

## A new approach to sustainable tourism development: Moving beyond environmental protection

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### Abstract

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

*Keywords:* Tourism; Sustainable development; Natural resource management; Poverty reduction.

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### 1. Introduction: Recent and future trends in world tourism

Tourism can be considered one of the most remarkable socio-economic phenomena of the 20<sup>th</sup> century. From being an activity enjoyed by only a small group of relatively well-off people during the first half of the last century, it gradually became a mass phenomenon during the post-World War II period, notably from the 1970s onwards.<sup>1</sup> It now encompasses a growing number of people throughout the world and accounts for a significant share of economic output in many countries. There are, however, different approaches to sharing the benefits of tourism amongst different stakeholders, ranging from governments and large businesses to local communities and even endangered species. Community-based tourism and nature-based tourism, for example, share several common objectives; but whereas the former focuses on participatory processes and benefit sharing, the latter emphasizes the need to preserve

environment as a precondition for sound socio-economic development.

While domestic tourism currently accounts for approximately 80 percent of all tourist activity (UN, 1999a), international tourism has gradually become a key dimension of global integration.<sup>2</sup> In fact, because domestic tourism basically involves a regional redistribution of national income, many countries tend to give priority to international tourism, especially now that it has also become the world's largest source of foreign exchange. According to the latest figures compiled by the World Tourism Organization (WTO), foreign exchange earnings from international tourism reached a peak of US\$ 476 billion in 2000, which was larger than the export value of petroleum products, motor vehicles, telecommunications equipment or any other single category of product or service (WTO, 2001a).

International tourist arrivals grew at an annual average rate of 4.3 percent during the 1990s, despite major international political and economic crises, such as the Gulf War and the Asian financial crisis.<sup>3</sup> According to the latest WTO figures, the turn of the millennium recorded one of the most impressive annual growth rates in international tourism history.

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<sup>1</sup> See UN (2001a). According to the World Tourism Organization (WTO), tourism is defined as "the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited" (see WTO, 2000).

<sup>2</sup> See UN (1997:chap. X).

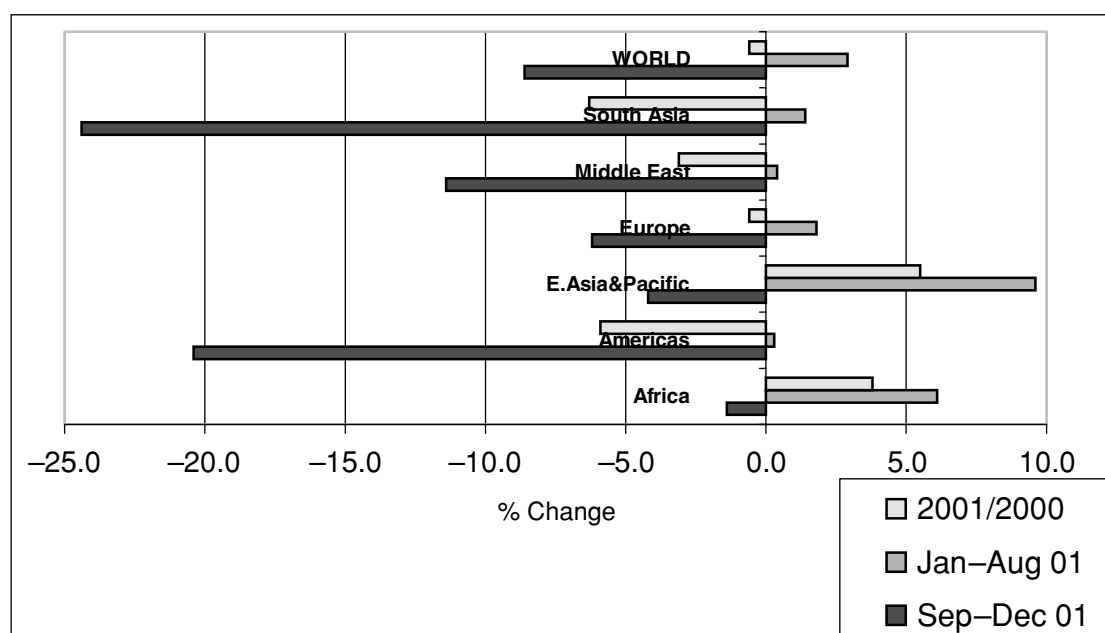
<sup>3</sup> Even the Gulf War year of 1991 recorded a small increase of 1.2 percent in international tourist arrivals. Annual international arrivals include different visits to the same country by the same international visitor during a single year. International tourists include both overnight and same-day visitors (see WTO, 2001b).

