream destinations, such as the Mediterranean. While Southern destinations will not supplant these, it is important to extend sustainable tourism efforts to those who operate in the South. The involvement of ABTA in a new pro-poor initiative in the Gambia (supported by DFID's Tourism Challenge Fund) shows that this is achievable, particularly in resort areas.
- *Provide practical insights on how to address 'people' elements.* Social criteria are explicitly included in most of the responsible tourism initiatives described above. For example, a new benchmarking initiative of the International Hotels Environment Initiative, to enable hotels to compare their environmental performance with others, includes one element on 'integration with local communities'. However, practical

advice and experience on how to turn rhetoric into reality in the social area is often lacking. This is partly because it is harder to develop criteria and guidelines in relation to people than, say, for energy efficiency.

Conversely, PPT should also learn lessons from sustainable tourism. Despite some significant successes, ecotourism has generally failed to meet expectations, particularly among local communities. It is therefore important to *manage expectations* surrounding PPT, even as interest in the subject grows.

8 Conclusions

8.1 Effectiveness of PPT in reducing poverty

At the local level PPT can play a very significant role in livelihood security and poverty reduction. Employment can be a route out of poverty, and small earnings a survival strategy. A wide range of other impacts on livelihoods cannot be quantified but can reduce the vulnerability of the poor. *For the poor where it happens, PPT is invaluable.*

The numbers employed may be low and concentrated among the more skilled, but the *spread* of earnings, collective income and other livelihood benefits throughout a community can make PPT significant to local, not just individual, poverty reduction.

It is difficult to say conclusively what contribution PPT has, or could, make to national poverty reduction efforts. It clearly depends on the scale of tourism within the economy, and on the degree of pro-poor change within the sector. Tourism can be very significant to a district or provincial economy, but not sufficiently large at a national level for sectoral changes to affect national aggregates. In Namibia, where community involvement in tourism has mushroomed geographically in 5 years, an eloquent case is made that it contributes to national poverty reduction objectives. The approach of the SDI and CPPP in South Africa and the St Lucia HTP have potential for changing their sector in locations across the country. But, in general, PPT has *probably had little national impact*, as efforts to date are small scale, location specific, and in early stages. Nevertheless, experience does illustrate five advantages of PPT from a poverty reduction perspective:

- It does appear possible to *'tilt' the tourism sector at the margin, to expand opportunities for the poor*. Diversification into culturally-based products, expansion of business linkages, redistribution of assets (equity, land) to the poor, and inclusion of their voice in tourism plans are long-term changes with potential for replication. However, there are also limits on the extent of pro-poor restructuring in such a sophisticated and competitive sector.
- PPT initiatives have been able to develop *two of the key characteristics of pro-poor growth within tourism*: increasing demand for goods and services provided by the poor, and increasing their asset base. In contrast, conventional tourism is often associated with undermining access to assets (particularly land) by the poor.
- Current thinking on poverty reduction highlights the need to support diversified livelihoods through the non-farm rural economy. It is generally pessimistic about progress in marginal agricultural areas (Maxwell, Urey and Ashley 2001). PPT has the dual advantage of supporting diversification and being particularly relevant to remote areas.
- Impacts of PPT initiatives can extend beyond their specific location by *contributing to pro-poor change in policies and processes*. Recognition of the poor as legitimate stakeholders as well as attitudinal changes in government and the private sector, and a spread of participatory approaches are likely to be of long-term significance.
- There is already a movement for 'sustainable tourism' which could be harnessed to contribute more to poverty reduction, though this would require a shift in focus.

The relevance of PPT strategies varies with location and change occurs at the margin. Nevertheless, if opportunities for the poor could be opened up in all the places where tourism is significant in the South, it would affect millions of the poor. The costs of doing so could be considerable, and need to be compared to other poverty-reducing investments. But relative costs are lower if lessons from existing experience are shared, and if demonstration effects ripple out through the industry. Therefore developing and sharing good practice is part of making PPT cost-effective.⁶

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

8.2 Implementing PPT effectively

Our review of these six case studies yields several *preliminary* guidelines for maximising the potential of PPT strategies. 'Best practice' cannot yet be established, but lessons on 'good practice' emerge:

- i *PPT is relatively untried and untested.* Findings are therefore very preliminary; more work is required.
- ii *There is no blueprint for PPT* and one should not be expected. Strategies must be adapted to local circumstances, target markets and the interests of the poor.
- iii *A diversity of actions across levels* is needed. PPT goes well beyond simply supporting community tourism. It requires action at micro, meso and macro level on several fronts, including product development, marketing, planning, policy, and investment.
- iv There is a clear need to work *across stakeholders*. Effective communication is essential, and a *driving force* or champion is useful.
- v *Location matters – the destination.* PPT works best where the wider destination is developing well. It is likely to struggle in unsecure areas.
- vi *Location matters (II) – remoteness.* In remote areas, poverty impacts are likely to be of greater significance, though tourism may be more limited in scale. Dispersing tourism to remote areas – even without further explicit PPT interventions – can be useful (so long as negative impacts do not outweigh the positives).
- vii *Actions outside the tourism sector can boost PPT.* General policy initiatives unrelated to tourism, such as land tenure, small enterprise support, improved education, and more representative government would increase local involvement in the industry over time, without any specific reference to tourism.
- viii *PPT strategies can be incorporated into broader tourism development.* The explicit use of pro-poor language can even be avoided if this is helpful in achieving acceptance.
- ix *PPT strategies often involve the development of new products,* but these should be integrated with mainstream products if they are to find markets.
- x *Ensuring commercial viability* must be a priority. This requires close attention to product quality, marketing, investment in business skills, and inclusion of the private sector.
- xi Enhancing *economic impacts* requires actions with poor producers, plus marketing efforts and often policy reform. It is important to the poor to maximise *both* regular jobs and casual earnings opportunities.
- xii *Non-financial livelihood impacts* can also significantly reduce vulnerability, and *more could be done* to address these explicitly. In particular, improvements in access to assets by the poor, and participation in decision-making can have substantial long-term benefits.
- xiii *Expect slow results.* Manage expectations, develop short-term benefits meanwhile, invest in building local ownership.
- xiv *External funding may be required* to cover start-up costs (especially the transaction costs associated with working with various groups).

