

TOURISM AND POVERTY REDUCTION

ROMAN LIVANDOVSKI

PhD, Assoc. Prof., Department of Trade, Tourism and Catering

Academy of Economic Studies from Moldova

Chisinau, Republic of Moldova

roman.livandovski@ase.md

ORCID ID: 0000-0002-9244-990X

IGOR MELNIC

PhD, Assoc. Prof., Department of Marketing and Logistics

Academy of Economic Studies from Moldova

Chisinau, Republic of Moldova

melnic.igor@ase.md

ORCID ID: 0000-0002-8790-4912

Abstract: Tourism is considered by many developing countries to be an important factor in economic progress and poverty reduction. It is therefore evident that the link between them is not automatic. It can only exist if tourism creates new jobs, establishes linkages – mainly with agriculture and services– and stimulates the development of basic infrastructure through the construction of access roads, ports and airports and the provision of financial services that benefit the entire economy.

Tourism development must also be part of a national strategy that provides a general, regulatory and institutional framework with adequate incentives to stimulate the development of supply in domestic markets. The extent to which the national strategy limits financial leakages that are detrimental to the country's economy, which usually is a chronic issue in the majority of developing countries, and the efforts made to lessen the negative impact of tourism on the environment and cultural heritage are also important. The way to make tourism more sustainable and contribute to the achievement of the sustainable development goals of developing countries remains an issue that requires urgent attention.

The fight against poverty has become inseparable from development. Although most analyses still focus mainly on its economic dimensions, poverty is now understood by researchers, but also by governmental and non-governmental institutions, as a complex multidimensional concept that challenges all disciplines. Due to its phenomenal growth in developing countries in recent decades, tourism is often considered by these same actors as a vector for the fight against poverty, of which "pro-poor" tourism remains the best-known example. Based on the scientific literature, this article offers an overview of research dealing with the relationships between tourism and poverty in developing countries.

Keywords: Tourism, poverty, development, regional development, sustainable development.

JEL Classification: O13, R11, Z32.

Introduction

Engine of growth, locomotive of economic and even sustainable development, factor of change, field conducive to intercultural exchanges, etc., are so many qualifiers designating the objectives assigned to tourism. The latest is to make it a factor of social and spatial equity to reconcile all territories, whether rich or poor.

The relationship between tourism and poverty certainly covers new dimensions. Is it a new paradigm or just the normal evolution of an activity with a strong economic and political content?

Sustainable, responsible, fair, supportive and even humanitarian, tourism is not only a multidimensional phenomenon. It is also complex, generating changes and structuring of social and territorial systems and producing new human relationships.

New meanings and values are then granted to tourism. When it is "sustainable", to take only this qualifier, it should also be so for the population it concerns. If this population maintains its forms of production, tourism should respect it as it is. The question then arises of the nature of this tourism, but also, and above all, of the balance (if it takes place) established by this population. But this balance can also be made of underemployment, unsatisfactory for this population in its entirety or at least for a part of it. Can tourism, however sustainable it may be, disrupt this balance made of underemployment or on the contrary contribute to its eradication? Indeed, tourism is sought after by many countries (mainly developing ones) for the benefits it would generate, particularly in terms of employment.

Today, the various national and international actors are displaying their expectations regarding tourism, which should not only be a sector for opening up countries and civilizations but also a vector for human and social development. Poverty reduction is increasingly becoming a major societal issue. It is thus the unifying mission of several sectors and various actors in social action, especially when poverty is linked to different socio-economic factors, in this case unemployment, illiteracy, infant mortality and environmental degradation, etc. In this fight against poverty, tourism can then be an opportunity to seize. By what means? With which actors? By relying on what philosophy? On what approaches? With what limits and risks? Or is tourism, on the contrary, only a "selfish", capitalist economic activity, causing injustice, misery, social vulnerability and sending the native back to an irreducible otherness; and therefore, could it ultimately only be a factor aggravating poverty in all its complexity?

Poverty is a major problem in developing countries and tourism is a new economic issue for most of these countries, but the relationships between the two remain ambiguous on several levels. Making these relationships more intelligible indeed requires special insight and in-depth reflection, because their scope covers several dimensions and involves a multitude of uncertainties. Poverty and its paradoxes lead us, firstly, to question the nature of the distribution of wealth due to tourism. What trade-offs then can be made to address potential inequalities?

The notion of border as a referent deserves to be questioned and analyzed, either between what is poor and what is not (Simmel, 1907; Selimanovski, 2008) and between what is intended to tourists and what is not, and of course between territories of poverty and tourist territories, between what is economic and what is social, between the competitive and the equitable, between territories of exclusion and territories of dependence (Scholz, 2005). These borders challenge more than ever the notion of territorial and social integration at different scales. They are not only spatial, economic and social, but also psychological and cultural representational.