**Table 1. International tourist arrivals by region, 1990–2000**

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

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

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

**Figure 1.** Change in international tourist arrivals by region, 2001/2000.

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

As Table 1 shows, all regions of the world recorded a significant rise in international tourism activity in 2000, and the number of international arrivals grew at an extraordinary rate of nearly 7 percent to reach almost 700 million arrivals.

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

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

It is worth noting that this considerable fall in international arrivals was caused not only by a widespread fear of traveling generated by the attacks — notably in aeroplanes

and to certain destinations — but also by a downturn in the world economy. The economic downturn that began in the United States during the first half of 2001 had already been affecting the tourism sector before the terrorist attacks were carried out. The attacks aggravated the economic slowdown already under way.<sup>4</sup> The expected recovery in world tourism in the near future will thus depend on the evolution of the world economy, amongst other factors, including the possibility of further terrorist acts, regional conflicts and major international epidemics. Some destinations will in any case experience a prolonged decline in tourism revenues — regardless of any world economic improvements — for various reasons, including proximity to areas of regional conflict.

In the medium and long term, however, international tourism is expected to resume its rapid growth, in view of: rising living standards and discretionary incomes; falling real costs of travel; expansion and improvement of various transport modes; increasing amounts of free time; and other factors. This helps to explain why WTO (2001c) has reiterated its long-term forecasts, made before the September 2001 attacks, of an average annual growth rate in international arrivals of over 4% in the period up to 2020. The number of international arrivals is thus expected to reach the striking mark of 1 billion by 2010 and 1.6 billion by 2020 (see WTO, 2001d).

## 2. Economic benefits of tourism

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

<sup>4</sup> According to the most recent United Nations economic forecasts (UN, 2003), gross world product (GWP) increased by only 1.7% in 2002, only a marginal improvement from the previous year — itself the weakest performance in a decade. This means that 2002 was the second consecutive year of decline in per capita GWP.

<sup>5</sup> The broad definition of tourism includes a complex range of economic activities accounted for in several other sectors by means of a 'tourism satellite account'. According to a set of methodological references to a tourism satellite account recently adopted by the United Nations Statistical Commission (see UN/WTO/OECD/EUROSTAT, 2001), tourism is measured from a demand-side perspective as opposed to the supply-side approach used for more homogeneous sectors.

<sup>6</sup> International tourism receipts at current prices and excluding international transport costs (see UN, 2001a and WTO, 2001e).

**Table 2. Worldwide export earnings<sup>a</sup> of top ten industries, 1999**

Industry	Export earnings (US\$ billion)	Share (%)
International Tourism <sup>b</sup>	555	8.1
Automotive Products	549	8.0
Chemicals	526	7.6
Food	437	6.3
Fuels	401	5.8
Computer and Office Equipment	394	5.7
Textile and Clothing	334	4.8
Telecommunications Equipment	289	4.2
Mining Products (other than fuels)	155	2.3
Iron and Steel Products	126	1.8
Total Worldwide Export of Goods and Services (including other industries)	6,890	100.0

Source: WTO (2001e).

Notes: <sup>a</sup> For economic purposes, international tourism receipts are considered exports and international tourism expenditures as imports.