The lessons also suggests particular roles for different stakeholders, as shown in Box 14.

Box 14 Lessons on stakeholder roles in PPT

Private sector roles

The private sector is an essential player in PPT – as partner, customer, marketing channel and/or advisor. It can be involved directly, for example in joint product development with poor people. At a minimum, it should be involved in product and market development, to ensure PPT strategies are commercially robust. Private companies can:

- Talk to local people to explore options.
- Maximise use of local suppliers and local staff. If commercial obstacles exist, explain them.
- Provide technical advice to local tourism enterprises, market them, take tourists, provide feedback.
- Establish a business partnership with residents: e.g. equity share, concession arrangement.
- Share or develop infrastructure (road, water), key equipment (telephone, radio) or services (health care).
- Respect and promote local guidelines and norms.
- Help boost understanding of the tourism industry – among the poor and others, including government and NGOs.
- Collect community levies/donations from tourists. Explain why pro-poor commitments matter, and what tourists can do.
- Explain to customers and suppliers (e.g. international operators and tourists) why pro-poor commitments matter and what more they can do.

Government roles

There is much that only governments can do – in terms of policies, regulations, and coordination – so a leading role for government in PPT is a great advantage. At a minimum, there needs to be a policy environment that facilitates PPT. Some of the actions governments can undertake, both within the tourism sector and across other sectors include:

- Consult with poor residents when making decisions about tourism.
- Provide secure tenure for the poor over tourism land or assets.
- Use planning controls and investment incentives to encourage private operators to make and implement pro-poor commitments.
- Encourage dispersion of tourism to poor areas, through infrastructural investment and marketing.
- Ensure good policy is followed up with implementation.
- Promote pro-poor enterprises and products in national marketing material.
- Revise regulations that impede the poor in employment or small business.
- Integrate awareness of PPT into pro-poor growth strategies and small enterprise strategies.
- Coordinate stakeholders around PPT objectives.

Roles of the poor

The poor have many roles: as producers, suppliers and workers; also as participants and decision-makers. While this is often on an individual basis, there is also a key role for engagement as a community – in managing common assets or benefits and liaising with outsiders. Actions by the poor and their partners that may enhance the ability of the poor to engage effectively include measures that:

- Increase understanding of the tourism industry.
- Develop skills for small business and tourism employment.
- Increase physical access to tourism markets, address cultural (e.g. gender) obstacles to market activity.
- Strengthen community organisations' capacity in management, negotiation, and representation of views to others.
- Develop transparent and equitable measures for managing collective benefits.
- Explore options for developing cultural traditions into products.
- Expand dialogue with private operators.
- Explore the pros and cons of household dependence on tourism.
- Maintain realistic expectations.

Civil society

There are strong limits to the capacity of government, private operators and the poor. It is invaluable to have a fourth party to fill the gaps, such as:

- Act as a catalyst and liaison between stakeholders.
- Invest in training and technical assistance to the poor.
- Explore options for linkages between private operators and poor suppliers; facilitate the process to reduce time and risk for them.
- Develop processes that amplify the voice of the poor at policy level.

Box 14 Lessons on stakeholder roles in PPT (cont.)

These are often, though not always, a role for a non-governmental organisation. Similar roles may also be provided by a producer association of poor operators in tourism, or a government/donor initiative.

Donors

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

- When supporting tourism development, require assessment of PPT issues.
- Ensure tourism consultants are aware of PPT issues and have to address them, given their considerable influence in tourism national plans.
- When supporting growth or anti-poverty strategies in a specific area where tourism exists, ensure the pro-poor potential of tourism is assessed.
- Promote pro-poor tourism within the international agenda, with other governments and the industry, particularly by emphasising a pro-poor and Southern focus within sustainable tourism.

Four key issues for any stakeholder to consider from the start:

- Access by the poor to the market:** physical location, economic elites, social constraints on poor producers;
- Commercial viability:** product quality and price, marketing, strength of the broader destination;
- Policy framework:** land tenure, regulatory context, planning process, government attitude and capacity;
- Implementation challenges in the local context:** filling the skills gap, managing costs and expectations, maximising collaboration across stakeholders.