Borders and integration would require appropriate approaches and intervention strategies capable of building bridges between the "rich" territories of tourism and the territories of poverty and exclusion, in other words between "lands of exclusion" and "lands of hope" (Bailly, 1997), to finally create spaces of understanding and cultures of sharing. How can the poor become real actors in tourism capable of reaping the dividends? And how, conversely, can tourism be made a lever for solidarity development and an instrument for reducing poverty?

Tourism is undoubtedly the economic sector par excellence that mobilizes human flows in the world for a labor-intensive activity and which occupies one of the first places, by its revenues, in international trade. But public policies, in the countries sending or receiving tourist flows, have long ignored the possibility of crossover and sharing between tourism policies seeking competitiveness and social policies seeking to be more equitable and supportive. How can these different policies be well articulated to serve poverty reduction or to produce "shared prosperity"? What strategies should be adopted? What roles should the different actors and cooperation organizations play? And how can the indisputable economic benefits of tourism be more precisely assessed?

Another aspect that deserves to be addressed in the context of the prospects for good coordination between tourism and poverty is that of the place of tourism in the development of territorial resources that can be mobilized for local and regional development. Under certain conditions, which remain to be specified, tourism can play an important role in the process of building the territorial resource, in the sense that it allows the revelation, by external actors, of resources likely to then enter into a process of specification and conservation, then development. It can enhance "ignored" resources or sometimes even those that have a handicap status such as snow, relief, sand dunes, sea waves, etc.

To address this issue, three axes have been included to describe, analyze, synthesize and explore the relationships between tourism and poverty. This involves firstly dealing with the theoretical and methodological positions of the relationship between tourism and human and social development. In a second axis, the emphasis is placed on the diagnosis that can address the opportunities and threats resulting from the interactions between tourism and poverty. A third axis attempts to identify the possibilities offered by tourism to combat poverty by proposing basic elements for developing strategies and links between these two sectors.

1 Tourism and poverty: what role for "pro-poor" tourism?

Tourism is one of the major socio-economic phenomena of the 21st century. Since the early 1950s, it has branched out, diversified and multiplied to the point of becoming one of the largest and fastest growing economic sectors in the world.

According to the first UNWTO World Tourism Barometer of the year, international tourism ended 2023 at 88% of pre-pandemic levels, with an estimated 1.3 billion international arrivals. The unleashing of remaining pent-up demand, increased air connectivity, and a stronger recovery of Asian markets and destinations, are expected to underpin a full recovery by the end of 2024. International tourism receipts reached USD 1.4 trillion in 2023 according to preliminary estimates, about 93% of the USD 1.5 trillion earned by destinations in 2019 (UNWTO, 2024).

In this context, most governments in the developed and developing countries consider tourism as a strategic economic activity and a tool for local development (Sharpley and Telfer, 2008; Duffy, 2002). Most countries that have developed a Poverty Reduction Strategy Paper (PRSP) cite tourism as a vector for economic growth, job creation and poverty reduction. The importance of this role is based on particularly impressive growth in so-called emerging and developing countries, whose share of international tourists has continued to grow over the last few decades. It is not surprising, under these conditions, to see the emergence over the last years of a discourse actively associating tourism with the fight against poverty, the best-known term of which is that of "pro-poor tourism" (PPT).

As Scheyvens (2011) suggests, the growing interest in PPT stems from the "development industry's" choice to place poverty reduction at the center of its actions. The energy deployed around the MDGs

contributed to the emergence of a certain number of so-called “pro-poor” approaches that explicitly focus on the poorest in a society, as exemplified by pro-poor growth or conservation strategies. Thus, beginning with the late 1990s, attention turned to a form of tourism that specifically targets the poor. Recognizing the central role of the market and the phenomenal growth of the tourism industry, these documents draw attention to ways to maximize tourism’s potential in combating poverty.

Pro-poor tourism can be defined as tourism which generates “net benefits” for the poor, which can be economic, social, environmental or cultural (Ashley et al., 2001). The definition does not refer to the distribution of these benefits. Thus, as long as the poor derive “net benefits”, tourism can be described as pro-poor. This type of tourism is therefore neither a specific product nor a particular sector of tourism, but rather an approach to the industry. The instigators of the “movement” have insisted from the beginning on the importance of the market and commercial viability as the basis for intervention, positioning tourism from the outset as a private sector activity operating within a capitalist framework with mixed effects.

The World Tourism Organization (UNWTO) and the United Nations Conference on Trade and Development (UNCTAD) have led the launch of the Sustainable Tourism –Eradication of Poverty (ST-EP) initiative (UNWTO, 2024).