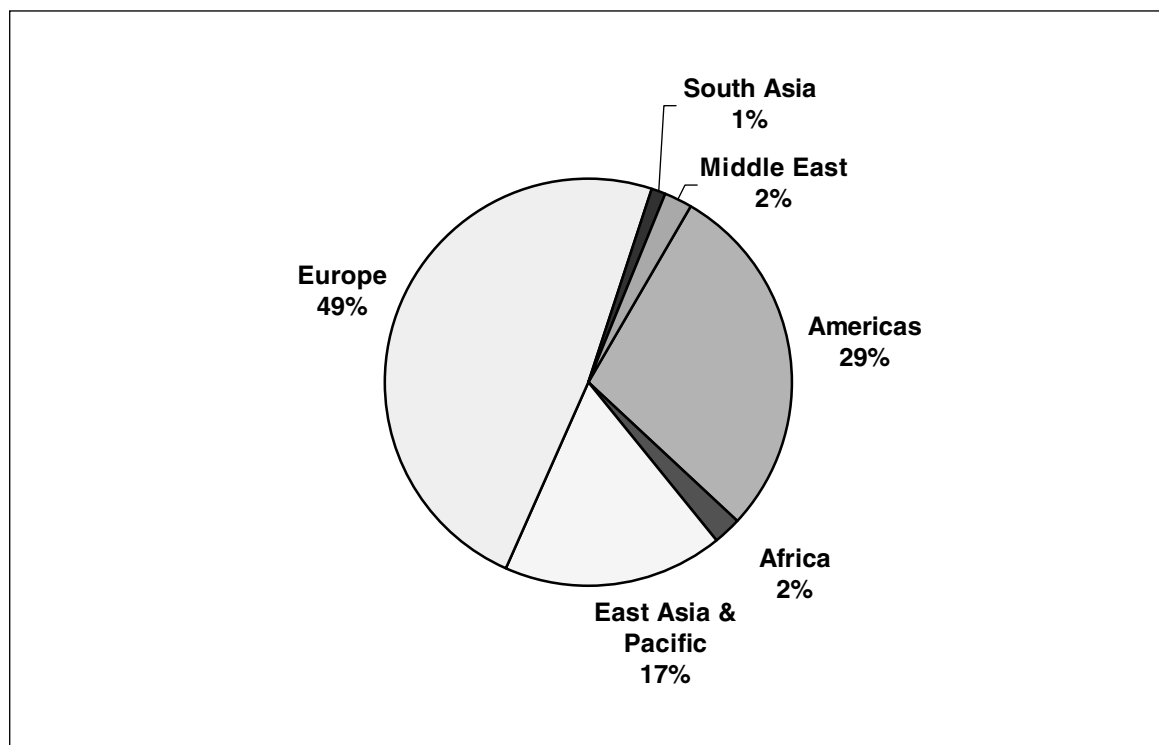
<sup>b</sup> Total international tourism receipts include those generated by international fares.

A considerable share of world tourism expenditure takes place within industrialized countries: Europe alone accounts for around half of annual international tourism receipts (see Figure 2). Tourism is, however, the only major service sector in which developing countries have consistently recorded trade surpluses relative to the rest of the world. Between 1980 and 1996, for instance, their travel account surplus increased from \$4.6 billion to \$65.9 billion, due primarily to the impressive growth of inbound tourism to countries in Africa, the Caribbean, and the Asia and Pacific regions (UN, 1999a). Furthermore, the 1990s experienced a significant growth of international tourism receipts in the 49 least developed countries (LDCs): total tourism receipts in these countries more than doubled from US\$ 1 billion in 1992 to over US\$ 2.2 billion in 1998.<sup>7</sup> Tourism is now the second largest source of foreign exchange earnings in least developed countries as a whole.

Tourism has also become the main source of income for an increasing number of small island developing states (SIDS). Foreign exchange earnings can, however, vary significantly among these tourism-driven economies because of 'leakages' arising from imports of equipment for construction and consumer goods required by tourists, repatriation of profits earned by foreign investors and amortization of foreign debt incurred in tourist development.<sup>8</sup>

<sup>7</sup> See UNCTAD (2001).

<sup>8</sup> See UN (1999b and 1996). The latter estimates that in the mid-1990s such leakages accounted for well over a third of gross tourism receipts in several small economies. These import expenditures are, however, unavoidable since the economies of most small island developing states (SIDS) are too small to produce, for example, heavy capital equipment required to develop tourism facilities competitively. Given all the economic benefits derived from developing a successful tourism industry — including large net inflows of foreign exchange and the creation of tourism-related jobs — small economies are still better-off with a 'leaky' tourism sector than with no tourism sector at all.