8.3 From here: future directions

If the PPT focus is to develop further, *continued efforts to test out strategies, learn from experience and share findings is needed*. It is important to work and develop knowledge with four particular constituencies:

- those who manage, plan, or influence tourism operations in poor countries of the South;
- those who are developing and promoting the 'sustainable tourism' agenda internationally;
- those implementing poverty reduction approaches in areas with tourism potential; and
- those who help form opinions about effective strategies for poverty-reduction.

This report shows that PPT interventions can make a difference to the poor and can 'tilt' the sector towards the poor, even if only at the margin. Mainstreaming a focus on poverty across the tourism industry in the south would be a formidable challenge. But given the importance of tourism in many very poor areas it is surely worth rising to this challenge.

Endnotes

¹ The case study of 'producer associations' covers organisations in two countries – NACOBTA in Namibia and UCOTA in Uganda. In general they are considered together, where necessary they are referred to independently. A similar approach is applied to the 'SDI/CPPP' case study which covers two different initiatives: tourism development at Manyeleti Game Reserve, within the framework of the Phalaborwa Spatial Development Initiative (SDI), and tourism development by Makuleke community, supported by the Community-Public-Private Partnership programmes (CPPP), though also within the SDI framework.

² Most of the case studies were undertaken by local independent researchers or consultants, in consultation with the organisation that leads the PPT initiative. In the Wilderness and Tropic studies there were close links with the company. The SDI/CPPP study was undertaken by staff of the programmes concerned. They were all based on a common methodology and discussions with the UK research team.

³ The distinctions are not rigid. Generating collective income often has non-economic implications since some collective benefits may be non-financial or spent on 'social' investments. Conversely, capacity building is listed here as a non-economic strategy but it often enhances economic opportunities and participation.

⁴ (including access to information, which is not one of the defined capitals in the SL framework – see Appendix 4)

⁵ This section is 604.58 Ts..78 TmTm0.0oGworkidd by tT-18.75(i0.26(mConvwa)95.38, cPverst and dublic-cPvic-y G0.0oGworu tourism web-site or series of papers are welcomed, particularly if they share insights from other PPT experiences.

⁷ This section is based on material provided by Tim Conway, Poverty and Public Policy Group, ODI and from earlier work on tourism and poverty by Deloitte and Touche, IIED and ODI (Deloitte and Touche et al 1999).

⁸ For a small sample of the literature on the relationship between economic growth and poverty reduction, see for example McKay 1997; Goudie and Ladd 1999; Ravallion 1997; and World Bank 2000 (Chapters 3-5).

⁹ The World Travel and Tourism Council has estimated that 'tourism and general travel' accounts for 11% of world GDP (WTO 1998); even more conservative estimates of 6-7% imply that the resource transfers involved in tourism may have significant potential for the developing world (Page 1999: 9). With a high income elasticity, tourism is growing rapidly at a global level (c. 4% p.a.) and increasing its share of total GDP.

¹⁰ Although many analysts now believe that the extent of 'leakage' – repatriation of profits or flows to expatriate staff or overseas suppliers – is not as serious as previously thought: or, to look at it another way, no worse than that in other industries characterised by a high degree of foreign investment

References

- African Wildlife Foundation (forthcoming a) *Financial and Livelihood Impacts of Oliver's Camp: Lokisale GCA, Tanzania*. AWF, Nairobi.
- African Wildlife Foundation (forthcoming b) *Financial and Livelihood Impacts of Il Ngwesi Lodge, Laikipia District, Kenya*. AWF, Nairobi.
- African Wildlife Foundation (forthcoming c) *Financial and Livelihood Impacts of Tanzania Game Trackers Safaris Ltd*. AWF, Nairobi.
- Ashley, C. (2000) *The Impacts of Tourism on Rural Livelihoods: Namibia's Experience*. Sustainable Livelihoods. Working Paper No 128. ODI, London.
- Ashley, C., Boyd, C. and Goodwin, H. (2000) *Pro-poor Tourism: Putting Poverty at the Heart of the Tourism Agenda*. Natural Resource Perspectives No 51. ODI, London.
- Braman, S. and Fundación Acción Amazonia (2001) *Practical Strategies for Pro-Poor Tourism. Tropic Ecological Adventures – Ecuador*. PPT Working Paper No 7. www.propoortourism.org.uk. ODI, IIED and CRT, London.
- Cattarinich, X. (2001) *Pro-poor Tourism Initiatives in Developing Countries: Analysis of Secondary Case Studies*. Unpublished Report to PPT Project. ODI, IIED and CRT, London.
- Deloitte and Touche, IIED and ODI (1999) *Tourism and Poverty*. Unpublished report to DFID, London.
- DFID (1999) *Sustainable Livelihoods Guidance Sheets*. DFID, London.
- Ghimire, K. (1997) *Emerging Mass Tourism in the South*. UNRISD Discussion Paper no. 85. UNRISD, Geneva.
- Goodwin, H., Kent, I., Parker, K. and Walpole, M. (1997) *Tourism, Conservation and Sustainable Development. Volume 4 – Zimbabwe*. Unpublished report to the Department for International Development, London. Available at www.ftsl.demon.co.uk.
- Goudie, A. and Ladd, P. (1999) 'Economic growth, poverty and inequality' in *Journal of International Development* 11: 177-195.
- Kepe, T., Ntsebeza, L. and Pithers, L. (2001) *Agri-Tourism Spatial Development Initiatives in South Africa: Are they Enhancing Rural Livelihoods?* Natural Resource Perspectives No 65. ODI, London and PLAAS, South Africa.
- Mahony, K. and Van Zyl, J. (2001) *Practical Strategies for Pro-poor Tourism. Case Studies of Makuleke and Manyeleti Tourism Initiatives: South Africa*. PPT Working Paper No 2. www.propoortourism.org.uk. ODI, IIED and CRT, London.
- Maxwell, S., Urey, I. and Ashley, C. (2001) *Emerging Issues in Rural Development*. Unpublished Issues Paper. ODI, London.
- McKay, A. (1997) 'Poverty reduction through economic growth: some issues' in *Journal of International Development* 9(4): 665-673.
- Nicanor, N. (2001) *Practical Strategies for Pro-Poor Tourism: NACOBTA, The Namibian Case Study*. PPT Working Paper No 4. www.propoortourism.org.uk. ODI, IIED and CRT, London.
- Page, S. (1999) *Tourism and Development: The Evidence from Mauritius, South Africa and Zimbabwe*. ODI, London.