The ST-EP initiative proposes seven mechanisms that the poor people can benefit from tourism (Yunis, 2004): 1) Employment of poor people by tourism enterprises; 2) Provision of goods and services to tourism enterprises by the poor or by enterprises employing the poor; 3) Direct sales of tourism products to visitors by the poor (informal economy); 4) Creation and management of tourism enterprises by the poor (formal economy); 5) Taxes or levies on income or profits from tourism, the proceeds of which benefit the poor; 6) Voluntary donations and aid from tourism enterprises and tourists; 7) Infrastructure investments stimulated by tourism and from which the poor can also benefit where they live. However, these mechanisms are almost all focused on the economic dimension of poverty, and the emphasis is on the destination rather than on ways to change relationships between actors at the national or global level. Several reports have been published by the UNWTO since the launch of this initiative and several projects have been initiated.

The existence of a consensus on the role that tourism has played so far in reducing poverty is however still not clear and Mitchell and Ashley (2010) identify three good reasons for taking an interest in it: 1) Tourism is an important component of the economy of most poor countries; 2) Growth prospects are very good for the future; 3) Tourism has demonstrated in the past that it can help the most deprived when the conditions are right. These elements demonstrate the importance and complexity of the issues underlying the relationship between tourism and the fight against poverty. Consequently, it would be useful to understand how scientific thinking on the subject is organized and to grasp the scope and limits of the analyses proposed by researchers.

2 The main research approaches

A review of the research themes in the field that links tourism and the fight against poverty allows us to note their heterogeneity. Indeed, the research is multiple in terms of the objects treated, the approaches used, the concepts mobilized and the units of analysis chosen. Whatever the research theme addressed the particularity of the research field that links tourism and the fight against poverty, and what distinguishes it from other research fields, is the use of particular theories and approaches. On this subject, Scheyvens (2011) demonstrates quite convincingly that the conception of the

relations between tourism and poverty is complex and varies according to the theoretical anchoring or the perspective adopted by the authors. The research work, but also the policies, strategies and projects that claim to be pro-poor tourism are influenced to varying degrees by a few theoretical perspectives.

According to the neoliberal perspective, tourism development is encouraged through market liberalization and some form of democratization and decentralization; through investments in developing countries that lead to an increased presence of foreign companies in these new tourist markets; and thus tourism is seen primarily as an economic sector that helps reduce or eliminate poverty in which public-private partnerships are encouraged.

If the definition of poverty were to be broadened to include, for example, socio-political dimensions, this "enthusiastic" and unqualified expansion of tourism could have negative repercussions on several social groups, whether marginalized or not. For his part, Butcher (2011) suggests that the integration of conservation and development objectives through ecotourism projects at a strictly local level limits the possibilities for communities to escape poverty. According to him, we should instead not be afraid to bet on the development of mass tourism and strong economic growth.

The critical perspective, on the contrary, presents tourism as a Trojan horse in areas that are poorly integrated into global capitalism, emphasizing the existence of a socio-economic gap between visitors and those visited. According to the alternative development perspective, tourism offers poor communities a way to diversify their livelihoods and future prospects. These communities are also invited to actively participate in the development of tourism projects, and the strengthening of their empowerment constitutes a central element of the expected benefits.

Finally, Scheyvens (2011) proposes a poststructuralist perspective that places tourism outside of a Manichean logic (tourism is good or bad). According to this approach, tourism is seen as a complex system within which communities, like other actors, can — and must — exercise a certain power by multiple means.

3 The potential role of tourism in economic growth and poverty reduction

The development of the tourism sector involves various actors ranging from government – which influences its development through intervention, infrastructure development and regulation – to the main players in the private sector. The latter include the many small and large local and foreign companies that provide equipment and services, such as hotels, restaurants, transport companies, local guides and providers of various leisure and entertainment services.

This diversity poses a difficult problem. On the one hand, it shows that unlike other sectors that are by nature enclaves, such as the extractive sector, tourism establishes relationships between sectors of the economy and, therefore, has a greater chance of contributing to economic diversification. On the other hand, the great diversity of actors and activities in the tourism sector makes it more difficult to inscribe this sector in the long term, which requires that each area or activity be sustainable. A plethora of policies and regulations, investments and training, are needed to inscribe all tourism activities in the long run and to sustain the tourism development.

The contribution of the tourism industry to economic growth, job creation, national capacity building and poverty reduction depends on the following factors:

- The degree to which the tourism sector is part of the national economy through its linkages with other sectors and its integration into regional and international value chains;

- The degree to which tourism revenues, including foreign exchange, are used to finance infrastructure development, support local businesses, particularly small and medium-sized enterprises (SMEs), and develop the skills and institutions needed to create a vibrant local economy;
- The policies and strategies adopted by the public authorities and the extent to which these provide incentives for increased domestic and foreign investment in tourism and for transfers of technology and know-how, and target areas where poor people live and work;
- National efforts to ensure that tourism follows the steps of sustainable development and reach economic, social and environmental issues.