**Figure 2.** Share of international tourism receipts by region, 2000.

Source: WTO (2001a).

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

The tourism sector is an increasingly important source of employment — including in tourism-related sectors, such as construction and agriculture — primarily for unskilled labour, migrants from poor rural areas, people who prefer to work part-time, and notably women.<sup>9</sup> Because the sector is relatively labour-intensive, investments in tourism tend to generate a larger and more rapid increase in employment than equal investment in other economic activities.<sup>10</sup>

<sup>9</sup> According to ILO (2002), women account for about 60% of employees in the hotel and restaurant sector in most countries.

<sup>10</sup> ILO (2002) estimates that one job directly within the worldwide tourism industry induces around one and a half additional jobs indirectly related to the tourism economy: the ratio varies from 1.2 in North and Latin America, to around 2.0 in the Caribbean and Europe.

Furthermore, given that the sector provides a considerable number of jobs for women and unskilled workers, tourism can significantly contribute to empowering women and alleviating poverty.

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

The increasing reliance of less diversified economies on tourism increases their vulnerability to seasonal aspects of tourism and to shocks, such as natural disasters, regional conflicts and other unexpected events. The recent crisis generated by fear of international terrorism, for instance, caused devastating immediate effects on tourism-dependent

<sup>11</sup> See ILO (2001). The high proportion of unpaid employment in many developed and developing countries — in many cases almost or more than half of the total number of employees in this subsector — reflects a large number of non-remunerated family members of small entrepreneurs.

economies.<sup>12</sup> In addition, sudden changes in consumer tastes and sharp economic downturns pose significant risks to such economies, given that demand for mass tourism tends to be relatively income-elastic and can produce drastic negative responses to economic recession in source markets.

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

### 3. Interaction between tourism and the environment

While tourism provides considerable economic benefits for many countries, regions and communities, its rapid expansion can be responsible for adverse environmental, as well as socio-cultural, impact.<sup>13</sup> Natural resource depletion and environmental degradation associated with tourism activities pose severe problems to many regions favoured by tourists. The fact that most tourists choose to maintain their patterns of relatively high consumption (and waste generation) levels in the places they visit can be a particularly serious problem for developing countries and regions that lack the sufficient or appropriate means for protecting their natural resources and local ecosystems from the pressures of mass tourism. The two main areas of environmental impact of tourism are: pressure on natural resources and damage to ecosystems. Furthermore, it is now widely recognized not only that uncontrolled tourism expansion is likely to lead to environmental degradation, but also that environmental degradation, in turn, poses a serious threat to tourism activities.

#### 3.1. Pressure on natural resources

In addition to pressure on the availability and prices of resources consumed by local residents — such as energy, food and basic raw materials — the main natural resources at risk from tourism development are land, freshwater and marine resources. Without careful land-use planning, for instance, rapid tourism development can intensify competition for land resources with other uses and lead to rising land prices and increased pressure to build on agricultural land. Moreover, intensive tourism development can threaten natural landscapes, notably through deforestation, loss of

wetlands and soil erosion. Tourism development in coastal areas — including hotel, airport and road construction — is often a matter for increasing concern worldwide as it can lead to sand mining, beach erosion and other forms of land degradation.

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

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

#### 3.2. Damage to ecosystems

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

Apart from the contamination of freshwater from pollution by untreated sewage, tourist activities can also lead to land contamination from solid waste and the contamination of marine waters and coastal areas from pollution generated by hotels and marinas, as well as cruise ships. It is estimated that cruise ships in the Caribbean Sea alone produced more than 70,000 tonnes of liquid and solid waste a year during the mid-1990s (UN, 1999a). The fast growth of the cruise sector in this and other regions around the world

<sup>12</sup> See, for example, UN (2002a:Part I).

<sup>13</sup> While this socio-cultural dimension must be considered an integral part of sustainable tourism development strategies, a discussion of that dimension lies outside the scope of this article.

has exacerbated this problem in recent years. This has led to calls for “the enforcement of an environmental protection ‘level playing field’ across the world’s oceans and between the world’s maritime tourism destinations” (Johnson, 2002).