References (cont.)

Poultney, C. and Spenceley, A. (2001) *Practical Strategies for Pro-Poor Tourism, Wilderness Safaris South Africa: Rocktail Bay and Ndumu Lodge*. PPT Working Paper No 1. www.propoortourism.org.uk. ODI, IIED and CRT, London.

Ravallion, M. (1997) 'Good and bad growth: the Human Development Reports,' in *World Development* 25(5): 631-638.

Renard, Y. (2001) *Practical Strategies for Pro-Poor Tourism: A Case Study of The St. Lucia Heritage Tourism Programme*

Roe, D., Mayers, J., Grieg-Gran, M., Kothari, A., Fabricius, C. and Hughes, R. (2000) *Evaluating Eden: Exploring the Myths and Realities of Community-Based Wildlife Management*. Evaluating Eden Series No 8. IIED, London.

Saville, N.
District, West Nepal. PPT Working Paper No 3. www.propoortourism.org.uk. ODI, IIED and CRT, London.

Studienkreis für Tourismus und Entwicklung (1999). Evaluation of a winning project under the Todo scheme, awarded for Socially Responsible Tourism, www.studienkreis.org/eng/wettbewerb/todo/main_welt.html.

Townsend, C. (2000) *Results of a Survey of UK Tour Operators: Use, Awareness and Attitudes to Case Study Initiatives*. Unpublished report. CRT, London.

UN (March 2001) <http://www.un.org/depts/unsd/social/inc.eco.html>.

UNICEF (1999) *The State of the World's Children*

Appendix 1 Background on tourism, poverty and pro-poor growth⁷

A coordinated and strategic approach to making tourism work for the poor is important for many reasons. Contemporary thinking on poverty reduction emphasises the complexity of the process and the need for strategies on a variety of complementary fronts and scales. Most would accept, however, that pro-poor growth is the essential underpinning of long-term, sustainable poverty reduction.⁸

Tourism, as one of the world's largest economic sectors and one which is growing steadily, can be a significant contributor to economic growth (and critical in some countries).⁹ It is generally labour intensive, and many Southern countries have comparative advantages in terms of climate, landscape, low labour costs and historical and cultural resources. However, under present arrangements a significant proportion of the benefits from tourism in Southern countries does not go to those countries,¹⁰ and much of what is retained in the destination country is captured by rich or middle-income groups, with a small proportion reaching the poor (and very little reaching the poorest). If it is possible to retain more of the profits of tourism within the host country, and to ensure that more of the benefits reach poor groups, there should be considerable potential for tourism-based poverty reduction.

On the negative side of the balance sheet, it is important to note that tourism, like any economic activity, may result in environmental damage, although once again such damage is often less than that arising from economic growth in other sectors. Similarly it may be associated with pockets of exploitative employment (e.g. prostitution) which, while offering the very poor short-term survival strategies, undermine their human and social capital and trap them in long-term poverty. Tourism is also unstable, being unusually vulnerable to national or international events (e.g. shifts in exchange rates). This exposes those involved to new forms of risk over which they have little control.

The rationale for pro-poor tourism is that the sector is exceedingly large, growing, and involves many countries and individuals in the South (see Table A1). Analysis of tourism data shows that in most countries with high levels of poverty, tourism is significant (contributing over 2 per cent of GDP or 5 per cent of exports) or growing (aggregate growth of over 50 per cent between 1990 and 1997):

- 12 countries account for 80 per cent of the world's poor that live on less than a dollar a day. In 11 of these, each with over 10 million poor people, tourism is significant to the economy and/or is growing, as shown in Table A1.
- Across the poorest hundred countries or so, tourism is significant in almost half of the low income countries, and virtually all the lower-middle income countries.
- The top 15 tourism destinations in the developing world (in terms of absolute numbers of arrivals or receipts) are mainly populous, lower-middle income and upper middle-income countries. Nevertheless, 5 of these 15 have a population of over 10 million living below a dollar a day.

It is therefore important to maximise the potential benefits for the poor, and minimise the potential harm. A pro-poor tourism strategy needs to incorporate both of these elements: a protectionist concern to minimise the negative consequences of tourism for poor groups; and a promotional concern to increase the positive consequences of tourism for the poor.

