

Sheet No. 8: Policy instruments supporting Pro-Poor Tourism

This PPT Information Sheet is intended to highlight the role of government in maximising the poverty impact of tourism. It is true that tourism is an industry that is driven by the private sector, however there is much that governments can do to shape the way in which it develops and a number of different policy measures that can be used at different levels to enhance its impacts on the 'poor'.

National policy framework

It is not just tourism policy that influences the development of the industry in any particular destination – in fact, many countries where tourism occurs do not have a tourism policy. Tourism influences and is influenced by broader economic development strategies and sectoral policies. Ensuring the national policy framework supports Pro-Poor Tourism requires:

- Regional economic policies, rural regeneration policies, and local land-use planning that include a realistic assessment of the potential for tourism, and identified ways to develop it at priority sites. Devolution of rights and revenue fees across levels of government that provide incentives, not discouragement, for councils and local bodies to invest in tourism.
- A national economic policy framework that includes realistic assessment of comparative advantages of tourism.
- Coherence and effective institutional linkages between the tourism ministry or division and economic development ministries.

Poverty reduction strategies and other elements of a poverty programme that address how to make the structure of national growth more pro-poor, and increase investment in Pro-Poor Tourism measures are reported in Info-sheet No 9.

Land policy in particular is critical. Communities with secure land tenure are in the strongest position to manage tourism on their land and gain the lion's share of benefits. Pro-Poor Tourism case studies have shown that "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." (see Pro-Poor Tourism Strategies: Making Tourism Work For The Poor, PPT Report N. 1, p. 42, 2001).

Land ownership, while desirable, is not essential – there are a number of institutional arrangements whereby communities can gain rights over tourism resources without necessarily owning land. The apparent fluidity of land tenure can be as important as the current status, as uncertainty deters private investment. A PPT case study in South Africa 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" (see Practical strategies for Pro-Poor Tourism. Case studies of Makuleke and Manyeleti tourism initiative, PPT Working Papers N.2, p. 44, 2001).

Tourism Policy and Planning

Appropriate regulations: Good policy must be followed up by good implementation, and this means the development of tourism regulations that (i) do not discourage development unnecessarily; (ii) are not biased against the poorer (and less well-connected entrepreneurs); and (iii) maximise opportunities to encourage or require operators to incorporate pro-poor measures into their business practice (e.g. regulations that grade and classify accommodation or licensed guides should include the more basic categories).

Pro-poor planning: There are a number of specific policy tools that national and local governments can use to maximise poverty impacts. These include:

- setting tourism development objectives that include the goals of stimulating local economic development;
- product development plans that include rural/ cultural/ adventure/ community tourism, or other products suitable to development in poorer areas and by small-scale entrepreneurs and for which there is a defined market;
- using tourism planning procedures that include consultation, and influence siting to increase physical access of the poor to tourism markets, infrastructure and services;
- including pro-poor criteria in concession or licensing procedures for access to sites within protected areas, wildlife quotas, or other tourism development sites.

Wildlife management: Many poor countries are rich in biodiversity and their tourism industries revolve around wildlife viewing and ecotourism. However, wildlife conservation - particularly where it is associated with protected areas based on the exclusion of local people – can have a negative impact on poverty. Pro-poor approaches to conservation that deliver on poverty reduction objectives include:

- Conservation strategies that embrace the need for overall sustainability but within that exploit the economic potential of sustainable use of wildlife.
- Management of national parks and game reserves in ways that seek to build linkages with surrounding areas and entrepreneurs – through the use of local transport infrastructure, procurement of local supplies for services within park boundaries, providing marketing and/or operational sites for local businesses (taxis, crafts), two-way flow of information, and expectations of how park staff and any private concessionaires operate.
- National strategies that *harness* the international conservation agenda and the flow of funds for international public goods for the benefit of local economic development.
- Analysis of the opportunity costs of setting productive land aside for wildlife conservation and of how tourism revenue affects the trade-off.

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