In addition, since tourism tends to be an energy-intensive activity, its energy-related environmental impact can be considerable, notably at the local level. Relatively high levels of energy consumption in hotels — including energy for air-conditioning, heating and cooking — as well as fuel used by tourism-related transportation often contribute significantly to increased air pollution in many host countries and regions. Local air and noise pollution, as well as urban congestion linked to intensive tourism development, can sometimes even discourage tourists from visiting some destinations.

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

Similarly, tourism can lead to the indiscriminate clearance of native vegetation for the development of new facilities, increased demand for fuelwood and even forest fires. Ecologically fragile areas, such as rain forests, wetlands and mangroves, are threatened by intensive or irresponsible tourist activity. Moreover, as will be discussed below, it is increasingly recognized that, the rapid expansion of nature tourism (or ‘ecotourism’) may pose a threat to ecologically fragile areas, including many natural world heritage sites, if not properly managed and monitored.

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

The equally fragile ecosystems of mountain regions are also threatened by increasing popular tourist activities such as skiing, snowboarding and trekking. One of the most serious environmental problems in mountainous developing countries without appropriate energy supply is deforestation arising from increasing consumption of fuelwood by the tourism industry (see, for example, CDE/SDC, 1999). This often results not only in the destruction of local habitats and ecosystems, but also in accelerating processes of

erosion and landslides. Other major problems arising from tourist activities in mountain regions include: disruption of wildlife migration by the building of roads and tourist facilities; pollution of rivers with sewerage; excessive water abstractions from streams to supply resorts; and the accumulation of solid waste on trails.

### 3.3. *Environmental threats to tourism*

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

There is now plenty of evidence of the ‘life-cycle’ of a tourist destination, that is, the evolution from its discovery, to development and eventual decline because of over-exploitation and subsequent deterioration of its key attractions. In many developing and developed countries alike, tourism destinations are becoming overdeveloped up to the point where the damage caused by environmental degradation — and the eventual loss of revenues arising from a collapse in tourism arrivals — becomes irreversible. Examples of such exploitation of ‘non-renewable tourism resources’ range from a small fishing village in India’s Kerala State — which saw its tourist sector collapse after two decades of fast growth, because of inadequate disposal of solid waste — to several places in the industrialized world, such as Italy’s Adriatic coast and Germany’s Black Forest.<sup>14</sup> It can also be argued that environmental pollution and urban sprawl tend to undermine further tourist development in major urban destinations in developing countries, such as Bangkok, Cairo and Mexico City.

In addition, tourism in many destinations could be threatened by external environmental shocks, notably the potential threat of global warming and sea-level rise. Significant rises in sea level could cause serious problems to tourism-related activities — notably in low-lying coastal areas and small islands — including:

- accelerated processes of coastal erosion;
- loss of land and property, including tourist facilities;
- dislocation of people;
- more frequent storm surges and coastal flooding;
- increased saltwater intrusion into scarce freshwater resources; and
- high financial costs associated with attempts to respond and adapt to these changes.

<sup>14</sup> See Mastny, 2001.

Furthermore, global warming could increase climate variability, including changes in the frequency and intensity of extreme climate events, such as tropical windstorms, that may threaten tourism activities at certain destinations (see UN, 2001b, chap. VII). Severe negative impacts on coastal ecosystems, such as bleaching of coral reefs and deterioration of mangroves, will further affect coastal tourism activities around the world. In fact, global warming is expected to severely disrupt tourism activities not only in coastal areas and small islands, but also in mountainous regions because snow conditions in ski resorts are likely to become less reliable.

#### 4. Sustainable tourism development

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

##### *4.1. International efforts to promote sustainable tourism development*

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

In 1997, the United Nations General Assembly, at its special session to review the five-year implementation of

Agenda 21, decided that there was a need to consider the importance of tourism in the context of Agenda 21 and to “develop an action-oriented international programme of work on sustainable tourism” (see UN, 1998). This request was followed up during the seventh annual session of the United Nations Commission on Sustainable Development (CSD), held in New York in April 1999, which considered tourism as an economic sector, held a multi-stakeholder dialogue on the topic and adopted an international work programme on sustainable tourism development (UN, 1999c).