Table A1 Significance of international tourism to countries with 80% of the world's poor

Country ¹	Is ITT an important economic sector? ²	Have ITT arrivals grown significantly? (1990-1997) ³	Percentage of population living on under US\$1 a day ⁴
India	√		53
China	√	√	22
Bangladesh		√	Na
Kenya	√	Na	50
Pakistan	Na		12
Indonesia	√	√	15
Nepal	√	√	53
Nigeria		√	29
Ethiopia	√		34
Brazil	√	√	29
Peru	√	√	49
Philippines	√	√	28
Mexico	√		15

Source: Deloitte and Touche, IIED and ODI (1999).

Notes

ITT = International travel and tourism Na = data not available.

- 1 Countries identified by the World Bank – 1993 data (World Development Indices 1998). Listed according to their ranking as DFID bilateral aid recipients (largest first).
- 2 ITT receipts more than 5 per cent of exports or 2 per cent of GDP for 1996 – adapted from data from WTO 1998 and World Development Indices 1998.
- 3 Percentage change between ITT arrivals for 1990 and 1997 – adapted from data from WTO 1997. International Tourism.
- 4 Percentage of population living under US\$1/day – UNICEF 1999, World Development Indices 1998.

Appendix 2 Mainstream and pro-poor perspectives on tourism

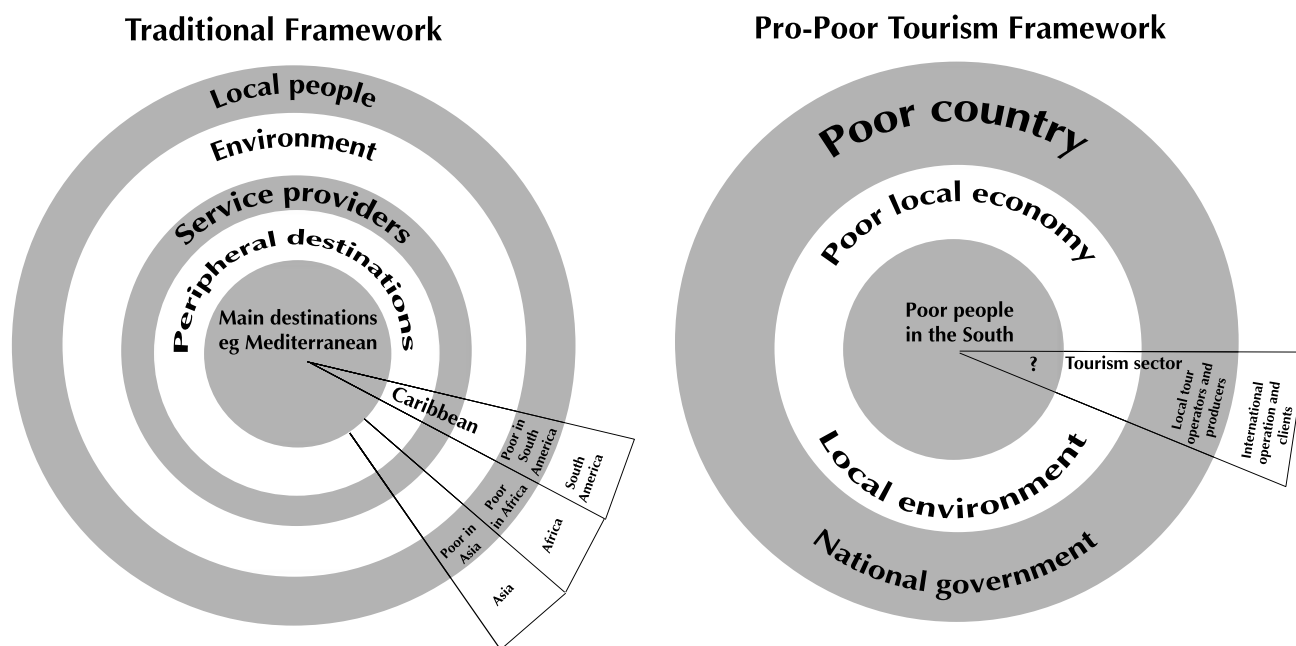
Pro-poor tourism is an approach to tourism rather than a particular form of tourism. It can be encapsulated in a set of principles including:

- **Participation:** poor people must participate in tourism decisions if their livelihood priorities are to be reflected in the way tourism is developed.
- **A holistic livelihoods approach:** the range of livelihood concerns of the poor – economic, social and environmental, short-term and long-term – need to be recognised. Focusing simply on cash or jobs is inadequate.
- **Distribution:** promoting PPT requires some analysis of the distribution of both benefits and costs – and how to influence it.
- **Flexibility:** blue-print approaches are unlikely to maximise benefits to the poor. The pace or scale of development may need to be adapted; appropriate strategies and positive impacts will take time to develop; situations are widely divergent.
- **Commercial realism:** ways to enhance impacts on the poor within the constraints of commercial viability need to be sought.
- **Learning:** as much is untested, learning from experience is essential. PPT also needs to draw on lessons from poverty analysis, environmental management, good governance and small enterprise development.

(Ashley, Boyd and Goodwin 2000)

The key distinctive feature of PPT is that it puts poor people and poverty at the centre. Starting from there, it sees tourism as one component of the household, local and national economies and environment that affects them. The sustainable tourism agenda starts from the same focus as the mainstream industry: the mainstream destinations. From there it adds environmental and other concerns, in which social issues are towards the periphery, and moves out to less important destinations. Poor people of the South are thus at the edge of the picture. A graphical depiction of the two perspectives are presented in Figure A1 below.

