

Sheet No. 9: Tourism in Poverty Reduction Strategy Papers (PRSPs)

Poverty Reduction Strategy Papers (PRSPs) describe a country's macroeconomic, structural and social policies and programmes to promote growth and reduce poverty. Many developing countries that have produced these strategies have included tourism amongst the economic sectors expected to contribute to poverty reduction. Some countries that highlight tourism are not those readily associated with the industry, including Bangladesh, the Central African Republic, Sierra Leone and Guinea – but they had still identified tourism as an important sector. There are however considerable differences between countries in the role that they see for tourism.

It is important that government officials as well as others are educated about the potential role of tourism in economic development and poverty reduction. Tourism can generate different types of local cash income from wages from formal employment, casual labour and earnings from selling goods; dividends from profits arising from locally owned enterprises; and collective income: this may include profits from a community run enterprise, dividends from private-sector partnership and land rental paid by an investor. (Cambodia PRSP)

For most, the focus is on the macro-economic benefits of tourism including: employment, economic growth/GDP contributions, foreign exchange earnings and private sector investment.

While these might seem laudable objectives, research has demonstrated – and it is generally accepted – that poverty reduction requires more than these macro-level impacts. It is not just growth that is needed, but growth that specifically benefits poor people – pro-poor growth. A significant number of PRSPs do talk about tourism as contributing to pro-poor

growth while others identify issues that have been noted in PPT research as important strategies for Pro-Poor Tourism. These include an emphasis on the development of, and support to, small enterprises, linkages with other economic sectors – particularly agriculture and fisheries, the importance of minimising or mitigating negative environmental impacts and the enhancement of local culture. Within the focus on employment, there is also an acknowledgement of the importance of local jobs. Some countries include very explicit elements of Pro-Poor Tourism:

The growth in demand for locally-produced goods and services is an important factor for raising incomes of local producers...The tourism sector has the potential to contribute to this increase in demand, covering also small producers and communities (Mozambique PRSP)

- Cambodia notes the importance of tourism as a source of non-wage income as well as formal salaries;
- Malawi emphasises the benefits tourism can bring to poor people in the form of improved infrastructure, enhanced security, off-farm diversification;
- Mozambique highlights the role tourism has to play in stimulating the use of local goods and services;
- Nepal sees tourism as a good mechanism for rural diversification;
- Yemen encourages tourism but notes the potential conflicts that can arise as a result and stresses the need to maintain local access to natural resources such as fisheries;
- Zambia includes amongst the benefits of tourism training, local involvement, and integration of the informal sector.

An example of a country emphasising Pro-Poor Tourism in its PRSP is Yemen. In the PRSP it highlights the potentially negative environmental impacts of tourism and the need to ensure that access to natural resources - such as water, fisheries and so on - for local people is maintained. It also stresses the need for community involvement, training and capacity building the importance of domestic as well as international tourism. The Tourism Policy by contrast simply focuses on the promotion of tourism in the international market place.

The majority of countries mentioning tourism in their PRSPs also have a sectoral tourism policy - although there is little cross-referencing between the two. However, a number of countries which stress tourism as a form of pro-poor growth in their PRSPs do not back this up in their sectoral policies and plans. Meanwhile, other countries which do not elaborate on tourism for pro-poor growth in their PRSP do emphasise this in sectoral plans. The Gambia, for example, pays only limited attention to tourism in its PRSP, identifying agriculture as the key sector that affects the majority of the country's poor. The Tourism Development Policy, however, emphasises the need for growth that contributes to socio-economic development. Tanzania and Uganda go even further, scarcely mentioning tourism in their PRSPs but developing national tourism policies whose primary focus is poverty reduction.

Governments have a critical role to play in setting the framework under which tourism develops and in shaping its impacts on poverty reduction (see Info Sheet No 8). However, experience to date with PRSPs demonstrates that the pro-poor potential of tourism is largely unrecognised and often poorly articulated. Maximising the potential of tourism to contribute to poverty reduction requires:

- Greater clarity on national priorities;
- Greater coherence - both between tourism policy and poverty reduction policy and within tourism between different policies, plans, regulations and so on;
- Better promotion and implementation of national policy to ensure that good policy is translated into good practice.

These Pro-Poor Tourism Info-Sheets are produced by the Pro-Poor Tourism Partnership, with funding from the UK Department for International Development (DFID). They were written by Caroline Ashley, Dorothea Meyer, Dilys Roe and Harold Goodwin, and draw on a number of PPT reports and products. The opinions expressed are those of the authors and are not necessarily those of DFID. While copyright rests with the PPT Partnership, we encourage you to re-produce and share these sheets with others, while ensuring the PPT Partnership is credited and informed.

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