One of the major follow-up activities to the international work programme of the UN Commission on Sustainable Development on sustainable tourism has been the on-going development of international guidelines for sustainable tourism by the Convention on Biological Diversity. The draft international guidelines stress that “to be sustainable, tourism should be managed within the carrying capacity and limits of acceptable change for ecosystem and sites, and to ensure that tourism activities contribute to the conservation of biodiversity” (UNEP, 2002a).

The seventh session of the Commission on Sustainable Development also invited the WTO to further develop its proposed global code of ethics that had been drafted in consultation with the tourism industry over the previous two years. The ‘Global Code of Ethics for Tourism’, introduced by the WTO in late 1999, sets a frame of reference for the responsible and sustainable development of international tourism (WTO, 2001f, Appendix I). It includes nine articles outlining the basic rules for governments, tour operators, developers, travel agents, workers, as well as host communities and the tourists themselves. The tenth article includes a proposed mechanism for conciliation, through the creation of a World Committee on Tourism Ethics made up of representatives of each region of the world and representatives of each group of stakeholders in the tourism sector, governments, the private sector, and labour and non-governmental organizations. The United Nations General Assembly adopted the Global Code of Ethics for Tourism in 2001.<sup>16</sup>

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

<sup>15</sup> See UN (1993). Agenda 21, however, addresses tourist-related issues, such as sustainable mountain development and the protection of coastal ecosystems.

<sup>16</sup> See GA resolution A/RES/56/212 of 21 December 2001.

achieving the sustainable tourism goals contained in the WSSD Plan of Implementation will require systematic action and the availability of adequate resources at both national and international levels.

#### 4.2. *The growing importance of ecotourism*

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

Ecotourism is still a relatively small segment of the overall tourism sector. At the same time, it is one of the fastest growing tourism segments and further rapid growth is expected in the future. There is, however, little agreement about its exact meaning because of the wide variety of so-called ecotourism activities provided by many different suppliers (both international and domestic) and enjoyed by an equally broad range of diverse tourists. Its main features include:

- all forms of nature tourism aimed at the appreciation of both the natural world and the traditional cultures located in natural areas;
- deliberate efforts to minimize the harmful human impact on the natural and socio-cultural environment; and
- support for the protection of natural and cultural assets and the well-being of host communities.

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

<sup>17</sup> The 2002 United Nations International Year of Ecotourism was proclaimed by General Assembly resolution 53/200 of 15 December 1998. WTO and UNEP took the lead in organizing activities at the international level.

Ecotourism has been particularly successful in attracting private investments for the establishment of privately-owned natural parks and nature reserves in an increasing number of developing countries, such as Costa Rica, Ecuador, Malaysia and South Africa. Many such reserves are well managed, self-financed and environmentally responsible, even when profit remains the main motivation behind the operation of a private reserve (see, for example, Langholz et al., 2000). In this way, the tourism industry can help to protect and even rehabilitate ‘natural capital’, and thus contribute to the preservation of biological diversity and ecological balance.<sup>18</sup>

However, if not properly planned, managed and monitored, ecotourism can be distorted for purely commercial purposes and even for promoting ecologically-damaging activities by large numbers of tourists in natural areas. Given their inadequate physical infrastructure and limited capacity to absorb mass tourism, the fragile land and ocean ecosystems of many developing countries can be literally overwhelmed by large numbers of tourists. It is increasingly recognized, therefore, that ecotourism activities can cause adverse ecological impact, particularly if they are not properly managed or if they involve tourist numbers beyond the limits of acceptable change.<sup>19</sup>

Furthermore, even when ecotourism activities are carried out in a responsible manner, they tend to give priority to environmental protection, mainly by providing financial incentives for environmental conservation by well-organized local communities.<sup>20</sup> Similarly, while broader sustainable tourism strategies contain socio-economic objectives, these objectives tend to be complementary to a central focus on environmental sustainability. This has given rise to the formulation of a new approach targeted on poverty alleviation.