Figure A1



Appendix 3 Actions to address barriers to participation of the poor

There are a vast number of barriers to economic participation by the poor in the tourism industry. Table A2 provides more detail on how the various economic barriers have been addressed in the case studies.

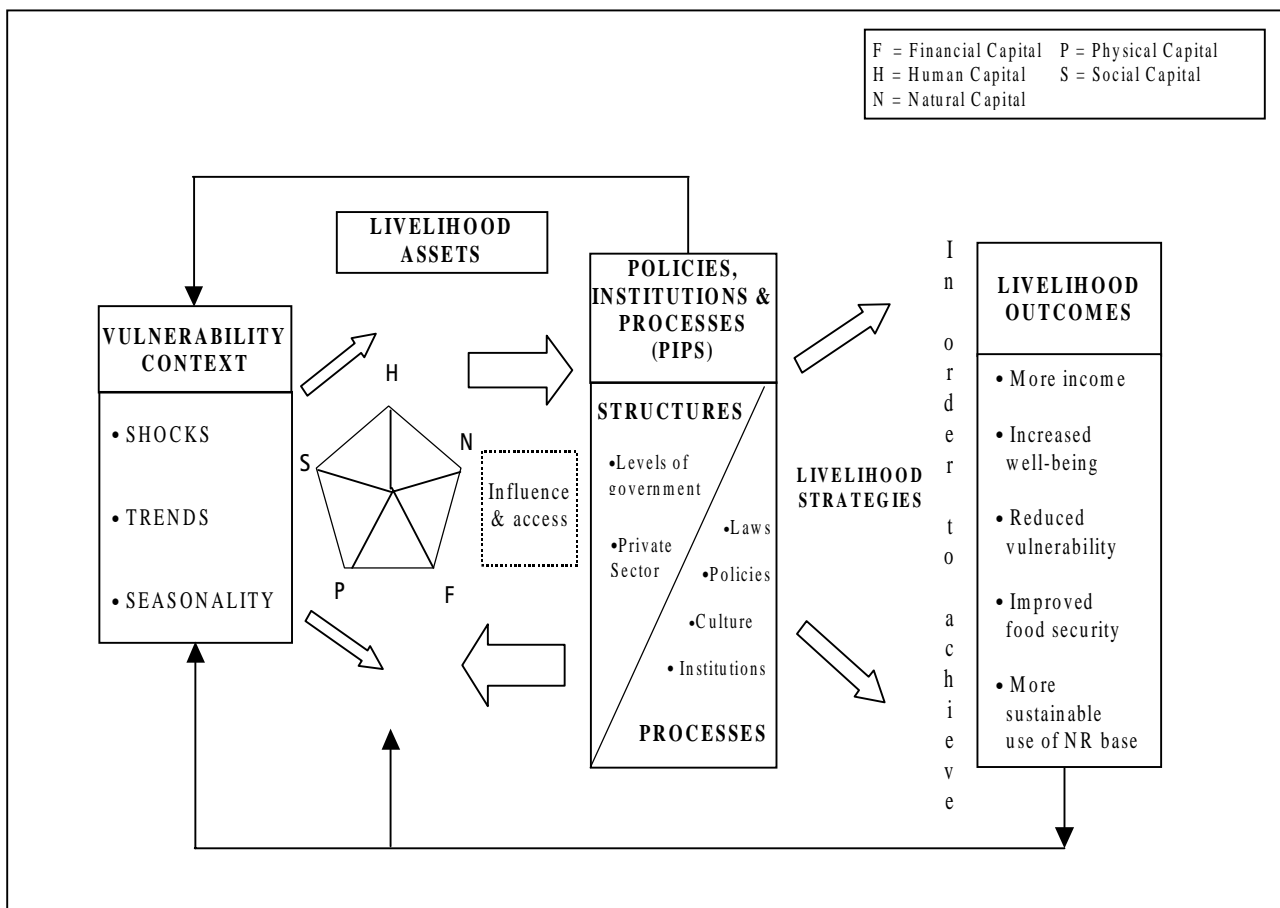
Table A2 Case study actions to address barriers to participation of the poor in tourism		
Issue	Identified as a barrier	Examples of actions taken to overcome it
Lack of human capital	Low capacity, lack of skills and/ or lack of tourism awareness identified as a barrier in all case studies.	Investors required to use local skills. Formal/informal training and skills transfer, including business and SME management, language training, tour guiding, craft development.
Lack of financial capital	Access to capital and credit identified as a major constraint in 4 case studies.	Grants and loans provided, bank accounts set up providing access to credit, community level revolving funds established.
Lack of social capital/ organisational strength	Institutional weakness and limited involvement of strong, local organisations identified as a weakness in 4 case studies.	Capacity building, training, participation of CBOs in decision-making.
Gender norms and constraints	Only identified as a significant constraint in 2 case studies (NACOBTA and SNV-Nepal).	Training in gender sensitive approaches. Gender representation is a constitutional requirement for NACOBTA, and women are a particular target for UCOTA and in Nepal.
Incompatibility of tourism with existing livelihood strategies	Identified as a constraint in 3 case studies (NACOBTA, UCOTA, St. Lucia HTP).	Avoidance of mass market tourism to reduce pressure on resources and provision for waste disposal. Demonstration of tangible benefits.
Location	Remote location identified as a constraint in 5 case studies as this resulted in inaccessibility to tourists and uneven geographic distribution of benefits.	Destination marketing by private sector and government. Development of tourism plans and lobbying for infrastructure development. Promotion of tours and activities in remote areas. Airstrip, boat and radio communication links established.
Lack of land ownership/tenure	Identified as the single most important barrier to economic and social empowerment in one case study and as a major barrier in 4 others.	Support and lobbying of land reform process. Strengthening of traditional rights through improved management.
Lack of 'product'	Limited product development or absence of tourism product identified in all case studies. Limited understanding of what constitutes a tourism product identified in several studies.	Development and establishment of new products. Development of tourism plans. Consultation with private sector and Tourism Board on product development.
Planning process favours others	Private sector focus and inadequate attention from planning authorities identified in 4 case studies.	Use of planning gain, lobbying of government, strengthening of district level and community level organisations.
Regulations and red tape	Complex or changing regulations in 5 case studies. Lack of regulation in 1. Challenge of meeting high standards in several studies.	Lobbying for lifting of prohibitive regulations, intermediary/ facilitator recommended guidance and advocacy for 'community-friendly' procedures.
Inadequate access to the tourism market	Identified as a key constraint in most case studies.	'Destination building' at government level to increase tourist flow; Multiple use visitors' centres designed to create market access for the poor.
Low capacity to meet tourist expectations	Identified as a barrier in all case studies except St. Lucia HTP.	Capacity building. Upgrading of infrastructure and facilities. Promotion of joint ventures with private sector. Training.
Lack of linkages between formal and informal sectors/local suppliers	Significant constraint in 4 case studies.	Awareness raising amongst formal sector of informal sector activities. Development of new services.
Tourism market (segment) inappropriate	Only identified as a barrier in 1 case study where it is thought local people ill-equipped to cater for luxury tourism (WS).	Initiative to develop infrastructure for backpackers and budget tourists.
Lack of pro-active government support for involvement by the poor	Identified as a barrier in 4 case studies.	PPT measures built in at project level. Lobbying for supportive legislation.
Others	Mistrust between the poor and private sectors (2 case studies). Caste divisions and inequity (1 case study).	Awareness raising of mutual benefits and social responsibilities.