The value chain of tourism can span many economic sectors. Promoting it will require building and operating hotels, restaurants and other tourism facilities through backward linkages and the provision of basic infrastructure services.

The tourism sector can also create an extensive network of downstream relationships with sectors that provide services consumed by tourists (financial services, telecommunications, retail services, recreational and cultural services, personal services, hotel services, security and health services). Also, countries that wish to consolidate their tourism industry will need to develop other supporting infrastructure, including airports, adequate roads, ports, hospitals and banks, which are essential to ensure access to quality services and create a competitive tourist destination.

However, building linkages cannot be achieved without an efficient national strategy that includes specific policies, regulatory and institutional frameworks, and sufficient incentives to stimulate private investment. Having a national strategy is essential, but equally important is the active involvement of governments in building the basic infrastructure. Developing countries that have been most successful in developing tourism industry are those that have set up a precise strategy that involves both the public and private sectors in investing and building the essential tourism infrastructure.

However, in many developing countries, links to tourism remain tenuous and underexploited. As a result, foreign investors, international tour operators and foreign airlines tend to capture most of the value added in the tourism sector, from which the poor derive only limited benefit. For example, Mitchell and Ashley suggest that at best, between 20-30% of total on-site tourist spending benefits the poor directly or through supply chains (Mitchell J. and Ashley C.).

Therefore, to design strategies for sustainable tourism, governments need to identify and assess potential leakages from tourism value chains into the economy. For example, agriculture is a major sector with close linkages to tourism, with hotels and restaurants requiring a steady and large supply of food and beverages. Tourists spend about a third of their expenditure on food (Telfer D. J. and Wall G.).

Conclusion

Tourism alone cannot eliminate poverty, but it can make a significant contribution to it. The impact of tourism on poverty reduction depends on a number of factors. For example, it depends on the type of tourism – mass tourism or specialized or exclusive tourism. The former is most likely to create more jobs, including semi-skilled jobs, and to provide opportunities for the poor or small businesses to sell goods and services directly to visitors. However, mass tourism may pose its own challenges related to pressure on the country's resources, the environment and the preservation of cultural heritage. It must be accompanied by a strategy to minimize any potential negative effects.

The impact of tourism on poverty reduction also depends on the level of spending that tourists make or are encouraged to make while they are there. This is important because discretionary spending

tends to benefit the poor (often through the informal economy) to a much higher extent than major expenditure items such as accommodation, tour operators and international travel.

Countries, particularly low-income developing countries, face a range of challenges and constraints in developing their tourism sectors. Some of these challenges are related to external factors beyond the control of national actors or governments. For example, tourism activities are sensitive to global and regional economic conditions (about periods of growth or recession) and to mitigate the disaster and epidemic events. These factors can significantly influence tourists' travel choices.

Tourism is a significant source of revenue for both the local and international economies. How to capture a larger share of this revenue is a continuing challenge for most poor countries that rely on tourism for their development. The share that is not retained in the local economy – leakage – limits multiplier effects and therefore reduces the positive economic impact and development potential of the sector. Leakage occurs when tourism-related goods and services need to be sourced from abroad. It may consist of profits and revenues paid abroad to international tour operators, the cost of imported goods and services, or interest payments.

Maximizing the potential of tourism industry implies coherent and comprehensive policy frameworks that must ensure that sustainable tourism is well established into the country's economic, social and environmental policies. It also requires strong tourism organizations that can coordinate with other government agencies and stakeholders such as local authorities, the private sector and NGOs. This is a challenging task, given that the sector is fragmented into many enterprises, particularly small, medium and micro-enterprises.

The promotion and marketing of tourist destinations requires a coordinated approach defined in collaboration with the private sector. Investment promotion agencies can play an important role in establishing contacts with foreign investors by interesting them in projects that are economically, socially and environmentally viable.

Cultural heritage is a key driver of tourism, but large crowds of visitors can pose a significant risk to the conservation of these sites. Developing partnerships with local communities is essential to the development of cultural heritage sites so that the impact of tourism on them can be assessed and managed. Tourism development can contribute to raising awareness of natural and cultural heritage and provide incentives to devote more resources to protecting and conserving this heritage. It can even contribute to the perpetuation, renewal and strengthening of traditions. However, it can also have negative consequences for the local population. At the outset of projects, it is important to consider economic measures to compensate for and mitigate the unavoidable effects.

Tourism can contribute to economic growth and poverty reduction in low-income developing countries. The sector's ability to create jobs and income, through the upstream and downstream linkages it creates, makes it an important sector for economic diversification and growth. However, the negative impacts it can have on the environment and culture cannot be ignored. If tourism is to become a source of long-term employment and income and contribute to sustainable development, the exploitation of this sector, including related activities, must also be sustainable, hence the need to develop ambitious strategies and policies.

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