#### 4.3. *Pro-poor tourism: A poverty reduction strategy?*

While responsible ecotourism may bring significant socio-economic benefits to host communities, it is not necessarily aimed at poverty alleviation. Given that the *United Nations Millennium Declaration*<sup>21</sup> has placed poverty at the centre of the international development agenda, it can be argued that sustainable tourism development should go beyond the promotion of broad socio-economic development and give greater priority to poverty alleviation.

<sup>18</sup> See, for example, Gössling (1999) and Collins (1999).

<sup>19</sup> Limits of acceptable change refer to the maximum level of natural resource exploitation and environmental degradation that society is prepared to accept. See, for example, McCool (1993) for a practical definition of this concept.

<sup>20</sup> Recent empirical analysis of economic incentives for ecotourism in Ecuador shows, for example, that local income generation depends primarily on the level of local organization, as well as on the importance of the tourist attraction and the degree of tourism specialization available. See Wunder (2000).

<sup>21</sup> See A/RES/55/2, 18 September 2000.



This priority shift would address a somewhat ignored recommendation of the seventh session of the Commission on Sustainable Development which, *inter alia*, urged governments “to maximize the potential of tourism for eradicating poverty by developing appropriate strategies in cooperation with all major groups, and indigenous and local communities” (see UN, 1999c). The increasing international recognition of tourism’s potential to alleviate poverty was highlighted by the official launching of the “Sustainable Tourism — Eliminating Poverty” (ST–EP) initiative by WTO and UNCTAD during WSSD in Johannesburg. The main goal of ST–EP is to refocus “sustainable tourism as a primary tool for eliminating poverty in the world’s poorest countries, particularly the least developed countries, bringing development and jobs to people who are often living on less than a dollar a day” (WTO/UNCTAD, 2002).

While community-based tourism and environmentally-oriented tourism share several sustainable development objectives, a pro-poor tourism approach differs from ecotourism in that its overriding goal is to deliver net benefits to the poor.<sup>22</sup> In other words, while a pro-poor tourism approach and ecotourism can both be considered to be sustainable tourism development strategies, the key difference is that poverty alleviation is the core focus of the former approach, rather than a secondary component of a strategy mainly focused on environmental sustainability. Although environmental protection remains an important goal of the pro-poor approach, the quality of the environment in which targeted low-income groups live is only one part of a broader poverty alleviation strategy.

There are several ways in which tourism development could be an effective tool of poverty alleviation. First, as discussed earlier, tourism offers considerable employment opportunities for unskilled labour, rural to urban migrants and lower-income women. Second, there are considerable linkages with the informal sector, which could generate positive multiplier effects to poorer groups that rely on that sector for their livelihoods. Third, tourism tends to be heavily based upon the preservation of natural capital — such as wildlife and scenery — and cultural heritage, which are often “assets that some of the poor have, even if they have no financial resources” (Ashley et al., 2001:2).

But while ecotourism, community-based tourism and pro-poor tourism all aim to increase community participation in general, the pro-poor approach goes beyond this goal in that it includes specific mechanisms to enhance the participation of and opportunities for the poorest segments of society. Pro-poor tourism is thus also different from community-based tourism: while the latter is primarily aimed at increasing local communities’ involvement in the tourism sector, the former is based on mechanisms to unlock opportunities for poor people at all levels and scales of tourism services.

The three broad key components of the pro-poor approach can thus be defined as follows:

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

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

Several studies have shown that financial returns from community-based natural resource management and tourism ventures in Namibia usually exceed their investments and are thus a viable option for generating sustainable economic returns, while promoting environmental conservation and cultural traditions in rural areas (see, for example, Barnes et al., 2002). There is now also evidence of a successful introduction of the pro-poor approach by the Namibia Community-Based Tourism Association (NACOBTA), a non-profit organization that supports poor local communities — including small entrepreneurs with inadequate skills or access to financial resources — in their efforts to develop tourism enterprises in the country (see Nicanor, 2001).

NACOBTA supports its members at both micro and macro levels, mainly through the provision of grants, loans, training, capacity-building in the areas of institutional development and marketing training, as well as in negotiations with relevant government agencies and the mainstream tourist industry. NACOBTA is explicitly pro-poor, not only because it represents the poorest segment of the country’s tourism industry, but also because most of its members live on communal lands, where the majority of the inhabitants have an average per capita income of less than US\$1 a day<sup>23</sup> and depend on subsistence agriculture. One of the main objectives of NACOBTA is “to raise the income and employment levels of these areas through tourism, in order

<sup>22</sup> The analysis here is based mainly on Ashley et al. (2001).