Appendix 4 The sustainable livelihoods approach

The livelihoods approach is a way of thinking about the objectives, scope and priorities for development. A specific livelihoods framework and objectives have been developed (Figure A2) to assist with implementation, but the approach goes beyond these. In essence it is a way of putting people at the centre of development, thereby increasing the effectiveness of development assistance.

In its simplest form, the framework views people as operating in a context of vulnerability. Within this context, they have access to certain assets or poverty reducing factors. These gain their meaning and value through the prevailing social, institutional and organisational environment. This environment also influences the livelihood strategies – ways of combining and using assets – that are open to people in pursuit of beneficial livelihood outcomes that meet their own livelihood objectives (DFID 1999).

Figure A2 Sustainable livelihoods framework



Appendix 5 Perspectives of the poor

The case studies report multiple and unequal impacts of PPT on the poor, and varying perspectives on whether the overall balance is positive or negative. Below are some of the views and experiences of poor people themselves (as reported in the individual case studies), some of which reflect the dichotomies of pro-poor tourism.

A variety of benefits from pro-poor tourism initiatives:

A view from NACOBTA members in Namibia

'What has transpired from interviews with members of the case study CBTEs, is that the income they receive has made them less vulnerable to hunger. Many were pleased that they had acquired new skills which could be used locally without them having to leave their communities. Others found the opportunity to be their own bosses very rewarding. The fact that they were able to assist their community was also highlighted as an important factor by the interviewees. The chance to manage and control resources that were previously not accessible to the poor was also welcomed by the members interviewed'.

....and Huaorani partners of Tropic

'Residents in both communities have expressed opinions that selling handicrafts is one of the best parts of having tourists visit their communities. More than a few women commented that they want more groups to visit just so they can sell more handicrafts'.

Contrasting perspectives on the two Wilderness Safaris lodges:

At Rocktail Bay:

'The perception presented from members of the Community Trust and Community Development Committee in KwaMqobela was that they were incredibly thankful to WS and Rocktail Bay for the opportunities that had been presented. They regarded the disbursements from the Lodge Owning Company and the employment opportunities that had been forthcoming as invaluable, and the only real prospects they were aware of'.

But at Ndumu:

'Beneficiaries from WS's Ndumu operation are less enthusiastic about the initiative. The dividend from the shareholding and direct benefits from employment, and the provision of services in an area where the population is in excess of 20,000 people, is small compared to Rocktail Bay. People also claim that they have very little control of the finance that goes to the Mathenjwa Tribal Authority who administer the Trust'.