<sup>23</sup> This is the official United Nations threshold for defining people living in extreme poverty. See, for example, UN (2001c).

to improve the living standards of people in communal areas” (Nicanor, 2001).

The pro-poor tourism approach of NACOBTA is thus different from conventional tourism because poor members of local communities both own and manage the tourism enterprises, with economic benefits flowing directly into community funds or as formal sector wages, temporary remuneration to casual labourers and income to informal sector traders. There is further evidence that the financial returns from most community-based tourism enterprises supported by NACOBTA have “changed their communities from being poor or very poor to being better off” (Nicanor, 2001). Given the potentially significant role of tourism activities in national and international efforts to reduce poverty, the NACOBTA example shows that there is now a strong case for promoting a pro-poor tourism approach, especially in developing countries.

## 5. Conclusion

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

But while environmental sustainability must remain a key component of sustainable tourism strategies, these strategies have so far failed to focus on poverty alleviation objectives. The challenge for developing countries and the international community is thus to devise ways and means to place poverty reduction at the centre of tourism planning, development and management. There are at least four major policy recommendations that could be conducive to the expansion of the pro-poor tourism approach in developing countries.

### 5.1. Poverty alleviation at the centre of national strategies

First, governments must place poverty alleviation at the centre of their national tourism development strategies. Such a shift is particularly needed in developing countries with rich tourism potential, where the development of tourism tends to be driven primarily by macro-economic, environmental and/or cultural perspectives. This implies recognizing that although pro-poor approaches share common objectives with nature-based and community-based tourism, there

are also critical differences in terms of their priorities and objectives. The government’s role — notably through the provision of a policy environment that encourages a pro-poor approach — is therefore crucial for success at both national and local levels.

### 5.2. Increased access for the poor to tourism benefits

Second, specific policies are required to increase access of poorer segments of society to the economic benefits of tourism, also in niche markets, such as ecotourism. Efforts should also be made to introduce pro-poor measures in the mass-tourism sector by reducing barriers that prevent the poor from benefiting from the mass market. Major barriers to access, to both niche and mass markets, range from lack of skills, lack of credit and market opportunities — as highlighted by the Namibian case study — to excessive bureaucratic requirements. Special efforts should be made to support both human resources development and institutional capacity building, including the development of tourism-related skills by the poor and the strengthening of community organizations geared towards the tourism market, along the lines supported by NACOBTA.

### 5.3. Partnerships

A third set of policies involves the promotion of partnerships among community associations, non-governmental organizations and the private sector aimed at developing tourism services that can be provided by low-income segments. The involvement of the private sector is especially important to ensure that initiatives are economically viable and even integrated into mainstream tourism activities. Close attention should thus be paid to consumer taste, service quality, marketing, the development of managerial skills and maximizing the use of local suppliers and the employment of local staff. Since the private sector may sometimes face commercial obstacles to engaging in pro-poor partnerships, NGOs and international donors should be encouraged to support such partnerships, for example through the provision of training of local people and marketing of products provided by local suppliers. In addition, demand-side measures should be introduced to encourage tourists to make greater use of products made by and services provided by the poor; such measures can also be propagated through education and awareness-raising campaigns.

### 5.4. Role of the international community

The final set of recommendations is targeted at the international community. The expansion of the pro-poor approach in developing countries will depend to a large extent on the provision of greater financial and technical assistance by bilateral donors and multilateral institutions. This will require greater recognition of the importance of pro-poor efforts in the international agenda for sustainable tourism, as well as greater support for innovative international

initiatives such as ST-EP (sustainable tourism — eliminating poverty) discussed earlier. As a result, international strategies for the promotion of sustainable tourism development should move beyond purely environmental objectives. Endangered turtles deserve to be saved from environmental degradation but poor human beings must also have the means to improve their living standards. If tourism has the potential to make a greater contribution towards poverty alleviation, the human race/mankind must not miss that chance.

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