Contrasting views of partnership with Tropic

Optimism of a leader:

'We have a big territory that we want to defend because it is our land, our life. For this reason we want to organise for tourism because we need healthcare, education We think tourism is good because with it there is lots of training, courses, and we can build many things. We think that instead of going to the Oil Company we want to organise tourism. Tourism does not destroy or hurt our land. We do not want tourists just for the money, but we want them to come and get to know our community, our culture, and our forests where we have many things'. *Moi Enomenga, Huaorani leader and coordinator for Tropic.*

Pessimism of a resident woman:

'We are losing hope. This is one of the only communities not involved with the oil companies because Moi told us that tourism was the best option. Now we are here waiting. We are the only community that has received benefits from neither oil companies, nor from tourism'. *Beatrice, Quichua woman married to a Huaorani and resident of Quehueriono.*

Personal stories of success and exploitation from Nepal

Tourism expansion as a ladder out of poverty

The story of Namda Lama, a single mother who runs a teashop at Yalbang: The potential for tourism-related business, such as small teashop-style 'hotels' to support particularly disadvantaged people, can be seen from the story of Namda. She is in her mid-thirties and runs a small 'hotel' in the village of Yalbang adjoining the campsite that is on school land. Her own family are from Yalbang and belong to the medium well-off category of very small marginal landholders.

Namda travelled to Kathmandu and, with the help of a loan from a fellow villager also staying in Kathmandu, set up a small teashop there with a friend. This she ran for 3 years. Here she met and married a Tibetan from Taklakot who wanted to obtain Nepali citizenship papers through marriage and who promised to help her establish her own home and business in Nepalgunj. But he left and returned to Tibet to marry another woman leaving Namda pregnant. Unable to run the hotel with a small baby, especially after her friend also married and left, Namda returned to her family with her baby daughter. The following winter her sister died and she took on her sister's 6 year-old daughter to add to her burden.

In Nepali society, returning home after marriage brings disgrace upon the family, so Namda felt obliged to support herself and her daughters independently. She went to the biggest Lama (religious leader) in the Monastery above the village and asked for assistance. He lent her Rs 7,000 (£67) which she used to start her own business. At first she ran a tea stall with no building, but in time she built a small 'hotel' on school land beside the tourist campsite. She now runs a thriving hotel serving local beer and alcohol, Chinese imported alcohol, tea, Nepali food and snacks to local people and beer and coke to tourists. Although she is dependent on loans to start the business each season in April, she makes enough profit (c. Rs 15,000 or £144 per 6-7 months) to repay the loan and support herself and her two daughters through the winter. She is entering into an agreement with the school to run the campsite on their behalf, paying a flat rate of Rs 3,000 (£28.85) per season for the privilege of living and working there. The rest of the profits from the hotel and campsite are hers. As long as the school committee allows her to remain in business on the land and the trail is not diverted due to the motor road, her income is secure. *The secret of Namda's success was due to her entrepreneurial skills and initiative, and access to credit when she needed it most.*

But when is employment of the poorest also exploitation?

The story of landless occupational castes living in Baraunse village: On a visit to Baraunse we met with two occupational caste men who had migrated from their homes in Dandaphaya to the Lama village of Baraunse closer to Simikot in search of labour. These families have no land of their own and support themselves by working on Lama householders' land, as builders, carpenters or domestic servants. Prabate BK works for one of the main mule owners involved in the tourism trade from Simikot. He earns a salary of Rs 2000 (£19.23) a month from his boss and had made Rs 10-12,000 (£96-£115) earnings from the tourist season. Occasionally he also works as a daily waged horseman for other mule owners, while his young friend Baj Bahadur BK sometimes works as a porter or horseman. The two complained that since the first influx of tourists 5-6 years ago, the salaries and benefits have decreased severely. Prabate quoted a rate of Rs 500 (£4.81) per day paid to him to work as a porter carrying loads on his own back for the first tourist groups that came to the district. Now the rate has halved to Rs 250 (£2.40) or even Rs 225 (£2.16) per day. One fifth of this (Rs 50 or £0.48) must be paid to the trekking agent's 'sirdar' (trek organiser) or Humla mule owner middleman in order to get the work. If they refuse to pay the commission someone else will get the work.

The two men said that the 'sirdars' and mule owners have devised many ways to increase their own profits from treks at the expense of the junior workers. In order to save costs on transportation the mule owners make them carry double loads. In certain cases the mules are so overloaded that they had to carry part of the load themselves. The trek organisers also rush through the route in order to save days and thereby costs. The horsemen and porters had understood that they were making a 12-day trip but they completed it in only 8 days. Walking for such long days with heavy loads, as well as having to carry and prepare their own food, means that the porters do not have time to eat in the mornings on long days. They therefore have to stay hungry all day long until they can prepare themselves a meal at the camp in the evening.

The load that the porters are required to carry is 50 kg throughout the journey. This means that even as food supplies become depleted the 'sirdars' buy other supplies in Taklakot to sell on their return to Simikot. The rice carried for the tourists and the trekking team (guides and cooks etc) is special Basmati rice brought in from Nepalgunj. This is extremely expensive in Humla and in Taklakot, so the 'sirdars' feed less rice to the tourists on the way and sell it in Taklakot, replacing it with much cheaper white flour of equivalent weight. Much of this they make the porters carry all the way back to Simikot, so that they can then sell it as 'excess' food at the end of the trek. One of the men was still waiting for payment for work he had undertaken 6 months previously.

Another Baraunse Lama caste man who had also worked as a horseman complained that tips given to the trekking team by the tourists are not shared with the horsemen and porters. Since the horsemen and porters do not speak English they have no direct contact with the tourists and therefore never discover how much is given in tips.